UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2017
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to
Commission file number 1-10934

ENBRIDGE INC.
(Exact Name of Registrant as Specified in Its Charter)

Canada	**None**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

200, 425 - 1st Street S.W.
Calgary, Alberta, Canada T2P 3L8
(Address of Principal Executive Offices) (Zip Code)
Registrant's telephone number, including area code **(403) 231-3900**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
Common Shares	New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer ☒	Accelerated Filer ☐
Non-Accelerated Filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐
Emerging growth company ☐	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).Yes ☐ No ☒

The aggregate market value of the registrant's common shares held by non-affiliates computed by reference to the price at which the common equity was last sold on June 30, 2017, was approximately US$65,416,118,124.

As at February 9, 2018, the registrant had 1,695,190,292 common shares outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:
Portions of the proxy statement for the 2018 Annual Meeting of Shareholders are incorporated by reference in Part III.

GLOSSARY

AOCI	Accumulated other comprehensive income/(loss)
ARO	Asset retirement obligations
ASU	Accounting Standards Update
BC	British Columbia
bcf/d	Billion cubic feet per day
bpd	Barrels per day
Canadian L3R Program	Canadian portion of the Line 3 Replacement Program
Canadian Restructuring Plan	Transfer of Enbridge's Canadian Liquids Pipelines business, held by EPI and Enbridge Pipelines (Athabasca) Inc., and certain Canadian renewable energy assets to the Fund Group, which was effective on September 1, 2015
CTS	Competitive Toll Settlement
Dawn	Dawn Hub
DCP Midstream	DCP Midstream, LLC
Duke Energy	Duke Energy Corporation
EaR	Earnings-at-Risk
EBITDA	Earnings before interest, income taxes and depreciation and amortization
ECT	Enbridge Commercial Trust
EEP	Enbridge Energy Partners, L.P.
EGD	Enbridge Gas Distribution Inc.
EIPLP	Enbridge Income Partners LP
EIS	Environmental Impact Statement
Enbridge	Enbridge Inc.
ENF	Enbridge Income Fund Holdings Inc.
EPI	Enbridge Pipelines Inc.
EUB	New Brunswick Energy and Utilities Board
FERC	Federal Energy Regulatory Commission
Flanagan South	Flanagan South Pipeline
GHG	Greenhouse gas
HLBV	Hypothetical Liquidation at Book Value
IDR	Incentive Distribution Rights
IJT	International Joint Tariff
IR Plan	EGD's Incentive Rate Plan
ISO	Incentive Stock Options
L3R Program	Line 3 Replacement Program
Lakehead System	Lakehead Pipeline System
LIBOR	London Interbank Offered Rate
LMCI	Land Matters Consultation Initiative
LNG	Liquefied natural gas
MD&A	Management’s Discussion and Analysis
MEP	Midcoast Energy Partners, L.P.
Merger Transaction	Combination of Enbridge and Spectra Energy through a stock-for-stock merger transaction which closed on February 27, 2017
MNPUC	Minnesota Public Utilities Commission

MW	Megawatts
NEB	National Energy Board
NGL	Natural gas liquids
Noverco	Noverco Inc.
NYSE	New York Stock Exchange
OCI	Other comprehensive income/(loss)
OEB	Ontario Energy Board
OPEB	Other postretirement benefit obligations
OPEC	Organization of Petroleum Exporting Countries
PennEast	PennEast Pipeline Company LLC
ROE	Return on equity
RSU	Restricted Stock Units
Sabal Trail	Sabal Trail Transmission, LLC
Sandpiper	Sandpiper Project
Seaway Pipeline	Seaway Crude Pipeline System
Secondary Offering	ENF's secondary offering of 17,347,750 ENF common shares to the public on April 18, 2017
SEP	Spectra Energy Partners, LP
Spectra Energy	Spectra Energy Corp
TCJA	the “Tax Cuts and Jobs Act”
Texas Eastern	Texas Eastern Transmission, L.P.
the Court	United States District Court for the District of Columbia
the Fund	Enbridge Income Fund
the Fund Group	The Fund, ECT, EIPLP and the subsidiaries and investees of EIPLP
TSX	Toronto Stock Exchange
the Tupper Plants	Tupper Main and Tupper West gas plants
Union Gas	Union Gas Limited
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S. L3R Program	United States portion of the Line 3 Replacement Program
Vector	Vector Pipeline L.P.
VIE	Variable interest entities
WCSB	Western Canadian Sedimentary Basin

CONVENTIONS

The terms "we", "our", "us" and "Enbridge" as used in this report refer collectively to Enbridge Inc. unless the context suggests otherwise. These terms are used for convenience only and are not intended as a precise description of any separate legal entity within Enbridge.

Unless otherwise specified, all dollar amounts are expressed in Canadian dollars, all references to “dollars”, “$” or “C$” are to Canadian dollars and all references to “US$” are to United States dollars. All amounts are provided on a before tax basis, unless otherwise stated.

FORWARD-LOOKING INFORMATION

Forward-looking information, or forward-looking statements, have been included in this annual report on Form 10-K to provide information about us and our subsidiaries and affiliates, including management's assessment of Enbridge and its subsidiaries' future plans and operations. This information may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as ''anticipate", "expect", "project", "estimate", "forecast", "plan", "intend", "target", "believe", "likely" and similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information or statements included or incorporated by reference in this document include, but are not limited to, statements with respect to the following: expected earnings before interest, income taxes and depreciation and amortization (EBITDA); expected earnings/(loss); expected earnings/(loss) per share; expected future cash flows; expected performance of the Liquids Pipelines, Gas Transmission and Midstream, Gas Distribution, Green Power and Transmission, and Energy Services businesses; financial strength and flexibility; expectations on sources of liquidity and sufficiency of financial resources; expected costs related to announced projects and projects under construction; expected in-service dates for announced projects and projects under construction; expected capital expenditures; expected equity funding requirements for our commercially secured growth program; expected future growth and expansion opportunities; expectations about our joint venture partners' ability to complete and finance projects under construction; expected closing of acquisitions and dispositions; estimated future dividends; recovery of the costs of the Canadian portion of the Line 3 Replacement Program (Canadian L3R Program); expected expansion of the T-South System and Spruce Ridge Program; expected capacity of the Hohe See Expansion Offshore Wind Project; expected costs in connection with Line 6A and Line 6B crude oil releases; expected effect of Aux Sable Consent Decree; expected future actions of regulators; expected costs related to leak remediation and potential insurance recoveries; expectations regarding commodity prices; supply forecasts; expectations regarding the impact of the Merger Transaction including our combined scale, financial flexibility, growth program, future business prospects and performance; impact of the Canadian L3R Program on existing integrity programs; the sponsored vehicle strategy; dividend payout policy; dividend growth and dividend payout expectation; expectations on impact of hedging program; and expectations resulting from the successful execution of our 2018-2020 Strategic Plan.

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

Our forward-looking statements are subject to risks and uncertainties pertaining to the impact of the Merger Transaction, operating performance, regulatory parameters, dividend policy, project approval and support, renewals of rights-of-way, weather, economic and competitive conditions, public opinion, changes in tax laws and tax rates,

changes in trade agreements, exchange rates, interest rates, commodity prices, political decisions and supply of and demand for commodities, including but not limited to those risks and uncertainties discussed in this annual report on Form 10-K and in our other filings with Canadian and United States securities regulators. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these are interdependent and our future course of action depends on management's assessment of all information available at the relevant time. Except to the extent required by applicable law, Enbridge Inc. assumes no obligation to publicly update or revise any forward-looking statements made in this annual report on Form 10-K or otherwise, whether as a result of new information, future events or otherwise. All subsequent forward-looking statements, whether written or oral, attributable to us or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements.

PART I

ITEM 1. BUSINESS

Enbridge is a North American energy infrastructure company with strategic business platforms that include an extensive network of crude oil, liquids and natural gas pipelines, regulated natural gas distribution utilities and renewable power generation assets. We deliver an average of 2.8 million barrels of crude oil each day through our Mainline and Express Pipeline, and account for approximately 65% of United States-bound Canadian crude oil exports. We also move approximately 20% of all natural gas consumed in the United States, serving key supply basins and demand markets. Our regulated utilities serve approximately 3.7 million retail customers in Ontario, Quebec and New Brunswick. We also have interests in more than 2,500 megawatts (MW) of net renewable power generation capacity in North America and Europe. We have ranked on the Global 100 Most Sustainable Corporations index for the past eight years. Our common shares trade on the Toronto Stock Exchange (TSX) and the New York Stock Exchange (NYSE) under the symbol ENB. We were incorporated on April 13, 1970 under the Companies Ordinance of the Northwest Territories and were continued under the Canada Business Corporations Act on December 15, 1987.

On February 27, 2017, we announced the closing of the combination of Enbridge and Spectra Energy Corp. (Spectra Energy) through a stock-for-stock merger transaction (the Merger Transaction).

Spectra Energy, now wholly-owned by Enbridge, is one of North America's leading natural gas delivery companies owning and operating a large, diversified and complementary portfolio of gas transmission, midstream gathering and processing and distribution assets. Spectra Energy also owns and operates a crude oil pipeline system that connects Canadian and United States producers to refineries in the United States Rocky Mountain and Midwest regions. The combination with Spectra Energy has created the largest energy infrastructure company in North America with an extensive portfolio of energy assets that are well positioned to serve key supply basins and end use markets and multiple business platforms through which to drive future growth.

A more detailed description of each of the businesses and underlying assets acquired through the Merger Transaction is provided below under *Business Segments.*

CORPORATE VISION AND STRATEGY

VISION

Our vision is to be the leading energy delivery company in North America. In pursuing this vision, we play a critical role in enabling the economic well-being and quality of life of North Americans, who depend on access to plentiful energy. We transport, distribute and generate energy, and our primary purpose is to deliver the energy North Americans need, in the safest, most reliable and most efficient way possible.

Among our peers, we strive to be the leader, which means not only leadership in value creation for shareholders, but also leadership with respect to worker and public safety and environmental protection associated with our energy delivery infrastructure, as well as in customer service, community investment and employee satisfaction.

STRATEGY

Today, our business is balanced between oil and natural gas. The Merger Transaction combined Spectra Energy's natural gas transmission franchise, with our liquids pipeline business. Further, the Merger Transaction doubled the size of our utility business and now delivers energy to more than 3.7 million customers. This footprint provides us with scale and diversity to compete, to grow and to provide the energy people need and want.

Our 2018-2020 Strategic Plan (the Strategic Plan) sets a course for us for the next three years. Our focus, as set out in our Strategic Plan, is on what we do best - growing our pipeline and utility assets, and selling or monetizing assets that do not fit this model. Our core assets have highly predictable cash flows, align with our low risk value proposition and are expected to create a large set of organic growth opportunities through which to expand and extend our existing assets. With a significant amount of growth capital already secured through 2020, project execution, cost management and maintaining our financial strength and flexibility remain critical to our long-term success.

To achieve our objectives, we are focused on delivering on the strategic priorities outlined below.

Commitment to Safety and Operational Reliability
Safety and operational reliability remain the foundation for the Strategic Plan. The commitment to safety and operational reliability means achieving and maintaining industry leadership in safety (process, public and personal) and ensuring the reliability and integrity of the systems we operate in order to generate, transport and deliver energy and to protect the environment.

Maximize Value of Core Businesses
We are re-positioning our asset mix to a pure regulated pipeline and utility business model focusing on our core businesses: liquids pipelines and terminals; gas transmission and storage; and natural gas distribution. Our core assets have similar characteristics:

- Strategic positioning - between key supply basins with large, growing demand markets;
- Strong commercial underpinnings - long-term contracts, established customers, strong risk-adjusted returns; and
- Organic growth opportunities - the ability to create value by extending, expanding, repurposing, reconfiguring and replacing assets already in the ground.

By focusing on our core businesses and a regulated pipeline and utility model, we believe we will continue to deliver on the low-risk, reliable value proposition that has served our shareholders well over the years.

Complete Integration and Transformation
In 2017 we made substantial progress on the integration of Spectra Energy including operations and support functions, policies, management systems and establishment of a new, streamlined and lower cost organizational structure soon after close of the transaction. Simultaneous capture of cost savings due to combination synergies remain on track and slightly ahead of plan. Execution of planned synergies in 2018 and integration activities relating to information systems and other capabilities will continue. Prior to and in conjunction with this integration, given the increasingly competitive nature of our business, we established a target of top quartile cost performance. To achieve this, in conjunction with the integration we launched several projects to transform various processes, organizational capabilities and information systems infrastructure to improve how we do business and continuously drive cost efficiencies. Integration, these transformation projects, and our focus on cost leadership represent key priorities through the planning horizon.

Execute Capital Program
Our objective is to safely deliver projects on time and on budget and at the lowest practical cost while maintaining the highest standards for safety, quality, customer satisfaction and environmental and regulatory compliance. Project execution is integral to our near-term financial performance and balance sheet strength, but also to positioning the business for the long-term. Over the next three years, we plan to spend $22 billion on previously secured organic growth opportunities within our core businesses. Our secured capital program includes projects such as the Line 3 Replacement Program (L3R Program), NEXUS, Valley Crossing and the Hohe See Offshore Wind Project.

Through our major projects group, we continue to build upon and enhance the key elements of our project management processes, including: employee and contractor safety; long-term supply chain agreements; quality design, materials and construction; extensive regulatory and public consultation; robust cost, schedule and risk controls; and efficient transition of projects to operating units. Ensuring our project execution costs remain competitive in any market environment is a priority.

Strengthen Financial Position
The maintenance of financial strength is crucial to our growth strategy. Our financing strategies are designed to ensure we have sufficient financial flexibility to meet our capital requirements. To support this objective, we develop financing plans and strategies to diversify our funding sources and maintain substantial standby bank credit capacity and access to capital markets in both Canada and the United States. For further discussion on our financing strategies, refer to Part II. Item 7. *Management's Discussion and Analysis and Results of Operations - Liquidity and Capital Resources.*

Our funding plan is designed to sustain strong investment grade credit ratings, which are key to cost-effectively funding future growth. We have already begun taking actions to accelerate planned deleveraging and balance sheet strengthening, including the issuance of approximately $2 billion of new common equity and $500 million in preferred equity financing in late 2017. Over the remainder of the current planning horizon (2018-2020) we plan to continue to strengthen the balance sheet while building out the balance of our secured growth program. We plan to accomplish this through issuing additional hybrid securities, issuance of common equity through our Dividend Reinvestment Program and the sale or monetization of non-core assets.

Consistent with our risk management policy, we have implemented a comprehensive long-term economic hedging program to mitigate the impact of fluctuations in interest rates, foreign exchange and commodity price on our earnings and cash flow. This economic hedging program together with ongoing management of credit exposures to customers, suppliers and counterparties helps reinforce our reliable business model, which is one of the key tenets of our investor value proposition. For further details, refer to Part II. Item 7A. *Quantitative and Qualitative Disclosures About Market Risk*.

We continually assess ways to generate value for shareholders, including reviewing opportunities that may lead to acquisitions, dispositions or other strategic transactions, some of which may be material. Opportunities are screened, analyzed and assessed using strict operating, strategic and financial criteria with the objective of ensuring effective deployment of capital and enduring financial strength and stability.

Secure the Longer-Term Future
A key strategic priority is the development and enhancement of strategic growth platforms from which to secure our long-term future. We expect to benefit from a diversified set of strategic growth platforms, including liquids and gas pipelines, an attractive portfolio of regulated natural gas distribution utilities and a growing offshore renewable power generation business. The strength of the combined assets and geographic footprint will generate highly transparent and predictable cash flows underpinned by high quality commercial constructs that align closely with our investor value proposition and significant ongoing organic growth potential.

MAINTAIN THE FOUNDATION
Uphold Enbridge Values
We adhere to a strong set of core values that govern how we conduct our business and pursue strategic priorities, as articulated in our value statement: “Enbridge employees demonstrate integrity, safety and respect in support of our communities, the environment and each other”. Employees are expected to uphold these values in their interactions with each other, customers, suppliers, landowners, community members and all others with whom we deal and ensure our business decisions are consistent with these values. Employees and contractors are required, on an annual basis, to certify their compliance with our Statement on Business Conduct.

Maintain Our License to Operate
Earning and sustaining the trust of our stakeholders is critical to our ability to execute on our growth plans and ensure that our business strategy, as well as our corporate policies and management systems, are continuously informed by the social and environmental context surrounding our projects and operations. A key priority is to establish and maintain constructive relationships with local stakeholders over the life-cycle of our assets. The linear nature of our energy infrastructure puts us in contact with a large number of diverse communities, landowners and regulatory bodies across North America. Because Indigenous communities have distinct rights, we have dedicated resources focused on Indigenous consultation and inclusion. Early identification of local concerns enables us to respond quickly and take a proactive approach to problem solving. Early engagement also enables us to provide expanded opportunities for socio-economic participation through employment, training, and procurement, as well as through the development of joint initiatives on safety, environmental and cultural protection. More broadly, our goal is to build awareness and balanced dialogue on the role and value of the energy we deliver to our society and economy. We communicate with different stakeholders, decision makers, customers and other interested groups - including investors, employees and the public - about the access we provide to safe, reliable, affordable energy.

We provide annual progress updates related to the above initiatives in our annual CSR Report which can be found at http://csr.enbridge.com. ***Unless otherwise specifically stated, none of the information contained on, or connected to, the Enbridge website is incorporated by reference in, or otherwise part of, this Annual Report on Form 10-K.***

Attract, Retain and Develop Highly Capable People
Investing in the attraction, retention and development of employees and future leaders is fundamental to executing our growth strategy and creating sustainability for future success. We focus on enhancing the capability of our people to maximize the potential of our organization and undertake various activities such as offering accelerated leadership development programs, enhancing career opportunities and building change management capabilities throughout the enterprise so that projects and initiatives achieve intended benefits. Furthermore, we strive to maintain industry competitive compensation and retention programs that provide both short-term and long-term performance incentives to our employees.

BUSINESS SEGMENTS

Our activities are carried out through five business segments: Liquids Pipelines; Gas Transmission and Midstream; Gas Distribution; Green Power and Transmission; and Energy Services, as discussed below.

LIQUIDS PIPELINES

Liquids Pipelines consists of common carrier and contract pipelines that transport crude oil, natural gas liquids (NGL) and refined products and terminals in Canada and the United States, including the Canadian Mainline, Lakehead Pipeline System (Lakehead System), Regional Oil Sands System, Gulf Coast and Mid-Continent, Southern Lights Pipeline, Express-Platte System, Bakken System and other feeder pipelines.

MAINLINE SYSTEM

The mainline system is comprised of the Canadian Mainline and the Lakehead System. The Canadian Mainline is a common carrier pipeline system which transports various grades of oil and other liquid hydrocarbons within western Canada and from western Canada to the Canada/United States border near Gretna, Manitoba and Neche, North Dakota and from the United States/Canada border near Port Huron, Michigan and Sarnia, Ontario to eastern Canada and the northeastern United States. The Canadian Mainline includes six adjacent pipelines, with a combined operating capacity of approximately 2.85 million barrels per day (bpd) that connect with the Lakehead System at the Canada/United States border, as well as five pipelines that deliver crude oil and refined products into eastern Canada and the northeastern United States. It also includes certain related pipelines and infrastructure, including decommissioned and deactivated pipelines. We have operated, and frequently expanded, the Canadian Mainline since 1949. Effective September 1, 2015, the closing date of the Canadian Restructuring Plan (as defined below), we transferred the Canadian Mainline to the Fund Group (comprising Enbridge Income Fund (the Fund), Enbridge Commercial Trust, Enbridge Income Partners LP (EIPLP) and the subsidiaries
of EIPLP) - refer to Part II. Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations - Canadian Restructuring Plan.* The Lakehead System is the portion of the mainline system in the United States that continues to be managed by us through our subsidiaries, Enbridge Energy Partners, L.P. (EEP) and Enbridge Energy, Limited Partnership. It is an interstate common carrier pipeline system regulated by the Federal Energy Regulatory Commission (FERC), and is the primary transporter of crude oil and liquid petroleum from Western Canada to the United States.

Competitive Toll Settlement

The Competitive Toll Settlement (CTS) is the current framework governing tolls paid for products shipped on the Canadian Mainline, with the exception of Lines 8 and 9 which are tolled on a separate basis. The 10-year settlement was negotiated by representatives of Enbridge, the Canadian Association of Petroleum Producers and shippers on the Canadian Mainline. It was approved by the National Energy Board (NEB) on June 24, 2011 and took effect on July 1, 2011. The CTS provides for a Canadian Local Toll (CLT) for deliveries within western Canada, which is based on the 2011 Incentive Tolling Settlement toll, as well as an International Joint Tariff (IJT) for crude oil shipments originating in western Canada on the Canadian Mainline and delivered into the United States, via the Lakehead System, and into eastern Canada. These tolls are denominated in United States dollars. The IJT is designed to provide shippers on the mainline system with a stable and competitive long-term toll, thereby preserving and enhancing throughput on both the Canadian Mainline and the Lakehead System. The CLT and the IJT were both established at the time of implementation of the CTS and are adjusted annually, on July 1 of each year, at a rate equal to 75% of the Canada Gross Domestic Product at Market Price Index published by Statistics Canada. Two years prior to the end of the term of the CTS, we and the shippers will establish a group for the purposes of negotiating a new settlement to replace the CTS once it expires.

Although the CTS has a 10-year term, it does not require shippers to commit to certain volumes. Shippers nominate volumes on a monthly basis and we allocate capacity to maximize the efficiency of the Canadian Mainline.

Local tolls for service on the Lakehead System are not affected by the CTS and continue to be established pursuant to the Lakehead System's existing toll agreements, as described below. Under the terms of the IJT agreement between us and EEP, the Canadian Mainline's share of the IJT relating to pipeline transportation of a batch from any western Canada receipt point to the United States border is equal to the IJT applicable to that batch's United States delivery point less the Lakehead System's local toll to that delivery point. This amount is referred to as the Canadian Mainline IJT Residual Benchmark Toll and is denominated in United States dollars.

Lakehead System Local Tolls
Transportation rates are governed by the FERC for deliveries from the Canada/United States border near Neche, North Dakota and from Clearbrook, Minnesota to certain principal delivery points. The Lakehead System periodically adjusts these transportation rates as allowed under the FERC's index methodology and tariff agreements, the main components of which are base rates and Facilities Surcharge Mechanism. Base rates, the base portion of the transportation rates for the Lakehead System, are subject to an annual adjustment which cannot exceed established ceiling rates as approved by the FERC. The Facilities Surcharge Mechanism allows the Lakehead System to recover costs associated with certain shipper-requested projects through an incremental surcharge in addition to the existing base rates, and is subject to annual adjustment on April 1.

REGIONAL OIL SANDS SYSTEM
The Regional Oil Sands System includes four intra-Alberta long haul pipelines, the Athabasca Pipeline, Waupisoo Pipeline, Woodland Pipeline and the recently completed Wood Buffalo Extension/Athabasca Twin pipeline system as well as two large terminals: the Athabasca Terminal located north of Fort McMurray, Alberta and the Cheecham Terminal, located south of Fort McMurray. The Regional Oil Sands System also includes numerous laterals and related facilities which provide access for oil sands production to the system, and a long-haul intra-Alberta pipeline that transports diluent from the Edmonton, Alberta region into the oil sands producing regions located north and south of Fort McMurray, Alberta. The Regional Oil Sands System currently serves twelve producing oil sands projects.

The Athabasca Pipeline is a 540-kilometer (335-mile) synthetic and heavy oil pipeline. Built in 1999, it links the Athabasca oil sands in the Fort McMurray region to the major Alberta crude oil pipeline hub at Hardisty, Alberta. The Athabasca Pipeline's capacity is 570,000 bpd, depending on crude slate. We have long-term take-or-pay and non take-or-pay agreements with multiple shippers on the Athabasca Pipeline. Revenues are recorded based on the contract terms negotiated with the major shippers, rather than the cash tolls collected.

In 2017, we completed the twinning of the Athabasca Pipeline and the Wood Buffalo Extension, which were key components of our Regional Oil Sands Optimization Project. The Athabasca Pipeline Twin, completed in January 2017, twinned the southern section of the Athabasca Pipeline with a 36-inch diameter pipeline from Kirby Lake, Alberta to the major Alberta pipeline hub at Hardisty, Alberta. The initial capacity of the Athabasca Pipeline Twin is 450,000 bpd and it can be further expanded in the future to 800,000 bpd through additional pumping horsepower. In December 2017, the Wood Buffalo Extension, a 36-inch diameter pipeline between Cheecham, Alberta and Kirby Lake, Alberta, went into service. The integrated Wood Buffalo Extension and Athabasca Pipeline Twin transports diluted bitumen from multiple oil sands producers.

The Waupisoo Pipeline is a 380-kilometer (236-mile) synthetic and heavy oil pipeline that entered service in 2008 and provides access to the Edmonton market for oil sands producers. The Waupisoo Pipeline originates at the Cheecham Terminal and terminates at the major Alberta pipeline hub at Edmonton. The pipeline has a capacity of 550,000 bpd, depending on the crude slate. We have long-term take-or-pay agreements with multiple shippers on the Waupisoo Pipeline who have collectively contracted for 80% to 90% of the capacity, subject to the timing of when shippers' commitments commence and expire.

The Woodland Pipeline is a 50/50 joint venture between us and Imperial Oil Resources Ventures Limited and ExxonMobil Canada Properties that was constructed in two phases. The first phase, completed in 2013, consists of a 140-kilometer (87-mile) 36-inch diameter pipeline from the Kearl oil sands mine to the Cheecham Terminal, and service on our existing Waupisoo Pipeline from Cheecham to the Edmonton area. The second phase extended the Woodland Pipeline south from our Cheecham Terminal to our Edmonton Terminal. Completed in 2014, the extension involved the construction of a 385-kilometer (239-mile) 36-inch diameter pipeline adding 379,000 bpd of capacity to the Regional Oil Sands System. The Woodland Pipeline is anchored by long-term commitments.

The Norlite Pipeline System (Norlite) was placed into service in May 2017, offering a new diluent supply alternative to meet the needs of multiple producers in the Athabasca oil sands region. Norlite is a 24-inch-diameter pipeline, originating at Enbridge's Stonefell Terminal, in Strathcona County near Edmonton, Alberta and terminating at Enbridge's Fort McMurray South facility, near Fort McMurray, Alberta, with a transfer line to Suncor's East Tank Farm. The pipeline has a capacity of approximately 218,000 bpd of diluent, with the potential to be further expanded to approximately 465,000 bpd of capacity with the addition of pump stations. Under an agreement with Keyera Corp. (Keyera), Norlite has the right to access certain existing capacity on Keyera's pipelines between Edmonton, Alberta and Stonefell, Alberta and, in exchange, Keyera has elected to participate in the new pipeline infrastructure project as a 30% non-operating owner. Norlite is anchored by long-term throughput commitments from a number of oil sands producers.

GULF COAST AND MID-CONTINENT

Gulf Coast includes Seaway and Flanagan South Pipeline (Flanagan South), Spearhead Pipeline, as well as the Mid-Continent System comprised of Cushing Terminal and the recently sold Ozark Pipeline that is managed by us through our subsidiary, EEP.

Seaway Pipeline

In 2011, we acquired a 50% interest in the 1,078-kilometer (670-mile) Seaway Crude Pipeline System (Seaway Pipeline), including the 805-kilometer (500-mile), 30-inch diameter long-haul system between Cushing, Oklahoma and Freeport, Texas, as well as the Texas City Terminal and Distribution System which serve refineries in the Houston and Texas City areas. Seaway Pipeline also includes 8.8 million barrels of crude oil storage tank capacity on the Texas Gulf Coast.

The flow direction of Seaway Pipeline was reversed in 2012, enabling it to transport crude from the oversupplied hub in Cushing, Oklahoma to the Gulf Coast. Further pump station additions and modifications were completed early 2013, increasing capacity available to shippers from an initial 150,000 bpd to up to approximately 400,000 bpd, depending on the crude slate. In late 2014, a second line, the Seaway Pipeline Twin, was placed into service to more than double the existing capacity to 850,000 bpd. Seaway Pipeline also includes a 161-kilometer (100-mile) pipeline from the Enterprise Crude Houston crude oil terminal in Houston, Texas to the Port Arthur/Beaumont, Texas refining center.

Flanagan South Pipeline

Flanagan South is a 950-kilometer (590-mile), 36-inch diameter interstate crude oil pipeline that originates at our terminal at Flanagan, Illinois and terminates in Cushing, Oklahoma. Flanagan South and associated pumping stations were completed in the fourth quarter of 2014. Flanagan South has an initial design capacity of approximately 600,000 bpd.

Spearhead Pipeline

Spearhead Pipeline is a long-haul pipeline that delivers crude oil from Flanagan, Illinois, a delivery point on the Lakehead System to Cushing, Oklahoma. The Spearhead pipeline was originally placed into service in 2006 and has an initial capacity of 193,300 bpd.

Mid-Continent System

The Mid-Continent System is comprised of the storage terminals at Cushing, Oklahoma and the recently sold Ozark Pipeline. The storage terminals consist of over 80 individual storage tanks ranging in size from 78,000 to 570,000 barrels. Total storage shell capacity of Cushing Terminal is approximately 20 million barrels. A portion of the storage facilities are used for operational purposes, while the remainder is contracted to various crude oil market participants for their term storage requirements. Contract fees include fixed monthly storage fees, throughput fees for receiving and delivering crude to and from connecting pipelines and terminals, and blending fees.

In December 2016, we entered into an agreement to sell the Ozark Pipeline to a subsidiary of MPLX LP for cash proceeds of approximately $294 million (US$220 million), including $13 million (US$10 million) in reimbursable costs for additional capital spent by us up to the closing date of the transaction. Sale of the Ozark Pipeline system closed on March 1, 2017.

SOUTHERN LIGHTS PIPELINE
Southern Lights Pipeline is a fully-contracted single stream pipeline that ships diluent from the Manhattan Terminal near Chicago, Illinois to three western Canadian delivery facilities, located at the Edmonton and Hardisty terminals in Alberta and the Kerrobert terminal in Saskatchewan. This 180,000 bpd 16/18/20-inch diameter pipeline was placed into service in 2010. Both the Canadian portion of Southern Lights Pipeline (Southern Lights Canada) and the United States portion of Southern Lights Pipeline (Southern Lights US) receive tariff revenues under long-term contracts with committed shippers. Tariffs provide for recovery of all operating and debt financing costs plus a return on equity (ROE) of 10%. Southern Lights Pipeline has assigned 10% of the capacity (18,000 bpd) for shippers to ship uncommitted volumes.

As part of the Canadian Restructuring Plan, effective September 1, 2015, we transferred all Class B units of Southern Lights Canada to the Fund Group. Following the closing of the Transaction, the Fund Group holds all the ownership, economic interests and voting rights, direct and indirect, in Southern Lights Canada. We continue to indirectly own all of the Class B Units of Southern Lights US.

EXPRESS-PLATTE SYSTEM
The Express-Platte system is comprised of both the Express pipeline and the Platte pipeline, and crude oil storage of approximately 5.6 million barrels. It is an approximate 2,736-kilometer (1,700-mile) crude oil transportation system, which begins in Hardisty, Alberta, and terminates in Wood River, Illinois. The Express pipeline carries crude oil to United States refining markets in the Rockies area, including Montana, Wyoming, Colorado and Utah. The Platte pipeline, which interconnects with the Express pipeline in Casper, Wyoming, transports crude oil predominantly from the Bakken shale and western Canada to refineries in the Midwest. Express pipeline capacity is typically committed under long-term take-or-pay contracts with shippers. A small portion of Express pipeline capacity and all of the Platte pipeline capacity is used by uncommitted shippers who pay only for the pipeline capacity they actually use in a given month.

BAKKEN SYSTEM
Our Bakken assets consist of the North Dakota System and the Bakken Pipeline System. The North Dakota System is a joint operation that includes a Canadian entity and a United States entity. The United States portion of the North Dakota System is comprised of a crude oil gathering and interstate pipeline transportation system servicing the Williston Basin in North Dakota and Montana, which includes the Bakken and Three Forks formation. The gathering pipelines collect crude oil from nearly 80 different receipt facilities located throughout western North Dakota and eastern Montana, with delivery to Clearbrook for service on the Lakehead system or a variety of interconnecting pipeline and rail export facilities. The United States interstate portion of the system extends from Berthold, North Dakota to the International Boundary near North Portal, North Dakota, and connects to the Canadian entity at the border to bring the crude oil into Cromer, Manitoba.

Tariffs on the United States portion of the North Dakota System are governed by FERC and include a local tariff. The Canadian portion is categorized as a Group 2 pipeline, and as such its tolls are regulated by the NEB on a complaint basis. Tolls are based on long-term take-or-pay agreements with anchor shippers.

In February 2017, we closed a transaction to acquire a 49% equity interest in the holding company that owns 75% of the Bakken Pipeline System from an affiliate of Energy Transfer Partners, L.P. and Sunoco Logistics Partners, L.P. The Bakken Pipeline System connects the prolific Bakken formation in North Dakota to markets in eastern PADD II and the United States Gulf Coast, providing customers with access to premium markets at a competitive cost. The Bakken Pipeline System consists of the Dakota Access

Pipeline and the Energy Transfer Crude Oil Pipeline projects. The Dakota Access Pipeline consists of 1,886-kilometers (1,172-miles) of 30-inch pipe from the Bakken/Three Forks production area in North Dakota to Patoka, Illinois. Initial capacity is in excess of 470,000 bpd of crude oil with the potential to be expanded to 570,000 bpd. The Energy Transfer Crude Oil Pipeline consists of 100-kilometers (62-miles) of new 30-inch diameter pipe, 1,104-kilometers (686-miles) of converted 30-inch diameter pipe, and 64-kilometers (40-miles) of converted 24-inch diameter pipe from Patoka, Illinois to Nederland, Texas. The Bakken Pipeline System is anchored by long-term throughput commitments from a number of producers.

FEEDER PIPELINES AND OTHER
Feeder Pipelines and Other includes a number of liquids storage assets and pipeline systems in Canada and the United States.

Key assets included in Feeder Pipelines and Other are the Hardisty Contract Terminal and Hardisty Storage Caverns located near Hardisty, Alberta, a key crude oil pipeline hub in western Canada and Southern Access Extension (SAX) pipeline which originates out of Flanagan, Illinois and delivers to Patoka, Illinois. On July 1, 2014, Marathon executed an agreement with Enbridge to become an owner (35%) in SAX forming the Illinois Extension Pipeline Company (IEPC). Enbridge has 65% ownership in IEPC. SAX was placed into service December 2015 with the majority of its capacity commercially secured under long-term take-or-pay contracts with shippers.

Feeder Pipelines and Other also includes Patoka Storage, the Toledo pipeline system and the NW System. Patoka Storage is comprised of 4 storage tanks with 480,000 barrels of shell capacity located in Patoka, Illinois. The Toledo pipeline system connects with the Lakehead System and delivers to Ohio and Michigan. The majority of Toledo pipeline's capacity is commercially secured under long-term take-or-pay contracts with shippers. The NW System transports crude oil from Norman Wells in the Northwest Territories to Zama, Alberta. NW System has a cost of service rate structure based on established terms with shippers.

Feeder Pipelines and Other includes contributions from assets which were divested during 2017 and the fourth quarter of 2016, including investments in Olympic Pipeline Company (Olympic), Eddystone Rail and the South Prairie Region assets.

On October 19, 2017, we sold all assets related to our Eddystone rail facility to our partner Canopy in exchange for their 25% share of the joint venture valued at $5 million. These assets primarily included the unit-train unloading facility and related local pipeline infrastructure near Philadelphia, Pennsylvania that delivered Bakken and other light sweet crude oil to Philadelphia area refineries.

On July 31, 2017, we completed the sale of our 85% interest in Olympic, the largest refined products pipeline in the State of Washington, to an unrelated party for $0.2 billion.

On December 1, 2016, EIPLP completed the sale of the South Prairie Region assets to an unrelated party for cash proceeds of $1.08 billion. The South Prairie Region assets transport crude oil and NGL from producing fields and facilities in southeastern Saskatchewan and southwestern Manitoba to Cromer, Manitoba where products enter the mainline system to be transported to the United States or eastern Canada.

COMPETITION
Competition may result in a reduction in demand for our services, fewer project opportunities or assumption of risk that results in weaker or more volatile financial performance than expected. Competition among existing pipelines is based primarily on the cost of transportation, access to supply, the quality and reliability of service, contract carrier alternatives and proximity to markets.

Other competing carriers available to ship western Canadian liquid hydrocarbons to markets in Canada, the United States and internationally represent competition to our liquids pipelines network. Competition

also arises from proposed pipelines that seek to access markets currently served by our liquids pipelines, such as proposed projects to the Gulf Coast and from proposed projects enhancing infrastructure in the Alberta regional oil sands market. The Mid-Continent and Bakken systems also face competition from existing competing pipelines, proposed future pipelines and existing and alternative gathering facilities. Competition for storage facilities in the United States includes large integrated oil companies and other midstream energy partnerships. Additionally, volatile crude price differentials and insufficient pipeline capacity on either our or other competitor pipelines can make transportation of crude oil by rail competitive, particularly to markets not currently serviced by pipelines.

We believe that our liquids pipelines continue to provide attractive options to producers in the Western Canadian Sedimentary Basin (WCSB) and North Dakota due to our competitive tolls and flexibility through our multiple delivery and storage points. Our current complement of growth projects to expand market access and to enhance capacity on our pipeline system combined with our commitment to project execution is expected to further provide shippers reliable and long-term competitive solutions for oil transportation. Our existing right-of-way for the mainline system also provides a competitive advantage as it can be difficult and costly to obtain rights of way for new pipelines traversing new areas. We also employ long-term agreements with shippers, which also mitigate competition risk by ensuring consistent supply to our liquids pipelines network.

SUPPLY AND DEMAND

We have an established and successful history of being the largest transporter of crude oil to the United States, the world's largest market. While United States' demand for Canadian crude oil production will support the use of our infrastructure for the foreseeable future, North American and global crude oil supply and demand fundamentals are shifting, and we have a role to play in this transition by developing long-term transportation options that enable the efficient flow of crude oil from supply regions to end-user markets.

The downturn in crude oil prices which began in 2014 has impacted our liquids pipelines' customers, who responded by reducing their exploration and development spending for 2016 and 2017 in higher cost basins. However, the international market for crude oil has continued to see an increase in production from the North American shale oil producing basins and increased production from specific Organization of Petroleum Exporting Countries (OPEC). The West Texas Intermediate (WTI) crude price has been strengthening from US$30 per barrel at the beginning of 2016 as the market has fought to re-balance supply and demand. Prices began to recover in response to cuts in OPEC and non-OPEC production and have continued to recover through 2017. The WTI crude prices averaged US$51 per barrel for 2017 and ended the year above US$60 per barrel.

Notwithstanding the current price environment, our mainline system has thus far continued to be highly utilized and in fact, mainline throughput as measured at the Canada/United States border at Gretna, Manitoba saw record throughput of 2.7 million bpd in December 2017. The mainline system continues to be subject to apportionment of heavy crude oil, as nominated volumes currently exceed capacity on portions of the system. The impact of a low crude oil price environment on the financial performance of our liquids pipelines business is expected to be relatively modest given the commercial arrangements which underpin many of the pipelines that make up our liquids system and provide a significant measure of protection against volume fluctuations. In addition, our mainline system is well positioned to continue to provide safe and efficient transportation which will enable western Canadian and Bakken production to reach attractive markets in the United States and eastern Canada at a competitive cost relative to other alternatives. The fundamentals of oil sands production and low crude oil prices have caused some sponsors to reconsider the timing of their upstream oil sands development projects. However, recently updated forecasts continue to reflect long-term supply growth from the WCSB, although the projected pace of growth is slower than previous forecasts as companies continue to assess the viability of certain capital investments in the current price environment and with the ongoing uncertainty related to timing and completion of competing pipeline systems.

Over the long term, global energy consumption is expected to continue to grow, with the growth in crude oil demand primarily driven by emerging economies in regions outside the Organization for Economic Cooperation and Development (OECD), mainly India and China. While OECD countries, including Canada, the United States and western European nations, will experience population growth, the emphasis placed on energy efficiency, conservation and a shift to lower carbon fuels, such as natural gas and renewables, is expected to reduce crude oil demand over the long term. Accordingly, there is a strategic opportunity for North American producers to grow production to displace foreign imports and participate in the growing global demand outside North America.

In terms of supply, long-term global crude oil production is expected to continue to grow through 2035, with growth in supply primarily contributed by North America, Brazil and OPEC. The expected growth in North America is largely driven by production from the oil sands and the continued development of tight oil plays including the Permian, Bakken and Eagle Ford formations. Growth in supply from OPEC is primarily a result of a shift in OPEC's strategy from 'balancing supply' to 'competing for market share' in Asia and Europe. However, political uncertainty in certain oil producing countries, including Venezuela, Libya, Nigeria and Iraq, increases risk in those regions' supply growth forecasts and makes North America one of the most secure supply sources of crude oil. As witnessed throughout 2016 and 2017, North American supply growth can be influenced by macro-economic factors that drive down the global crude prices. Over the longer term, North American production from tight oil plays, including the Bakken, is expected to grow as technology continues to improve well productivity and efficiencies. The WCSB, in Canada, is viewed as one of the world's largest and most secure supply sources of crude oil. However, the pace of growth in North America and level of investment in the WCSB could be tempered in future years by a number of factors including a sustained period of low crude oil prices and corresponding production decisions by OPEC, increasing environmental regulation, and prolonged approval processes for new pipelines with access to tide-water for export.

In recent years, the combination of relatively flat domestic demand, growing supply and long-lead time to build pipeline infrastructure led to a fundamental change in the North American crude oil landscape. The inability to move increasing inland supply to tide-water markets resulted in a divergence between WTI and world pricing, resulting in lower netbacks for North American producers than could otherwise be achieved if selling into global markets. The impact of price differentials has been even more pronounced for western Canadian producers as insufficient pipeline infrastructure resulted in a further discounting of Alberta crude against WTI. With a number of market access initiatives completed by the industry in recent years, including those introduced by us, the crude oil price differentials significantly narrowed in 2015, and resulted in higher netbacks for producers. The capacity from these initiatives was for the most part exhausted by the end of 2017 from growth in the Oil Sands and has resulted in crude differentials widening once more. Canadian pipeline export capacity is expected to remain essentially full, resulting in incremental production utilizing non-pipeline transportation services until such time as pipeline capacity is made available. As the supply in North America continues to grow, the growth and flexibility of pipeline infrastructure will need to keep pace with the sensitive demand and supply balance. Over the longer term, we believe pipelines will continue to be the most cost-effective means of transportation in markets where the differential between North American and global oil prices remain narrow. Utilization of rail to transport crude is expected to be substantially limited to those markets not readily accessible by pipelines.

Our role in helping to address the evolving supply and demand fundamentals and alleviating price discounts for producers and supply costs to refiners is to provide expanded pipeline capacity and sustainable connectivity to alternative markets. As discussed in Part II. Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations - Growth Projects - Commercially Secured Projects,* in 2017, we continue to execute our growth projects plan in furtherance of this objective.

GAS TRANSMISSION & MIDSTREAM

Gas Transmission and Midstream (formerly referred to as Gas Pipelines and Processing) consists of our investments in natural gas pipelines and gathering and processing facilities in Canada and the United States, including US Gas Transmission, Canadian Gas Transmission and Midstream, Alliance Pipeline, US Midstream and other assets.

US GAS TRANSMISSION

The majority of assets that comprise US Gas Transmission were acquired through the Merger Transaction and consist of natural gas transmission and storage assets that are held primarily through Spectra Energy Partners, LP (SEP). US Gas Transmission includes indirect ownership interests in Texas Eastern, Algonquin, M&N U.S., East Tennessee Natural Gas, Gulfstream, Sabal Trail, Vector Pipeline L.P. (Vector) and certain other gas pipeline and storage assets. The US Gas Transmission business primarily provides transmission and storage of natural gas through interstate pipeline systems for customers in various regions of the midwestern, northeastern and southern United States.

As a result of the Merger Transaction, Enbridge held a 75% equity interest in SEP, a natural gas and crude oil infrastructure master limited partnership. As a result of us converting all of our incentive distribution rights (IDRs) and general partner economic interests in SEP into 172.5 million newly issued SEP common units, we now hold a 83% equity interest in SEP. Refer to Part II. Item 7. *Management's Discussion and Analysis of Financial Conditions and Results of Operations - United States Sponsored Vehicle Strategy*. SEP owns 100% of Texas Eastern Transmission, L.P. (Texas Eastern), 92% of Algonquin Gas Transmission, L.L.C. (Algonquin), 100% of East Tennessee Natural Gas, L.L.C. (East Tennessee), 100% of Saltville Gas Storage Company L.L.C. (Saltville), 100% of Ozark Gas Gathering, L.L.C. and Ozark Gas Transmission, L.L.C., 100% of Big Sandy Pipeline, L.L.C., 100% of Market Hub Partners Holding, 100% of Bobcat Gas Storage, 78% of Maritimes & Northeast Pipeline, L.L.C. (M&N U.S.), 50% of Southeast Supply Header, L.L.C., 50% of Steckman Ridge, L.P., 50% of Gulfstream Natural Gas System, L.L.C. (Gulfstream) and 50% of Sabal Trail Transmission, LLC (Sabal Trail).

The Texas Eastern natural gas transmission system extends approximately 2,735-kilometers (1,700-miles) from producing fields in the Gulf Coast region of Texas and Louisiana to Ohio, Pennsylvania, New Jersey and New York. Texas Eastern's onshore system consists of approximately 14,597-kilometers (9,070-miles) of pipeline and associated compressor stations. Texas Eastern is also connected to four affiliated storage facilities that are partially or wholly-owned by other entities within the US Gas Transmission business.

The Algonquin natural gas transmission system connects with Texas Eastern’s facilities in New Jersey and extends approximately 402-kilometers (250-miles) through New Jersey, New York, Connecticut, Rhode Island and Massachusetts where it connects to M&N U.S. The system consists of approximately 1,835-kilometers (1,140-miles) of pipeline with associated compressor stations.

M&N U.S. is an approximately 563-kilometer (350-mile) mainline interstate natural gas transmission system, including associated compressor stations, which extends from northeastern Massachusetts to the border of Canada near Baileyville, Maine. M&N U.S. is connected to the Canadian portion of the Maritimes & Northeast Pipeline system, M&N Canada (see *Gas Transmission and Midstream - Canadian Gas Transmission and Midstream*).

East Tennessee’s natural gas transmission system crosses Texas Eastern’s system at two locations in Tennessee and consists of two mainline systems totaling approximately 2,414-kilometers (1,500-miles) of pipeline in Tennessee, Georgia, North Carolina and Virginia, with associated compressor stations. East Tennessee has a Liquefied Natural Gas (LNG) storage facility in Tennessee and also connects to the Saltville storage facilities in Virginia.

Gulfstream is an approximately 1,199-kilometer (745-mile) interstate natural gas transmission system, with associated compressor stations, operated jointly by SEP and The Williams Companies, Inc. Gulfstream transports natural gas from Mississippi, Alabama, Louisiana and Texas, crossing the Gulf of Mexico to markets in central and southern Florida. Gulfstream is accounted for under the equity method of accounting.

Sabal Trail provides firm natural gas transportation to Florida Power & Light Company for its power generation needs and will deliver to Duke Energy Florida's natural gas plant currently under construction

in Florida. Facilities include a new 829-kilometer (515-mile) pipeline, laterals and various compressor stations. The pipeline infrastructure is located in Alabama, Georgia and Florida, and adds approximately 1.1 billion cubic feet per day (bcf/d) of new capacity to access onshore shale gas supplies once approved future expansions are completed. Sabal Trail is accounted for under the equity method of accounting.

We also hold a 60% ownership interest in Vector, which is a 560-kilometer (348-mile) pipeline that transports 1.3 bcf/d of natural gas from Joliet, Illinois in the Chicago area to parts of Indiana, Michigan and Ontario.

Transmission and storage services are generally provided under firm agreements where customers reserve capacity in pipelines and storage facilities. The vast majority of these agreements provide for fixed reservation charges that are paid monthly regardless of the actual volumes transported on the pipelines or injected or withdrawn from our storage facilities, plus a small variable component that is based on volumes transported, injected or withdrawn, which is intended to recover variable costs.

Interruptible transmission and storage services are also available where customers can use capacity if it exists at the time of the request. Interruptible revenues depend on the amount of volumes transported or stored and the associated rates for this service. Storage operations also provide a variety of other value-added services including natural gas parking, loaning and balancing services to meet customers' needs.

CANADIAN GAS TRANSMISSION AND MIDSTREAM

Canadian Gas Transmission and Midstream consists of natural gas pipelines, processing plants and gathering systems, located primarily in Western Canada. Upon completion of the Merger Transaction, Canadian Gas Transmission and Midstream now includes the Western Canada Transmission & Processing businesses, which is comprised of British Columbia Pipeline & Field Services, M&N Canada and certain other midstream gas pipelines, gathering, processing and storage assets.

British Columbia Pipeline and British Columbia Field Services provide fee-based natural gas transmission and gas gathering and processing services. British Columbia Pipeline has approximately 2,816-kilometers (1,750-miles) of transmission pipeline in British Columbia and Alberta, as well as associated mainline compressor stations. The British Columbia Field Services business includes eight gas processing plants located in British Columbia, associated field compressor stations and approximately 2,253-kilometers (1,400-miles) of gathering pipelines.

M&N Canada is an approximately 885-kilometer (550-mile) interprovincial natural gas transmission mainline system which extends from Goldboro, Nova Scotia to the United States border near Baileyville, Maine. M&N Canada is connected to M&N U.S. - refer to *Gas Transmission and Midstream - US Gas Transmission*.

Canadian Gas Transmission and Midstream also includes the wholly-owned Tupper Main and Tupper West gas plants (the Tupper Plants) located within the Montney shale play in northeastern British Columbia, our 71% interest in the Cabin Gas Plant located 60-kilometers (37-miles) northeast of Fort Nelson, British Columbia in the Horn River Basin, as well as interests in the Pipestone and Sexsmith gathering systems. We are the operator of the Tupper Plants and the Cabin Gas Plant. We have almost 100% interest in Pipestone and varying interests (55% to 100%) in Sexsmith and its related sour gas gathering, compression and NGL handling facilities, located in the Peace River Arch region of northwest Alberta. The primary producer and operator of Pipestone holds a nominal 0.01% interest.

The majority of transportation services provided by Canadian Gas Transmission and Midstream are under firm agreements, which provide for fixed reservation charges that are paid monthly regardless of actual volumes transported on the pipeline, plus a small variable component that is based on volumes transported to recover variable costs. We also provide interruptible transmission services where customers can use capacity if it is available at the time of request. Payments under these services are based on volumes transported.

ALLIANCE PIPELINE
We have a 50% interest in the Alliance Pipeline, a 3,000-kilometer (1,864-mile) integrated, high-pressure natural gas transmission pipeline and approximately 860-kilometers (534-miles) of lateral pipelines and related infrastructure. Alliance Pipeline transports liquids-rich natural gas from northeast British Columbia, northwest Alberta and the Bakken area in North Dakota to the Alliance Chicago gas exchange hub downstream of the Aux Sable NGL extraction and fractionation plant at Channahon, Illinois. The majority of transportation services provided by Alliance pipeline are under firm agreements, which provide for fixed reservation charges that are paid monthly regardless of actual volumes transported on the pipeline. Alliance pipeline also provides interruptible transmission services where customers can use capacity if it is available at the time of request.

US MIDSTREAM
US Midstream consists of our Midcoast assets, including the Anadarko, East Texas, North Texas and Texas Express NGL systems. These assets include natural gas and NGL gathering and transportation pipeline systems, natural gas processing and treating facilities, condensate stabilizers and an NGL fractionation facility. Midcoast also has rail and liquids marketing operations. During 2017, we acquired all of the noncontrolling interests in these assets. For further information, refer to Part II. Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations - United States Sponsored Vehicle Strategy - Acquisition of Midcoast Assets and Privatization of Midcoast Energy Partners, L.P.*

US Midstream also includes our 42.7% interest in Aux Sable Liquid Products LP and Aux Sable Midstream LLC, and a 50% interest in Aux Sable Canada LP (together, Aux Sable). Aux Sable Liquid Products LP owns and operates an NGL extraction and fractionation plant at Channahon, Illinois, outside Chicago, near the terminus of Alliance Pipeline. Aux Sable also owns facilities upstream of Alliance Pipeline that facilitate deliveries of liquids-rich gas volumes into the pipeline for further processing at the Aux Sable plant. These facilities include the Palermo Conditioning Plant and the Prairie Rose Pipeline in the Bakken area of North Dakota, owned and operated by Aux Sable Midstream US; and Aux Sable Canada's interests in the Montney area of British Columbia, comprising the Septimus Pipeline and the Septimus and Wilder Gas Plants.

US Midstream also includes a 50% investment in DCP Midstream, LLC (DCP Midstream), which is accounted for as an equity investment. DCP Midstream gathers, compresses, treats, processes, transports, stores and sells natural gas. It also produces, fractionates, transports, stores and sells NGLs, recovers and sells condensate, and trades and markets natural gas and NGLs.

OTHER
Other consists primarily of our offshore assets. Enbridge Offshore Pipelines is comprised of 11 active natural gas gathering and transmission pipelines and two active oil pipelines, including the Heidelberg Oil Pipeline that was placed in service in January 2016. These pipelines are located in four major corridors in the Gulf of Mexico, extending to deepwater developments, and include almost 2,100-kilometers (1,300-miles) of underwater pipe and onshore facilities with total capacity of approximately 6.5 bcf/d.

COMPETITION
Our natural gas transmission and storage businesses compete with similar facilities that serve our supply and market areas in the transmission and storage of natural gas. The flow pattern of natural gas is changing across North America due to emerging supply sources and evolving demand centers, which creates a highly competitive market to secure new growth opportunities. The principal elements of competition are location, rates, terms of service, flexibility and reliability of service.

The natural gas transported in our business competes with other forms of energy available to our customers and end-users, including electricity, coal, propane, fuel oils, and renewable energy. Factors that influence the demand for natural gas include price changes, the availability of natural gas and other

forms of energy, levels of business activity, long-term economic conditions, conservation, legislation, governmental regulations, the ability to convert to alternative fuels, weather and other factors.

Competition in our business exists in all of the markets we serve. Competitors include interstate and intrastate pipelines or their affiliates and other midstream businesses that transport, gather, treat, process and market natural gas or NGLs. Because pipelines are generally the most efficient mode of transportation for natural gas over land, the most significant competitors of our natural gas pipelines are other pipeline companies. Pipelines typically compete with each other based on location, capacity, reputation, price and reliability.

SUPPLY AND DEMAND

Global energy demand is expected to increase approximately 30 percent by 2040, according to the International Energy Agency, driven primarily by economic growth in non-OECD countries. Natural gas will play an important role in meeting this energy demand as gas consumption is anticipated to grow by nearly 50 percent during this period as one of the world's fastest growing energy sources, second only to renewables. Globally, most natural gas demand will stem from the need for greater power generation capacity, as natural gas is a cleaner alternative to coal, which currently has the largest market share for power generation.

Within North America, United States natural gas demand growth is expected to be driven by the next wave of gas-intensive petrochemical facilities which are now starting to enter service, along with power generation, an increase in the volume of LNG exports and additional pipeline exports to Mexico. Within Canada, natural gas demand growth is expected to be largely tied to oil sands development and growth in gas-fired power generation. Canadian gas demand growth will be accelerated with implementation of proposed government regulations to replace coal fired power, designed to meet emissions targets.

North American supply from tight formations continues to create a demand and supply imbalance for natural gas and some NGL products. North American gas supply continues to be significantly impacted by development in the northeastern United States, primarily the prolific Marcellus and Utica shales in Appalachia. The abundance of supply from these shale plays continues to alter natural gas flow patterns in North America, as this region has largely displaced flows from the Gulf Coast and WCSB that historically supplied eastern markets. Similar pressures are also being felt in the Midwest United States and southern markets.

Beyond growing Appalachian production, natural gas supply growth has been largely tied to crude oil and NGL production. In the Permian Basin, for example, rapid expansion of crude oil drilling activity has increased associated gas supplies from the region by approximately 2.0 bcf/d over the past two years and growth is forecasted to continue for the next decade. Similarly, WCSB natural gas production growth has been primarily attributable to production of NGLs, which provide strong producer netbacks. However, growing local demand from gas-fired power generation and continued oil sands development should stabilize WCSB natural gas economics, even as regional exports face steeper competition in Eastern Canada and the Midwest United States.

The continued increase in North American gas production and the resulting surplus supply has limited gas price advances, which remained largely within range throughout 2017. In response to low prices, producers have introduced new technologies and more efficient drilling and completion techniques to maximize production and improve break-even economics on new wells. While domestic gas demand and growing North American gas exports provide support for future prices, abundant low cost supplies are likely to continue to limit high prices through the next decade.

Growth in global demand for natural gas will necessitate growing LNG trade to facilitate the movement of gas supply from producing regions to consuming regions. North America and the USGC in particular are positioned to benefit from this trend as low-cost tight gas production from the Permian, Eagle Ford and Appalachia continues to enable growing LNG exports. The United States exported approximately 3.0 bcf/

d of natural gas from the United States Gulf Coast at the end of 2017 with export capacity of approximately 9.0 bcf/d scheduled to be in service by 2020. While the short term outlook for LNG fundamentals points to a continued global oversupply, as the market absorbs the large volumes of new supply coming online, forecasts indicate demand will exceed projected LNG supply in the early 2020s as growing markets seek to diversify supply sources. In addition to LNG export facilities under construction, the United States remains well positioned to serve this next round of global trade expansion. Canada is well positioned to provide LNG export facilities, although these facilities are not likely to be in service in the near term.

NGL production growth is increasingly linked to growing associated gas volumes related to the development of tight oil plays such as the Permian. NGLs that can be extracted from liquids-rich gas streams include ethane, propane, butane and natural gasoline, which are used in a variety of industrial, commercial and other applications. Robust gas production has created regional supply imbalances for some NGL products and weakened the economics of NGL extraction, although these imbalances modestly improved over 2017 as crude prices have rebounded and NGL export capacity has expanded. Over the longer term, the growth in NGL demand is expected to be robust, driven largely by incremental ethane demand and exports. Ethane is the key feedstock to the United States Gulf Coast petrochemical industry, which is among the world's lowest-cost ethylene producing regions and is currently undergoing significant expansion. As this new infrastructure is completed, ethane prices and resulting extraction margins are expected to improve, reducing the amount of ethane retained in the gas stream.

In addition to ethane, the outlook for abundant propane supplies has prompted the development and expansion of export facilities for liquefied petroleum gas. Over a few short years, the United States has become the world's largest liquefied petroleum gas exporter, which has helped to reduce the inventory overhang and provide support for propane prices.

In Canada, the WCSB is well situated to capitalize on the evolving NGL fundamentals over the longer term as the Montney and Duvernay shale plays contain significant liquids-rich resources at highly competitive extraction costs. In response to growing regional NGL supply, several propane export solutions are being developed to move WCSB NGLs from Western Canada to global markets.

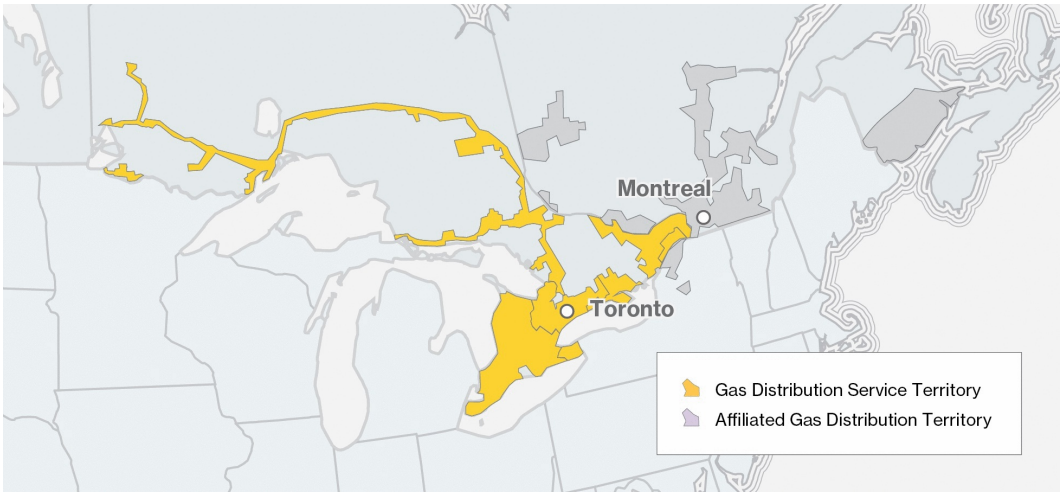
Longer term, NGL fundamentals indicate a positive outlook for demand growth and would be further supported with a continued recovery in crude oil prices. Consequently, the crude-to-gas price ratio is expected to remain well above energy conversion value levels and continue to be supportive of NGL extraction over the longer term.

In response to these evolving natural gas and NGL fundamentals, we believe we are well positioned to provide value-added solutions to producers. We are responding to the need for regional infrastructure with additional investment in Canadian and United States gas pipeline and midstream facilities.

GAS DISTRIBUTION

Gas Distribution consists of our natural gas utility operations, the core of which are Enbridge Gas Distribution Inc. (EGD) and Union Gas Limited (Union Gas), which serve residential, commercial and industrial customers, primarily located throughout Ontario. This business segment also includes natural gas distribution activities in Quebec and New Brunswick and our investment in Noverco Inc (Noverco).

On November 2, 2017, EGD and Union Gas filed an application with the Ontario Energy Board (OEB) to amalgamate the two utilities. If approved as filed, the application will provide a 10 year framework for the utilities to identify and leverage best practices and implement integrated solutions. A decision is expected in the second half of 2018.



ENBRIDGE GAS DISTRIBUTION

EGD is a rate-regulated natural gas distribution utility serving approximately 2.2 million residential, commercial and industrial customers in its franchise areas of central and eastern Ontario. In addition, EGD currently serves areas in northern New York State through St. Lawrence Gas Company Inc. (St. Lawrence Gas). In August 2017, EGD entered into an agreement to sell the issued and outstanding shares of St. Lawrence Gas. The transaction is expected to close in 2018, subject to regulatory approval and certain pre-closing conditions.

EGD also owns and operates regulated and unregulated natural gas storage facilities in Ontario. The utility business is conducted under statutes and municipal bylaws which grant the right to operate in the areas served. The utility operations of EGD and St. Lawrence Gas are regulated by the OEB and by the New York State Public Service Commission, respectively.

As at December 31, 2017, EGD owned and operated a network of approximately 39,000-kilometers (24,233-miles) of mains for the transportation and distribution of natural gas, as well as the service pipes to transfer natural gas from mains to meters on customers' premises.

There are four principal interrelated aspects of the natural gas distribution business in which EGD is directly involved: Distribution Service, Gas Supply, Transportation and Storage.

Distribution Service
EGD's principal source of revenue arises from distribution of natural gas to customers. The services provided to residential, commercial and industrial heating customers are primarily on a general service basis (without a specific fixed term or fixed price contract). The services provided to larger commercial and industrial customers are usually on an annual contract basis under firm or interruptible service contracts.

Gas Supply
To acquire the necessary volume of natural gas to serve its customers, EGD maintains a diversified natural gas supply portfolio. EGD's system supply natural gas contracts have pricing structures responsive to supply and demand conditions in the North American natural gas market. The prices in these contracts may be indexed to Alberta, Chicago or New York based prices.

Transportation
EGD relies on its long-term contracts with Union Gas, an affiliated company under common control, for transportation of natural gas from the Dawn Hub (Dawn), the largest integrated underground storage facility in Canada and one of the largest in North America, located in south-western Ontario, to EGD's major market in the Greater Toronto Area. These contracts effectively provide EGD with access to United States sourced natural gas at Dawn. These contracts also provide transportation for natural gas received at Dawn via Vector as well as natural gas stored at EGD's and Union's storage pools in the Sarnia, Ontario area to the market area.

Storage
EGD's business is highly seasonal as daily market demand for natural gas fluctuates with changes in weather, with peak consumption occurring in the winter months. Utilization of storage facilities permits EGD to take delivery of natural gas on favorable terms during off-peak summer periods for subsequent use during the winter heating season. This practice permits EGD to minimize the annual cost of transportation of natural gas from its supply basins, assists in reducing its overall cost of natural gas supply and adds a measure of security in the event of any short-term interruption of transportation of natural gas to EGD's franchise area.

EGD's principal storage facilities are located in south-western Ontario, near Dawn, and have a total working capacity of approximately 10.5 billion cubic feet (Bcf). Approximately 8.5 Bcf of the total working capacity is available to EGD for utility operations. EGD also has a storage contract with Union Gas for 2.0 Bcf of storage capacity.

UNION GAS
Union Gas is a rate-regulated natural gas distribution utility now serving approximately 1.5 million residential, commercial and industrial customers in its franchise areas of northern, southwestern and eastern Ontario.

Union Gas' regulated and unregulated storage and transmission business offers storage and transmission services to customers at Dawn. It offers customers an important link in the movement of natural gas from western Canada and United States supply basins to markets in central Canada and the northeastern United States. The utility business is conducted under statutes and municipal by-laws which grant the right to operate in the areas served. The utility operations of Union Gas are regulated by the OEB.

As at December 31, 2017, Union Gas owned and operated a network of approximately 66,000-kilometers (41,010-miles) of mains for the transportation and distribution of natural gas, as well as the service pipes to transfer natural gas from mains to meters on customers' premises.

Similar to EGD, there are four principal interrelated aspects of the natural gas distribution business in which Union Gas is directly involved: Distribution Service, Gas Supply, Transportation and Storage.

Distribution Service
Similar to EGD, Union Gas' principal source of revenue arises from distribution of natural gas to customers. The services provided to residential, small commercial and industrial heating customers are primarily on a general service basis (without a specific fixed term or fixed price contract). The services provided to larger commercial and industrial customers underpinned by firm or interruptible service contracts.

Gas Supply
To acquire the necessary volume of natural gas to serve its customers, Union Gas maintains a diversified natural gas supply portfolio. Union Gas' system supply natural gas contracts have pricing structures responsive to supply and demand conditions in the North American natural gas market. The prices in these contracts may be indexed to Alberta, Michigan and Chicago based prices.

Transportation
Union Gas' transmission system consists of approximately 4,900-kilometers (3,045-miles) of high-pressure pipeline and five mainline compressor stations. Key pipeline interconnects in Canada and the United States enabled Union Gas to deliver approximately 774 Bcf of gas through Union Gas' transmission system in 2017. Union Gas' transmission system also links an extensive network of underground storage pools at Dawn to major Canadian and United States markets. There are multiple pipelines providing access to Dawn. Customers can purchase both firm and interruptible transportation services on the Union Gas system. As the supply of natural gas in areas close to Ontario continues to grow, there is an increased demand to access these diverse supplies at Dawn and transport them along the Dawn-Parkway pipeline system to markets in Ontario, eastern Canada and the northeastern United States. To secure the continued reliable delivery of natural gas and to serve a growing demand for natural gas, Union Gas has invested $1.5 billion between 2015 and 2017 to expand the Dawn-Parkway natural gas transmission system. This has increased the takeaway capacity from Dawn to approximately 20 percent or from 6.3 bcf/d in 2014 to more than 7.5 bcf/d in 2017. A substantial amount of Union Gas' transportation revenue is generated by fixed annual demand charges, with the average length of a long-term contract being approximately 11 years, with the longest remaining contract term being 15 years.

Storage
Union Gas' underground natural gas storage facilities have a working capacity of approximately 165 Bcf in 25 underground facilities located in depleted gas fields. Union Gas' storage pools give customers access to all Dawn storage capacity and deliverability. Dawn's configuration provides flexibility for injections, withdrawals and cycling. Customers can purchase both firm and interruptible storage services at Dawn. Dawn offers customers a wide range of market choices and options with easy access to upstream and downstream markets. During 2017, Dawn provided storage, balancing, gas loans, transport, exchange and peaking services to over 140 counterparties.

A substantial amount of Union Gas' storage revenue is generated by fixed annual demand charges, with the average length of a long-term contract being approximately five years, with the longest remaining contract term being 19 years.

NOVERCO
We own an equity interest in Noverco through ownership of 38.9% of its common shares and an investment in preferred shares. Noverco is a holding company that owns approximately 71% of Energir LP, formerly known as Gaz Metro Limited Partnership, a natural gas distribution company operating in the province of Quebec with interests in subsidiary companies operating gas transmission, gas distribution and power distribution businesses in the Province of Quebec and the State of Vermont. Noverco also holds, directly and indirectly, an investment in our Common Shares.

OTHER GAS DISTRIBUTION AND STORAGE
Other Gas Distribution and Storage includes natural gas distribution utility operations in the Provinces of New Brunswick and Quebec.

Enbridge Gas New Brunswick Inc. operates the natural gas distribution franchise in the Province of New Brunswick, has approximately 11,800 customers and is regulated by the New Brunswick Energy and Utilities Board (EUB).

Gazifere is one of two distributors in Quebec serving more than 40,000 residential, commercial, institutional and industrial customers. Gazifere is regulated by the Quebec Regie de l'energie.

GREEN POWER & TRANSMISSION

Green Power and Transmission consists of our investments in renewable energy assets and transmission facilities. Renewable energy assets consist of wind, solar, geothermal and waste heat recovery facilities and are located in Canada primarily in the provinces of Alberta, Ontario and Quebec and in the United States primarily in Colorado, Texas, Indiana and West Virginia. We also have assets under development located in Europe.

Green Power and Transmission includes approximately 2,500 MW of net operating renewable and alternative energy sources. Of this amount, approximately 930 MW of net power generating capacity comes from wind farms located in the provinces of Alberta, Ontario and Quebec and approximately 1,040 MW of net power generating capacity comes from wind farms located in the states of Colorado, Texas, Indiana and West Virginia, including the 249 MW Chapman Ranch Wind Project (Chapman Ranch) in Texas, which was placed into service in late October 2017. The vast majority of the power produced from these wind farms is sold under long-term power purchase agreements. We also have three solar facilities located in Ontario and a solar facility located in Nevada, with 100 MW and 50 MW, respectively, of net power generating capacity. Also included in Green Power and Transmission is the Montana-Alberta Tie-Line, our first power transmission asset, a 300 MW transmission line from Great Falls, Montana to Lethbridge, Alberta.

In June 2017, we announced an additional 112 MW of investment in the partnership that holds the 610 MW Hohe See Offshore Wind Project in Germany, where we have an effective 50% interest. Earlier in 2016, we announced the acquisition of Chapman Ranch, as well as the acquisition of a 50% interest in a French offshore wind development company, Éolien Maritime France SAS. Chapman Ranch was subsequently placed into service in late October 2017. In late 2015, we announced acquisitions of the 103-MW New Creek Wind Project in West Virginia and a 24.9% interest in the 400 MW Rampion Offshore Wind Project in the United Kingdom. Including these acquisitions, we have invested over $5 billion in renewable power generation and transmission since 2002.

Competition
Our Green Power and Transmission assets operate in the North American and European power markets, which are subject to competition and the supply and demand balance for power in the provinces and states in which they operate. The renewable energy market sector includes large utilities and small independent power producers, which are expected to aggressively compete with us for project development opportunities.

Supply and Demand
The power generation and transmission network in North America is expected to undergo significant growth over the next 20 years. On the demand side, North American economic growth over the longer term is expected to drive growing electricity demand, although continued efficiency gains are expected to make the economy less energy-intensive and temper demand growth. On the supply side, impending legislation in Canada is expected to accelerate the retirement of aging coal-fired generation plants, resulting in a requirement for significant new generation capacity. While coal and nuclear facilities will continue to be core components of power generation in North America, gas-fired and renewable energy facilities, including biomass, hydro, solar and wind, are expected to be the preferred sources to replace coal-fired generation due to their lower carbon intensities.

North American wind and solar resources fundamentals remain strong. In the United States, there is over 85 gigawatts (GW) of installed wind power capacity and in Canada over 12 GW of installed wind power capacity. Solar resources in southwestern states such as Arizona, California and Nevada are considered to be some of the best in the world for large-scale solar plants and the United States currently has over 35 GW of installed solar photovoltaic capacity. In late 2015, the United States passed legislation extending the availability of certain Federal tax incentives which have supported the profitability of wind and solar projects. However, expanding renewable energy infrastructure in North America is not without challenges. Growing renewable generation capacity is expected to necessitate substantial capital investment to upgrade existing transmission systems or, in many cases, build new transmission lines, as these high quality wind and solar resources are often found in regions that are not in close proximity to markets. In the near-term, uncertainty over the availability of tax or other government incentives in various jurisdictions, the ability to secure long-term power purchase agreements through government or investor-owned power authorities and low market prices of electricity may hinder the pace of future new renewable capacity development. However, continued improvement in technology and manufacturing capacity in the past few years has reduced capital costs associated with renewable energy infrastructure and has also

improved yield factors of power generation assets. These positive developments are expected to render renewable energy more competitive and support ongoing investment over the long term.

In Europe, the future outlook for renewable energy, especially from offshore wind in countries with long coastlines and densely populated areas, is very positive. According to the European Wind Energy Association, by 2030, wind energy capacity in Europe is expected to be 320 GW, including 66 GW of offshore capacity. There is also wide public support for carbon reduction targets and broader adoption of renewable generation across all governmental levels. Furthermore, governments in Europe are seeking to rationalize the contribution of nuclear power to the overall energy mix, which has resulted in an increased focus on alternative sources such as large scale offshore wind.

ENERGY SERVICES

The Energy Services businesses in Canada and the United States undertake physical commodity marketing activity and logistical services, oversee refinery supply services and manage our volume commitments on various pipeline systems.

Energy Services provides energy supply and marketing services to North American refiners, producers and other customers. Crude oil and NGL marketing services are provided by Tidal Energy Marketing Inc. (Tidal). We transact at many North American market hubs and provides our customers with various services, including transportation, storage, supply management, hedging programs and product exchanges. Tidal is primarily a physical barrel marketing company focused on capturing value from quality, time and location differentials when opportunities arise. To execute these strategies, Energy Services may lease storage or rail cars, as well as hold nomination or contractual rights on both third party and Enbridge-owned pipelines and storage facilities. Tidal also provides natural gas and power marketing services, including marketing natural gas to optimize commitments on certain natural gas pipelines. Additionally, Tidal provides natural gas supply, transportation, balancing and storage for third parties, leveraging its natural gas marketing expertise and access to transportation capacity.

Competition
Energy Services earnings are generated from arbitrage opportunities which, by their nature, can be replicated by other competitors. An increase in market participants entering into similar arbitrage transactions could have an impact on our earnings. Our efforts to mitigate competition risk includes diversification of our marketing business by trading at the majority of major hubs in North America and establishing long-term relationships with clients.

ELIMINATIONS AND OTHER

Eliminations and Other includes operating and administrative costs and foreign exchange costs which are not allocated to business segments. Eliminations and Other also includes new business development activities and general corporate investments.

INSURANCE

Our operations are subject to many hazards inherent in our industry. Our assets may experience physical damage as a result of an accident or natural disaster. These hazards can also cause personal injury and loss of life, severe damage to and destruction of property and equipment, pollution or environmental damage, and suspension of operations. We maintain a comprehensive insurance program for us, our subsidiaries and our affiliates. This program includes insurance coverage in types and amounts and with terms and conditions that are generally consistent with coverage customary for our industry.

Although we believe our current coverage is adequate for our purposes, we have in the past had occurrences that led to losses exceeding our then-applicable coverage limits, and there is no assurance

that the same may not happen in the future. In the unlikely event that multiple insurable incidents which in aggregate exceed coverage limits occur within the same insurance period, the total insurance coverage will be allocated among our entities on an equitable basis based on an insurance allocation agreement among us and our subsidiaries.

OPERATIONAL AND ECONOMIC REGULATION

LIQUIDS PIPELINES

Operational Regulation

Operational regulation risks relate to compliance with applicable operational rules and regulations mandated by governments or applicable regulatory authorities, breaches of which could result in fines, penalties, operating restrictions and an overall increase in operating and compliance costs.

Regulatory scrutiny over the integrity of liquids pipeline assets has the potential to increase operating costs or limit future projects. Potential regulatory changes could have an impact on our future earnings and the cost related to the construction of new projects. We believe operational regulation risk is mitigated by active monitoring and consulting on potential regulatory requirement changes with the respective regulators or through industry associations. We also develop robust response plans to regulatory changes or enforcement actions. While we believe the safe and reliable operation of our assets and adherence to existing regulations is the best approach to managing operational regulatory risk, the potential remains for regulators to make unilateral decisions that could have a financial impact on us.

In the United States, our interstate pipeline operations are subject to pipeline safety laws and regulations administered by the Pipeline and Hazardous Materials Safety Administration (PHMSA) of the United States Department of Transportation (DOT). These laws and regulations require us to comply with a significant set of requirements for the design, construction, maintenance and operation of our interstate pipelines. These laws and regulations, among other things, include requirements to monitor and maintain the integrity of our pipelines. The regulations determine the pressures at which our pipelines can operate.

PHMSA is designing an Integrity Verification Process intended to create standards to verify maximum allowable operating pressure, and to improve and expand integrity management processes. Additionally, PHMSA will establish standards for storage facilities. There remains uncertainty as to how these standards will be implemented, but it is expected that the changes will impose additional costs on new pipeline projects as well as on existing operations. In this climate of increasingly stringent regulation, pipeline failures or failures to comply with applicable regulations could result in reduction of allowable operating pressures as authorized by PHMSA, which would reduce available capacity on our pipelines. Should any of these risks materialize, it may have an adverse effect on our operations, earnings, financial condition and cash flows.

In Canada, our pipeline operations are subject to pipeline safety regulations overseen by the NEB or provincial regulators. Applicable legislation and regulation require us to comply with a significant set of requirements for the design, construction, maintenance and operation of our pipelines. Among other obligations, this regulatory framework imposes requirements to monitor and maintain the integrity of our pipelines.

As in the United States, several legislative changes addressing pipeline safety in Canada have recently come into force. The changes evidence an increased focus on the implementation of management systems to address key areas such as emergency management, integrity management, safety, security and environmental protection. Other legislative changes have created authority for the NEB to impose administrative monetary penalties for non-compliance with the regulatory regime it administers, as well as to impose financial requirements for future abandonment and major pipeline releases.

We are also subject to numerous environmental laws and regulations affecting many aspects of our present and future operations, including air emissions, water quality, wastewater discharges, solid waste and hazardous waste. These laws and regulations generally require us to obtain and comply with a wide variety of environmental licenses, permits, inspections and other approvals.

In particular, in the United States, compliance with major Clean Air Act regulatory programs is likely to cause us to incur significant capital expenditures to obtain permits, evaluate off-site impacts of our operations, install pollution control equipment, and otherwise assure compliance. Some states in which we operate are implementing new emissions limits to comply with 2008 ozone standards regulated under the National Ambient Air Quality Standards. In 2015, the ozone standards were lowered even further from 75 parts per billion (ppb) to 70 ppb, which may require states to implement additional emissions regulations. The precise nature of these compliance obligations at each of our facilities has not been finally determined and may depend in part on future regulatory changes. In addition, compliance with new and emerging environmental regulatory programs is likely to significantly increase our operating costs compared to historical levels.

In the United States, climate change action is evolving at state, regional and federal levels. The Supreme Court decision in Massachusetts v. EPA in 2007 established that greenhouse gas (GHG) emissions were pollutants subject to regulation under the Clean Air Act. Pursuant to federal regulations, we are currently subject to an obligation to report our GHG emissions at our largest emitting facilities, but are not generally subject to limits on emissions of GHGs, (except to the extent that some GHGs consist of volatile organic compounds and nitrous oxides that are subject to emission limits). In addition, a number of provinces and states have joined regional GHG initiatives, and a number are developing their own programs that would mandate reductions in GHG emissions. Public interest groups and regulatory agencies are increasingly focusing on the emission of methane associated with natural gas development and transmission as a source of GHG emissions. However, as the key details of future GHG restrictions and compliance mechanisms remain undefined, the likely future effects on our business are highly uncertain.

For its part, Canada has reaffirmed its strong preference for a harmonized approach with that of the United States. While federal GHG related regulatory design details remain forthcoming, provincial authorities have been actively pursuing related initiatives.

Failure to comply with environmental regulations may result in the imposition of fines, penalties and injunctive measures affecting our operating assets. In addition, changes in environmental laws and regulations or the enactment of new environmental laws or regulations could result in a material increase in our cost of compliance with such laws and regulations. We may not be able to obtain or maintain all required environmental regulatory approvals for our operating assets or development projects. If there is a delay in obtaining any required environmental regulatory approvals, if we fail to obtain or comply with them, or if environmental laws or regulations change or are administered in a more stringent manner, the operations of facilities or the development of new facilities could be prevented, delayed or become subject to additional costs. We expect that costs we incur to comply with environmental regulations in the future will have a significant effect on our earnings and cash flows.

Due to the speculative outlook regarding any United States federal and state policies, we cannot estimate the potential effect of proposed GHG policies on our future consolidated results of operations, financial position or cash flows. However, such legislation or regulation could materially increase our operating costs, require material capital expenditures or create additional permitting, which could delay proposed construction projects.

Economic Regulation
Our liquids pipelines also face economic regulatory risk. Broadly defined, economic regulation risk is the risk that governments or regulatory agencies change or reject proposed or existing commercial arrangements including permits and regulatory approvals for new projects. The Canadian Mainline, Lakehead System and other liquids pipelines are subject to the actions of various regulators, including the

NEB and FERC, with respect to the tariffs and tolls of those operations. The changing or rejecting of commercial arrangements, including decisions by regulators on the applicable tariff structure or changes in interpretations of existing regulations by courts or regulators, could have an adverse effect on our revenues and earnings. Delays in regulatory approvals on projects such as our L3R Program, could result in cost escalations and construction delays, which also negatively impact our operations.

We believe that economic regulatory risk is reduced through the negotiation of long-term agreements with shippers that govern the majority of our liquids pipeline assets. We also involve our legal and regulatory teams in the review of new projects to ensure compliance with applicable regulations as well as in the establishment of tariffs and tolls on new and existing pipelines. However, despite our efforts to mitigate economic regulation risk, there remains a risk that a regulator could overturn long-term agreements that we have entered into with shippers or deny the approval and permits for new projects.

GAS TRANSMISSION & MIDSTREAM

Operational Regulation

The span of regulatory risks that apply to the Liquids Pipeline business as described above under Liquids Pipelines also applies to the Gas Transmission and Midstream business. Additionally, most of our United States gas transmission operations are regulated by the FERC. The FERC regulates natural gas transmission in United States interstate commerce including the establishment of rates for services. The FERC also regulates the construction of United States interstate natural gas pipelines and storage facilities, including the extension, enlargement and abandonment of facilities. In addition, certain operations are subject to oversight by state regulatory commissions. To the extent that the natural gas intrastate pipelines that transport or store natural gas in interstate commerce provide services under Section 311 of the Natural Gas Policy Act of 1978, they are subject to FERC regulations. The FERC may propose and implement new rules and regulations affecting interstate natural gas transmission and storage companies, which remain subject to the FERC's jurisdiction. These initiatives may also affect certain transmission of gas by intrastate pipelines.

Our SEP and DCP Midstream operations are subject to the jurisdiction of the Environmental Protection Agency and various other federal, state and local environmental agencies. Our United States interstate natural gas pipelines and certain of DCP Midstream's gathering and transmission pipelines are also subject to the regulations of the DOT concerning pipeline safety.

The intrastate natural gas and NGL pipelines owned by us and DCP Midstream are subject to state regulation. The natural gas gathering and processing activities of DCP Midstream are not subject to FERC regulation.

Our Canadian operations are governed by various federal and provincial agencies with respect to pipeline safety, including the NEB and the Transportation Safety Board, the British Columbia Oil and Gas Commission, the Alberta Energy Regulator and the Ontario Technical Standards and Safety Authority.

Our Canadian natural gas transmission and distribution operations and approximately two-thirds of the storage operations in Canada are subject to regulation by the NEB or the provincial agencies in Canada, such as the OEB. These agencies have jurisdiction similar to the FERC for regulating rates, the terms and conditions of service, the construction of additional facilities and acquisitions. Our British Columbia Pipeline and British Columbia Field Services business in western Canada is regulated by the NEB pursuant to a framework for light-handed regulation under which the NEB acts on a complaints-basis for rates associated with that business. Similarly, the rates charged by our Canadian Gas Transmission and Midstream operations for gathering and processing services in western Canada are regulated on a complaints-basis by applicable provincial regulators.

GAS DISTRIBUTION

Economic Regulation

Our gas distribution utility operations are regulated by the OEB and the EUB among others. Regulators' future actions may differ from current expectations, or future legislative changes may impact the regulatory environments in which we operate. To the extent that the regulators' future actions are different from current expectations, the timing and amount of recovery or refund of amounts recorded on the Consolidated Statements of Financial Position, or that would have been recorded on the Consolidated Statements of Financial Position in absence of the effects of regulation, could be different from the amounts that are eventually recovered or refunded.

We seek to mitigate economic regulation risk. We retain dedicated professional staff and maintain strong relationships with customers, intervenors and regulators. The terms of rate negotiations are reviewed by our legal, regulatory and finance teams.

Enbridge Gas Distribution

Distribution rates are set under a five-year customized incentive rate plan (IR Plan) approved in 2014 and provide a level of stability by having a long-term agreement with the OEB which allows us to recover our expected capital investments under the agreement, as well as an opportunity to earn above the OEB allowed ROE. Under the customized IR Plan, we are permitted to recover, with OEB approval, certain costs that were beyond management control, but that were necessary for the maintenance of our services. The customized IR Plan also includes a mechanism to reassess the customized IR Plan and return to cost of service if there are significant and unanticipated developments that threaten the sustainability of the customized IR Plan.

Union Gas

Distribution rates, beginning in 2014, are set under a five-year incentive regulation framework using price cap methodology. The price cap framework establishes new rates at the beginning of each year through the use of a pricing formula rather than through the examination of revenue and cost forecasts. The framework allows for annual inflationary rate increases, offset by a productivity factor, as well as rate increases or decreases in the small volume customer classes where use declines or increases, and certain adjustments to base rates. Further, it allows for the continued pass-through of gas commodity, upstream transportation and demand side management costs, the additional pass-through of costs associated with major capital investments and certain fuel variances, an allowance for unexpected cost changes that are outside of management's control, and equal sharing of tax changes between Union Gas and customers, and finally an opportunity to earn above the OEB allowed ROE.

Environmental Regulation

Our workers, operations and facilities are subject to municipal, provincial and federal legislation which regulate the protection of the environment and the health and safety of workers. For the environment, primarily this includes the regulation of discharges to air, land and water; the management and disposal of solid and hazardous waste, and contaminated soil and groundwater; and the assessment of contaminated sites.

The operation of our gas distribution system and gas facilities comes with risk of incidents, abnormal operating conditions or other unplanned events that could result in spills or emissions to the environment that could exceed permitted levels. These events could result in injuries to workers or the public, fines, penalties, adverse impacts to the environment in which we operate within, and/or property damage. We could also incur future liability for environmental (soil and groundwater) contamination associated with past and present site activities.

In addition to the operation of the gas distribution system, we also operate unregulated operations including small oil and brine production and storage facilities in southwestern Ontario. Environmental risk associated with these facilities is the possibility of spills, releases or leaks. In the event of an incident (spill), remediation of the affected area would be required. There would also be potential for fines, orders

or charges under environmental legislation, and potential third-party liability claims by affected land owners.

The gas distribution system and our other operations must maintain a number of environmental approvals and permits from governmental authorities to operate. As a result, these facilities and the distribution network are subject to periodic inspection. An Annual Written Summary Report is submitted to the Ontario Ministry of Environment and Climate Change (MOECC) to demonstrate we are in good standing in relation to its Environmental Compliance Approvals. Failure to maintain regulatory compliance could result in operational interruptions, fines, penalties, and/or orders for additional pollution control technology or environmental remediation, etc. As environmental requirements and regulations become more stringent, the cost to maintain compliance and the time required to obtain approvals has consistently increased.

Ontario commenced a cap and trade system on January 1, 2017. Under the cap and trade regulation, EGD and Union Gas (together, the Utilities) are required to purchase emission allowances or credits for most of our customers' use of natural gas as well as for emissions from our own operations. This process is complex and requires ongoing monitoring of the carbon market and related climate change and carbon policies not only in Ontario but also in other newly linked jurisdictions as at January 1, 2018 - namely California and Quebec. This linkage which has been enabled in Ontario with various GHG reporting and cap and trade regulation amendments over the course of 2017 will create a larger and more liquid market for carbon allowances and credits, which may help to keep compliance costs for our customers down. However, non-compliance or unexpected policy changes may cause significant changes to the cost of maintaining compliance and needs to be closely monitored to ensure impacts are understood.

As required by the OEB Cap and Trade Framework, the Utilities each submitted 2017 Compliance Plans, which subsequently received supportive endorsement and approval of cost recovery in 2017 rates. The Utilities are in the process of defending their individually filed 2018 Compliance Plans. The OEB approved use of the 2017 final rate for recovery of 2018 cap and trade compliance costs until determined otherwise. Further, the OEB Cap and Trade Framework identifies that the Utilities are expected to file 2019/2020 Compliance Plans as well as an Annual Report summarizing 2017 results by August 1, 2018. The Compliance Plans detail how the Utilities will meet their respective carbon compliance obligations through carbon allowance and/or offset procurement as well as through customer and facility abatement projects that may be deemed cost effective. By creating prudent and thoughtful plans and executing with excellence, the Utilities can best mitigate the risk of cost disallowance.

As with previous years, in 2017 the Utilities each reported GHG emissions to the Ontario MOECC, Environment and Climate Change Canada, and a number of voluntary reporting programs. Emissions from Ontario combustion sources were verified in detail by a third party accredited verifier with no material discrepancies found. Additionally, operational emissions from venting, fugitive and natural gas distribution emissions were reported to the MOECC for the first time in 2017 in accordance with O. Reg. 143/16 - Quantification, Reporting, and Verification of Greenhouse Gas Emissions Regulation standard quantification methods ON. 350 and ON. 400, respectively. The Utilities continue to monitor developments and attend stakeholder consultations in Ontario.

The Utilities utilize emissions data management processes and systems to help with the data capture and mandatory and voluntary reporting needs. Quantification methodologies and emission factors will continually be updated in the system as required. Each Utility publicly reports its GHG emissions and has developed internal procedures for more frequent monthly Cap and Trade related GHG reporting. Collectively, the Utilities continue to work with industry associations to refine quantification methodologies and emissions factors, as well as best management practices to minimize emissions. The Utilities plans to reduce emissions in 2018 are outlined in the Facility Abatement Plan within their respective Compliance Plans.

EMPLOYEES

We had approximately 12,700 employees as at December 31, 2017, including approximately 8,500 employees in Canada. Approximately 1,800 of our employees are subject to collective bargaining agreements governing their employment with us. Approximately 48% of those employees are covered under agreements that either have expired or will expire by December 31, 2018. We are currently going through the process of collective bargaining in respect to the expired or expiring contracts. We have mature working relationships with our labor unions and the parties have traditionally committed themselves to the achievement of renewal agreements without a work stoppage.

EXECUTIVES AND OTHER OFFICERS

The following table sets forth information regarding our executive and other officers.

Name	Age	Position
Al Monaco	58	President & Chief Executive Officer
John K. Whelen	58	Executive Vice President & Chief Financial Officer
Cynthia L. Hansen	53	Executive Vice President, Utilities & Power Operations
D. Guy Jarvis	54	Executive Vice President, Liquids Pipelines
Byron C. Neiles	52	Executive Vice President, Corporate Services
Robert R. Rooney	61	Executive Vice President & Chief Legal Officer
William T. Yardley	53	Executive Vice President & President, Gas Transmission & Midstream
Vern D. Yu	51	Executive Vice President & Chief Development Officer
Allen C. Capps	47	Vice President & Chief Accounting Officer

Al Monaco was appointed President and Chief Executive Officer on October 1, 2012. He is also a member of the Enbridge Board of Directors. Prior to being appointed President of Enbridge, Mr. Monaco served as President, Gas Pipelines, Green Energy & International with responsibility for the growth and operations of our gas pipelines, including the gas gathering and processing operations in the United States, our gulf coast offshore assets and our investments in Alliance, Vector and Aux Sable, as well as our International business development and investment activities and Green Energy.

John K. Whelen was appointed Executive Vice President and Chief Financial Officer of Enbridge on October 15, 2014. Previously our Senior Vice President and Controller, Mr. Whelen retained executive leadership for our financial reporting function, while assuming responsibility for our tax and treasury functions. Mr. Whelen has been part of the Enbridge team since 1992, when he assumed the Manager of Treasury role at Consumers Gas (now EGD).

Cynthia L. Hansen was appointed Executive Vice President, Utilities and Power Operations, on February 27, 2017. Ms. Hansen is responsible for the overall leadership and operations of EGD and Union Gas, as well as Enbridge Gas New Brunswick Inc. and Gazifère. She also holds responsibility for the operations of our power generating assets, which currently include renewable energy investments in wind, solar, geothermal and hydroelectric, as well as waste heat recovery facilities and power transmission lines owned in whole or in part by us.

D. Guy Jarvis was appointed Executive Vice President, Liquids Pipelines and Major Projects on May 2, 2016. Mr. Jarvis has been President of our Liquids Pipelines group since March 1, 2014, with responsibility for all of our crude oil and liquids pipeline businesses across North America. Mr. Jarvis previously held the title of Chief Commercial Officer for Liquids Pipelines, with responsibility for strategic

and integrated services, customer service, finance, and business and market development. Prior to Mr. Jarvis' work in Liquids Pipelines, he served as President, Gas Distribution, providing overall leadership to EGD, as well as Enbridge Gas New Brunswick Inc. and Gazifère.

Byron C. Neiles was appointed Executive Vice President, Corporate Services on May 2, 2016. Mr. Neiles has oversight of our Information Technology, Human Resources, Real Estate & Workplace Services, Supply Chain Management, Enterprise Safety and Operational Reliability, and aviation groups. Mr. Neiles had previously held the role of Senior Vice President, Major Projects, Enterprise Safety and Operational Reliability, and had been Senior Vice President of Major Projects since November 2011, after joining our Major Projects group in April 2008.

Robert R. Rooney was appointed Executive Vice President and Chief Legal Officer on February 1, 2017. Mr. Rooney leads our legal team across the organization, as well as Public Affairs and Communications (including Corporate Social Responsibility).

William T. Yardley was named Executive Vice President and President of Gas Transmission and Midstream on February 27, 2017. Mr. Yardley is also the President and Chairman of the Board of SEP. Mr. Yardley, based in Houston, was previously President of Spectra Energy's United States Transmission and Storage business, leading the business development, project execution, operations and environment, health and safety efforts associated with Spectra Energy's United States portfolio of assets.

Vern D. Yu was appointed Executive Vice President and Chief Development Officer on May 2, 2016. Mr. Yu leads our Corporate Development team in driving growth opportunities, while also establishing capital allocation parameters and portfolio mix. Mr. Yu also provides executive oversight to our Energy Services group, Tidal Energy. Previously, Mr. Yu served as Senior Vice President, Corporate Planning and Chief Development Officer. He has been the lead of our Corporate Development team since July 1, 2014.

Allen C. Capps is the Vice President and Chief Accounting Officer of Enbridge. Mr. Capps is responsible for our accounting operations and financial reporting functions, including internal and external financial reports. Prior to assuming his current role in 2017, Mr. Capps served as Vice President and Controller of Spectra Energy, responsible for the financial accounting and reporting functions.

ADDITIONAL INFORMATION

Additional information about us is available on our website at www.enbridge.com, on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. The aforementioned information is made available in accordance with legal requirements and is not, unless otherwise specifically stated, incorporated by reference into this Annual Report on Form 10-K. We make available free of charge, through our website, annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as well as proxy statements, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Reports, proxy statements and other information filed with the SEC may also be obtained through the SEC's website (www.sec.gov) or by visiting the Public Reference Room of the SEC at 100 F Street, N.E., Washington D.C. 20549 or calling the SEC at 1-800-SEC-0330.

ENBRIDGE ENERGY PARTNERS, L.P. AND ENBRIDGE ENERGY MANAGEMENT, L.L.C.
Additional information about EEP and Enbridge Energy Management, L.L.C. can be found in their Annual Reports on Form 10-Ks that have been filed with the SEC. These documents contain detailed disclosure with respect to EEP and Enbridge Energy Management, L.L.C., respectively, and are publicly available on EDGAR at www.sec.gov. No part of the Form10-Ks filed by EEP and Enbridge Energy Management, L.L.C. are, unless otherwise specifically stated, incorporated by reference into this Annual Report on Form 10-K.

ENBRIDGE GAS DISTRIBUTION INC.
Additional information about EGD can be found in its annual information form, financial statements and management's discussion and analysis (MD&A) for the year ended December 31, 2017 which have been filed with the securities commissions or similar authorities in each of the provinces of Canada. These documents contain detailed disclosure with respect to EGD and are publicly available on SEDAR at www.sedar.com. These documents are not, unless otherwise specifically stated, incorporated by reference into this Annual Report on Form 10-K.

ENBRIDGE INCOME FUND
Additional information about the Fund can be found in its annual information form, financial statements and MD&A as well as the financial statements and MD&A of EIPLP for the year ended December 31, 2017 which have been filed with the securities commissions or similar authorities in each of the provinces of Canada. These documents contain detailed disclosure with respect to the Fund and are publicly available on SEDAR at www.sedar.com under the Fund's profile. These documents are not, unless otherwise specifically stated, incorporated by reference into this Annual Report on Form 10-K.

ENBRIDGE INCOME FUND HOLDINGS INC.
Additional information about ENF can be found in its annual information form, financial statements and MD&A for the year ended December 31, 2017 which have been filed with the securities commissions or similar authorities in each of the provinces of Canada. These documents contain detailed disclosure with respect to ENF and are publicly available on SEDAR at www.sedar.com. These documents are not, unless otherwise specifically stated, incorporated by reference into this Annual Report on Form 10-K.

ENBRIDGE PIPELINES INC.
Additional information about EPI can be found in its annual information form, financial statements and MD&A for the year ended December 31, 2017 which have been filed with the securities commissions or similar authorities in each of the provinces of Canada. These documents contain detailed disclosure with respect to EPI and are publicly available on SEDAR at www.sedar.com. These documents are not, unless otherwise specifically stated, incorporated by reference into this Annual Report on Form 10-K.

SPECTRA ENERGY PARTNERS, L.P.
Additional information about SEP can be found in its Annual Report on Form10-K that has been filed with the SEC. This document contains detailed disclosure with respect to SEP, and is publicly available on EDGAR at www.sec.gov. No part of the Form 10-K filed by SEP is, unless otherwise specifically stated, incorporated by reference into this Annual Report on Form 10-K.

UNION GAS LIMITED
Additional information about Union Gas can be found in its annual information form, financial statements and MD&A for the year ended December 31, 2017 which have been filed with the securities commissions or similar authorities in each of the provinces of Canada. These documents contain detailed disclosure with respect to Union Gas and are publicly available on SEDAR at www.sedar.com. These documents are not, unless otherwise specifically stated, incorporated by reference into this Annual Report on Form 10-K.

WESTCOAST ENERGY INC.
Additional information about Westcoast Energy Inc. can be found in its annual information form, financial statements and MD&A for the year ended December 31, 2017 which have been filed with the securities commissions or similar authorities in each of the provinces of Canada. These documents contain detailed disclosure with respect to Westcoast Energy Inc. and are publicly available on SEDAR at www.sedar.com. These documents are not, unless otherwise specifically stated, incorporated by reference into this Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

Execution of our capital projects subjects us to various regulatory, development, operational and market risks that may affect our financial results.

Our ability to successfully execute the development of our organic growth projects is subject to various regulatory, development, operational and market risks, including:

- the ability to obtain necessary approvals and permits from governments and regulatory agencies on a timely basis and on acceptable terms and to maintain those issued approvals and permits and satisfy the terms and conditions imposed therein;
- potential changes in federal, state, provincial and local statutes and regulations, including environmental requirements, that may prevent a project from proceeding or increase the anticipated cost of the project;
- impediments on our ability to acquire or renew rights-of-way or land rights on a timely basis and on acceptable terms;
- opposition to our projects by third parties, including special interest groups;
- the availability of skilled labor, equipment and materials to complete projects;
- the ability to construct projects within anticipated costs, including the risk of cost overruns resulting from inflation or increased costs of equipment, materials or labor, contractor or supplier non-performance, weather, geologic conditions or other factors beyond our control, that may be material;
- general economic factors that affect the demand for our projects; and
- the ability to raise financing for these capital projects.

Any of these risks could prevent a project from proceeding, delay its completion or increase its anticipated cost. Recent projects that have experienced delays include the United States portion of the L3R Program (U.S. L3R Program) and NEXUS. In the fourth quarter of 2016, we determined Northern Gateway could not proceed as envisioned. New projects may not achieve their expected investment return, which could affect our financial results, and hinder our ability to secure future projects.

Cyber-attacks or security breaches could adversely affect our business, operations or financial results.

Our business is dependent upon information systems and other digital technologies for controlling our plants and pipelines, processing transactions and summarizing and reporting results of operations. The secure processing, maintenance and transmission of information is critical to our operations. A security breach of our network or systems could result in improper operation of our assets, potentially including delays in the delivery or availability of our customers' products, contamination or degradation of the products we transport, store or distribute, or releases of hydrocarbon products for which we could be held liable. Furthermore, we collect and store sensitive data in the ordinary course of our business, including personal identification information of our employees as well as our proprietary business information and that of our customers, suppliers, investors and other stakeholders. We have a cyber-security controls framework in place which has been derived from the National Institute of Standards and Technology Cyber-security Framework and International Organization for Standardization 27001 standards. We monitor our control effectiveness in an increasing threat landscape and continuously take action to improve our security posture. We have implemented a 7X24 security operations center to monitor, detect and investigate any anomalous activity in our network together with an incident response process that we test on a monthly basis. We conduct independent cyber-security audits and penetration tests on a regular basis to test that our preventative and detective controls are working as designed. Despite our security measures, our information systems may become the target of cyber-attacks or security breaches (including employee error, malfeasance or other breaches), which could compromise our network or systems and result in the release or loss of the information stored therein, misappropriation of assets, disruption to our operations or damage to our facilities. Our current insurance coverage programs do not

contain specific coverage for cyber-attacks or security breaches. As a result of a cyber-attack or security breach, we could also be liable under laws that protect the privacy of personal information, subject to regulatory penalties, experience damage to our reputation or a loss of consumer confidence in our products and services, or incur additional costs for remediation and modification or enhancement of our information systems to prevent future occurrences, all of which could adversely affect our business, operations or financial results.

Changes in our reputation with stakeholders, special interest groups, political leadership, the media or other entities could have negative impacts on our business, operations or financial results.

There could be negative impacts on our business, operations or financial results due to changes in our reputation with stakeholders, special interest groups (including non-governmental organizations), political leadership, the media or other entities. Public opinion may be influenced by certain media and special interest groups' negative portrayal of the industry in which we operate as well as their opposition to development projects, such as the Bakken Pipeline System. Potential impacts of a negative public opinion may include:

- loss of business;
- loss of ability to secure growth opportunities;
- delays in project execution;
- legal action;
- increased regulatory oversight or delays in regulatory approval; and
- loss of ability to hire and retain top talent.

We are also exposed to the risk of higher costs, delays or even project cancellations due to increasing pressure on governments and regulators by special interest groups. Recent judicial decisions have increased the ability of special interest groups to make claims and oppose projects in regulatory and legal forums. In addition to issues raised by groups focused on particular project impacts, we and others in the energy and pipeline businesses are facing opposition from organizations opposed to oil sands development and shipment of production from oil sands regions.

Pipeline operations involve numerous risks that may adversely affect our business and financial results.

Operation of complex pipeline systems, gathering, treating, storing and processing operations involves many risks, hazards and uncertainties. These events include adverse weather conditions, accidents, the breakdown or failure of equipment or processes, the performance of the facilities below expected levels of capacity and efficiency and catastrophic events such as explosions, fires, earthquakes, hurricanes, floods, landslides or other similar events beyond our control. These types of catastrophic events could result in loss of human life, significant damage to property, environmental pollution and impairment of our operations, any of which could also result in substantial losses for which insurance may not be sufficient or available and for which we may bear a part or all of the cost. We have experienced such events in the past, including in 2010 on Lines 6A and 6B Lakehead System. which is discussed in Part II. Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations - Legal and Other Updates.* In addition, we could be subject to significant fines and penalties from regulators in connection with such events. Environmental incidents could also lead to an increased cost of operating and insuring our assets, thereby negatively impacting earnings. An environmental incident could have lasting reputational impacts to us and could impact our ability to work with various stakeholders. For pipeline and storage assets located near populated areas, including residential communities, commercial business centers, industrial sites and other public gathering locations, the level of damage resulting from these catastrophic events could be greater.

Our assets vary in age and were constructed over many decades which may cause our inspection, maintenance or repair costs to increase in the future.

Our pipelines vary in age and were constructed over many decades. Pipelines are generally long-lived assets, and pipeline construction and coating techniques have changed over time. Depending on the era of construction, some assets require more frequent inspections, which could result in increased maintenance or repair expenditures in the future. Any significant increase in these expenditures could adversely affect our business, operations or financial results.

A service interruption could have a significant impact on our operations, and negatively impact financial results, relationships with stakeholders and our reputation.

A service interruption due to a major power disruption or curtailment of commodity supply could have a significant impact on our operations and negatively impact financial results, relationships with stakeholders and our reputation. Specifically, for Gas Distribution, any prolonged interruptions would ultimately impact gas distribution customers. Service interruptions that impact our crude oil transportation services can negatively impact shippers' operations and earnings as they are dependent on our services to move their product to market or fulfill their own contractual arrangements.

Our operations involve safety risks to the public and to our workers and contractors.

Several of our pipelines and distribution systems and related assets are operated in close proximity to populated areas and a major incident could result in injury to members of the public. In addition, given the natural hazards inherent in our operations, our workers and contractors are subject to personal safety risks. A public safety incident or an injury to our workers or contractors could result in reputational damage to us, material repair costs or increased costs of operating and insuring our assets.

Our transformation projects may fail to fully deliver anticipated results.

We launched projects in 2016 to transform various processes, capabilities and reporting systems infrastructure to continuously improve effectiveness and efficiency across the organization. Transformation project risk is the risk that modernization projects carried out by us and our subsidiaries do not fully deliver anticipated results due to insufficiently addressing the risks associated with project execution and change management. This could result in negative financial, operational and reputational impacts.

An impairment of our assets, including goodwill, property, plant, and equipment, intangible assets, and/or equity method investments, could reduce our earnings.

GAAP requires us to test certain assets for impairment on either an annual basis or when events or circumstances occur which indicate that the carrying value of such assets might be impaired. The outcome of such testing could result in impairments of our assets including our goodwill, property, plant and equipment, intangible assets, and/or equity method investments. Additionally, any asset monetizations could result in impairments if such assets are sold or otherwise exchanged for amounts less than their carrying value. If we determine that an impairment has occurred, we would be required to take an immediate noncash charge to earnings.

There are utilization risks in respect to our assets.

In respect to our Liquids Pipeline assets, we are exposed to throughput risk under the CTS on the Canadian Mainline and under certain tolling agreements applicable to other Liquids Pipelines assets, such as the Lakehead System. A decrease in volumes transported can directly and adversely affect our revenues and earnings. Factors such as changing market fundamentals, capacity bottlenecks, operational incidents, regulatory restrictions, system maintenance and increased competition can all

impact the utilization of our assets. Market fundamentals, such as commodity prices and price differentials, weather, gasoline price and consumption, alternative energy sources and global supply disruptions outside of our control can impact both the supply of and demand for crude oil and other liquid hydrocarbons transported on our pipelines.

In respect to our Gas Transmission and Midstream assets, gas supply and demand dynamics continue to change as a result of the development of non-conventional shale gas supplies. The increase in natural gas supply has resulted in declines in the price of natural gas in North America. As a result, a shift occurred to extraction of gas in richer, wet gas areas with higher NGL content which depressed activity in dry fields. This, in turn, has contributed to a resulting oversupply of pipeline takeaway capacity in some areas, which can adversely affect our revenues and earnings.

In respect to our Gas Distribution assets, customers are billed on a combination of both fixed charge and volumetric basis and EGD and Union Gas' ability to collect their respective total revenue requirement (the cost of providing service, including a reasonable return to the utility) depends on achieving the forecast distribution volume established in the rate-making process. The probability of realizing such volume is contingent upon four key forecast variables: weather, economic conditions, pricing of competitive energy sources and growth in the number of customers. Weather is a significant driver of delivery volumes, given that a significant portion of EGD and Union Gas' respective customer base uses natural gas for space heating. Distribution volume may also be impacted by the increased adoption of energy efficient technologies, along with more efficient building construction, that continue to place downward pressure on consumption. In addition, conservation efforts by customers may further contribute to a decline in annual average consumption. EGD and Union Gas have deferral accounts approved by the OEB that provide regulatory protection against the margin impacts associated with declining annual average consumption due to efficiencies and customers' conservation efforts. Sales and transportation service to large volume commercial and industrial customers is more susceptible to prevailing economic conditions. As well, the pricing of competitive energy sources affects volume distributed to these sectors as some customers have the ability to switch to an alternate fuel. Even in those circumstances where EGD and Union Gas each attains their respective total forecast distribution volume, they may not earn their respective expected ROE due to other forecast variables, such as the mix between the higher margin residential and commercial sectors and the lower margin industrial sector. EGD and Union Gas each remain at risk for the actual versus forecast large volume contract commercial and industrial volumes.

In respect to our Green Power and Transmission assets, earnings from these assets are highly dependent on weather and atmospheric conditions as well as continued operational availability of these energy producing assets. While the expected energy yields for Green Power and Transmission projects are predicted using long-term historical data, wind and solar resources are subject to natural variation from year to year and from season to season. Any prolonged reduction in wind or solar resources at any of the Green Power and Transmission facilities could lead to decreased earnings and cash flows for us. Additionally, inefficiencies or interruptions of Green Power and Transmission facilities due to operational disturbances or outages resulting from weather conditions or other factors, could also impact earnings.

Power produced from Green Power and Transmission assets is also often sold to a single counterparty under power purchase agreements or other long-term pricing arrangements. In this respect, the performance of the Green Power and Transmission assets is dependent on each counterparty performing its contractual obligations under the power purchase agreements or pricing arrangement applicable to it.

We rely on access to short-term and long-term capital markets to finance capital requirements and support liquidity needs, and cost effective access to those markets can be affected, particularly if we or our rated subsidiaries are unable to maintain an investment-grade credit rating.

A significant portion of our consolidated asset base is financed with debt. The maturity and repayment profile of debt used to finance investments often does not correlate to cash flows from assets. Accordingly, we rely on access to both short-term and long-term capital markets as a source of liquidity

for capital requirements not satisfied by cash flows from operations and to fund investments originally financed through debt. Our senior unsecured long-term debt is currently rated investment-grade by various rating agencies. If the rating agencies were to rate us or our rated subsidiaries below investment-grade, our borrowing costs would increase, perhaps significantly. Consequently, we would likely be required to pay a higher interest rate in future financings and our potential pool of investors and funding sources could decrease.

We maintain revolving credit facilities to provide back-up for commercial paper programs for borrowings and/or letters of credit at various entities. These facilities typically include financial covenants and failure to maintain these covenants at a particular entity could preclude that entity from issuing commercial paper or letters of credit or borrowing under the revolving credit facility, which could affect cash flows or restrict business. Furthermore, if our short-term debt rating were to be downgraded, access to the commercial paper market could be significantly limited. Although this would not affect our ability to draw under our credit facilities, borrowing costs could be significantly higher.

If we are not able to access capital at competitive rates, our ability to finance operations and implement our strategy may be affected. Restrictions on our ability to access financial markets may also affect our ability to execute our business plan as scheduled. An inability to access capital may limit our ability to pursue improvements or acquisitions that we may otherwise rely on for future growth. Any downgrade or other event negatively affecting the credit ratings of our subsidiaries could make their costs of borrowing higher or access to funding sources more limited, which in turn could increase our need to provide liquidity in the form of capital contributions or loans to such subsidiaries, thus reducing the liquidity and borrowing availability of the consolidated group.

Our forecasted assumptions may not materialize as expected on our expansion projects, acquisitions and divestitures.

We evaluate expansion projects, acquisitions and divestitures on an ongoing basis. Planning and investment analysis is highly dependent on accurate forecasting assumptions and to the extent that these assumptions do not materialize, financial performance may be lower or more volatile than expected. Volatility and unpredictability in the economy, both locally and globally, change in cost estimates, project scoping and risk assessment could result in a loss in our profits.

We may not be able to sell assets or, if we are able to sell assets, to raise a sufficient amount of capital from such asset sales. In addition, the timing to enter into and close any asset sales could be significantly different than our expected timeline.

We are planning to monetize certain assets to execute on our strategic priority to focus on core assets and to accelerate debt reduction and provide capital for capital and investment expenditures. Given the commodity markets, financial markets, and other challenges currently facing the energy sector, our competitors may also engage in asset sales leading to lower demand for the assets we wish to sell. We may not be able to sell the assets we identify for sale on favorable terms or at all. If we are able to sell assets, the timing of the receipt of the asset sale proceeds may not align with the timing of our capital requirements. A failure to raise sufficient capital from asset sales or a misalignment of the timing of capital raised and capital funding needs could have an adverse impact on our business, financial condition, results of operations, and cash flows.

Our operations are subject to pipeline safety laws and regulations, compliance with which may require significant capital expenditures, increase our cost of operations and affect or limit our business plans.

Many of our operations are regulated. The nature and degree of regulation and legislation affecting energy companies in Canada and the United States have changed significantly in past years and further substantial changes may occur.

On February 8, 2018, the Government of Canada introduced legislation to revise the process for assessing major resource projects. At this time, we are reviewing the proposed regulatory reforms and the effect upon us and our subsidiaries, whether adverse or favorable, if such legislation is passed in its current or revised form, is currently uncertain.

Compliance with legislative changes may impose additional costs on new pipeline projects as well as on existing operations. Failure to comply with applicable regulations could result in a number of consequences which may have an adverse effect on our operations, earnings, financial condition and cash flows.

Our operations are subject to numerous environmental laws and regulations, compliance with which may require significant capital expenditures, increase our cost of operations and affect or limit our business plans, or expose us to environmental liabilities.

We are subject to numerous environmental laws and regulations affecting many aspects of our present and future operations, including air emissions, water quality, wastewater discharges, solid waste and hazardous waste.

Failure to comply with environmental laws and regulations may result in the imposition of fines, penalties and injunctive measures affecting our operating assets. In addition, changes in environmental laws and regulations or the enactment of new environmental laws or regulations could result in a material increase in our cost of compliance with such laws and regulations. We may not be able to obtain or maintain all required environmental regulatory approvals for our operating assets or development projects. If there is a delay in obtaining any required environmental regulatory approvals, if we fail to obtain or comply with them, or if environmental laws or regulations change or are administered in a more stringent manner, the operations of facilities or the development of new facilities could be prevented, delayed or become subject to additional costs. We expect that costs we incur to comply with environmental regulations in the future will have a significant effect on our earnings and cash flows.

We are exposed to the credit risk of our customers.

We are exposed to the credit risk of our customers in the ordinary course of our business. Generally, our customers are rated investment-grade, are otherwise considered creditworthy or provide us security to satisfy credit concerns. A significant amount of our credit exposures for transmission, storage, and gathering and processing services are with customers who have an investment-grade rating (or the equivalent based on our evaluation) or are secured by collateral. However, we cannot predict to what extent our business would be impacted by deteriorating conditions in the economy, including possible declines in our customers' creditworthiness. As a result of future capital projects for which natural gas and oil producers may be the primary customer, our credit exposure with below investment-grade customers may increase. It is possible that customer payment defaults, if significant, could adversely affect our earnings and cash flows.

Our business requires the retention and recruitment of a skilled workforce, and difficulties recruiting and retaining our workforce could result in a failure to implement our business plans.

Our operations and management require the retention and recruitment of a skilled workforce, including engineers, technical personnel and other professionals. We and our affiliates compete with other companies in the energy industry for this skilled workforce. If we are unable to retain current employees and/or recruit new employees of comparable knowledge and experience, our business could be negatively impacted. In addition, we could experience increased allocated costs to retain and recruit these professionals.

We are involved in numerous legal proceedings, the outcomes of which are uncertain, and resolutions adverse to us could adversely affect our financial results.

We are subject to numerous legal proceedings. Litigation is subject to many uncertainties, and we cannot predict the outcome of individual matters with assurance. It is reasonably possible that the final resolution of some of the matters in which we are involved could require additional expenditures, in excess of established reserves, over an extended period of time and in a range of amounts that could adversely affect our financial results.

Terrorist attacks and threats, escalation of military activity in response to these attacks or acts of war, and other civil unrest or activism could adversely affect our business, operations or financial results.

Terrorist attacks and threats, escalation of military activity or acts of war, or other civil unrest or activism may have significant effects on general economic conditions, fluctuations in consumer confidence and spending and market liquidity, each of which could adversely affect our business. Future terrorist attacks, rumors or threats of war, actual conflicts involving the United States, or Canada, or military or trade disruptions may significantly affect our operations and those of our customers. Strategic targets, such as energy related assets, may be at greater risk of future attacks than other targets in the United States and Canada. In addition, increased environmental activism against pipeline construction and operation could potentially result in work delays, reduced demand for our products and services, increased legislation or denial or delay of permits and rights-of-way. Finally, the disruption or a significant increase in energy prices could result in government-imposed price controls. It is possible that any of these occurrences, or a combination of them, could adversely affect our business, operations or financial results.

Our Liquids Pipelines results may be adversely affected by commodity prices.

Current oil sands production is very robust and is expected to grow in the future as producers actively improve the competitiveness of their existing projects; however, prolonged low prices negatively impact producers' balance sheets and their ability to invest. Sanctioned projects due to come on stream in the next 24 months are not as sensitive to short-term declines in crude oil prices, as investment commitments have already been made. A protracted long-term outlook for low crude oil prices could result in delay or cancellation of future projects. Wide commodity price basis between Western Canada and global tidewater markets have also negatively impacted producer netbacks and margins in the past years that largely resulted from pipeline infrastructure takeaway capacity from producing regions in Western Canada and North Dakota operating at capacity.

The tight oil plays of Western Canada and the Bakken region of North Dakota have short cycle break-even time horizons, typically less than 24 months, and high decline rates that can be well managed through active hedging programs and are positioned to react quickly at market signals. Accordingly, during periods of comparatively low prices, drilling programs, unsupported by hedging programs, will be reduced and as such supply growth from tight oil basins may be lower, which may impact volumes on our pipeline systems.

Our Gas Transmission and Midstream results may be adversely affected by commodity price volatility and risks associated with our hedging activities.

Our exposure to commodity price volatility is inherent to part of our natural gas processing activities. We employ a disciplined hedging program to manage this direct commodity price risk. Because we are not fully hedged, we may be adversely impacted by commodity price exposure on the commodities we receive in-kind as payment for our gathering, processing, treating and transportation services. As a result of our unhedged exposure and the pricing of our hedge positions, a substantial decline in the prices of these commodities could adversely affect our financial results.

Additionally, our hedging activities may not be as effective as we intend in reducing the volatility of our cash flows. To the extent that we engage in hedging activities to reduce our commodity price exposure, we likely will be prevented from realizing the full benefits of price increases above the level of the hedges. Our hedging activities can result in substantial losses if hedging arrangements are imperfect or ineffective and our hedging policies and procedures are not followed properly or do not work as intended. Further, hedging contracts are subject to the credit risk that the other party may prove unable or unwilling to perform its obligations under the contracts, particularly during periods of weak and volatile economic conditions. In addition, certain of the financial instruments we use to hedge our commodity risk exposures must be accounted for on a mark-to-market basis. This causes periodic earnings volatility due to fluctuations in commodity prices.

Our Energy Services results may be adversely affected by commodity price volatility.

Energy Services generates margin by capitalizing on quality, time and location differentials when opportunities arise. Volatility in commodity prices due to changing marketing conditions could limit margin opportunities and impede Energy Services' ability to cover capacity commitments. Furthermore, commodity prices could have negative earnings and cash flow impacts if the cost of the commodity is greater than resale prices achieved by us.

Our risk management policies cannot eliminate all risks. In addition, any non-compliance with our risk management policies could adversely affect our business, operations or financial results.

We use derivative financial instruments to manage the risks associated with movements in foreign exchange rates, interest rates, commodity prices and our share price to reduce volatility to our cash flows. Based on our risk management policies, all of our derivative financial instruments are associated with an underlying asset, liability and/or forecasted transaction. We do not enter into transactions with the objective of speculating on commodity prices or interest rates. These policies cannot, however, eliminate all risk of unauthorized trading and other speculative activity. Although this activity is monitored independently by our risk management function, we remain exposed to the risk of non-compliance with our risk management policies. We can provide no assurance that our risk management function will detect and prevent all unauthorized trading and other violations of our risk management policies and procedures, particularly if deception, collusion or other intentional misconduct is involved, and any such violations could adversely affect our business, operations or financial results.

The effects of United States Government policies on trade relations between Canada and the United States are uncertain.

The United States Government has continued interest in renegotiating and altering the North American Free Trade Agreement (NAFTA) with Canada and Mexico. NAFTA provides protection against tariffs, duties and other charges or fees and assures access by the signatories. The NAFTA negotiations have introduced a level of uncertainty in the energy markets. The outcome of the NAFTA negotiations could result in new rules or its collapse which may be disruptive to energy markets, and could jeopardize our ability to remain competitive and have a significant impact on us.

The effect of comprehensive United States tax reform legislation on us, whether adverse or favorable, is uncertain.

On December 22, 2017, President Trump signed into law H.R. 1, “An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018” (informally titled the Tax Cuts and Jobs Act). The effect of the Tax Cuts and Jobs Act on us, our subsidiaries and our shareholders, whether adverse or favorable, is uncertain, but will become more clear as additional guidance is issued.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Descriptions of our properties and maps depicting the locations of our liquids and natural gas systems are included in Item 1. *Business.*

In general, our systems are located on land owned by others and are operated under easements and rights-of-way, licenses, leases or permits that have been granted by private land owners, First Nations, Native American Tribes, public authorities, railways or public utilities. Our liquids systems have pumping stations, tanks, terminals and certain other facilities that are located on land that is owned by us and/or used by us under easements, licenses, leases or permits. Additionally, our natural gas systems have natural gas compressor stations, processing plants and treating plants, the vast majority of which are located on land that is owned by us, with the remainder used by us under easements, leases or permits.

Titles to our properties acquired in our liquids and natural gas systems are subject to encumbrances in some cases. We believe that none of these burdens should materially detract from the value of these properties or materially interfere with their use in the operation of our business.

ITEM 3. LEGAL PROCEEDINGS

We are involved in various legal and administrative proceedings and litigation arising in the ordinary course of business. The outcome of these matters is not predictable at this time. However, we believe that the ultimate resolution of these matters will not have a material adverse effect on our financial condition, results of operations or cash flows in future periods. Refer to Part II. Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations - Legal and Other Updates* for discussion of other legal proceedings.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is traded on the TSX and NYSE under the symbol “ENB.” As at January 31, 2018, there were approximately 96,107 holders of record of our common stock. A substantially greater number of holders of our common stock are "street name" or beneficial holders, whose shares are held by banks, brokers and other financial institutions.

Common Stock Data by Quarter
The following table indicates the intra-day high and low prices of our common stock on the TSX (in Canadian dollars):

		Stock Price Range			
2017		Q1	Q2	Q3	**Q4**
High	$	58.28	57.75	53.00	**52.59**
Low		53.87	49.61	48.98	**43.91**
2016					
High	$	51.31	55.05	59.19	59.18
Low		40.03	48.73	50.76	53.91

The following table indicates the intra-day high and low prices of our common stock on the NYSE (in U.S. dollars):

		Stock Price Range			
2017		Q1	Q2	Q3	**Q4**
High	US$	44.52	42.92	42.31	**42.10**
Low		40.25	37.37	39.01	**34.39**
2016					
High	US$	39.40	43.39	45.77	45.09
Low		27.43	37.02	38.58	39.70

Dividends
The following table indicates the dividends paid per common share (in Canadian dollars):

	2017	2016
Q1	**0.583**	0.530
Q2	**0.610**	0.530
Q3	**0.610**	0.530
Q4	**0.610**	0.530

Consistent with our objective of delivering annual cash dividend increases, we announced a quarterly dividend of $0.671 per common share payable on March 1, 2018, which represents a 10 percent increase from the prior quarterly rate. We expect to continue our policy of paying regular cash dividends. The declaration and payment of dividends are subject to the sole discretion of our Board of Directors and will depend upon many factors, including the financial condition, earnings and capital requirements of our operating subsidiaries, covenants associated with certain debt obligations, legal requirements, regulatory constraints and other factors deemed relevant by our Board of Directors.

Securities Authorized for Issuance Under Equity Compensation Plans

Information in response to this item is incorporated by reference from our Proxy Statement to be filed with the SEC relating to our 2018 annual meeting of shareholders.

Recent Sales of Unregistered Equity Securities

On November 29, 2017, we entered into a private placement for common shares with three institutional investors. The issuance price was $44.84, with gross proceeds of $1.5 billion. We issued 33,456,003 common shares in reliance on Rule 506(b) of Regulation S. The proceeds were used to pay down short-term indebtedness pending reinvestment in capital projects.

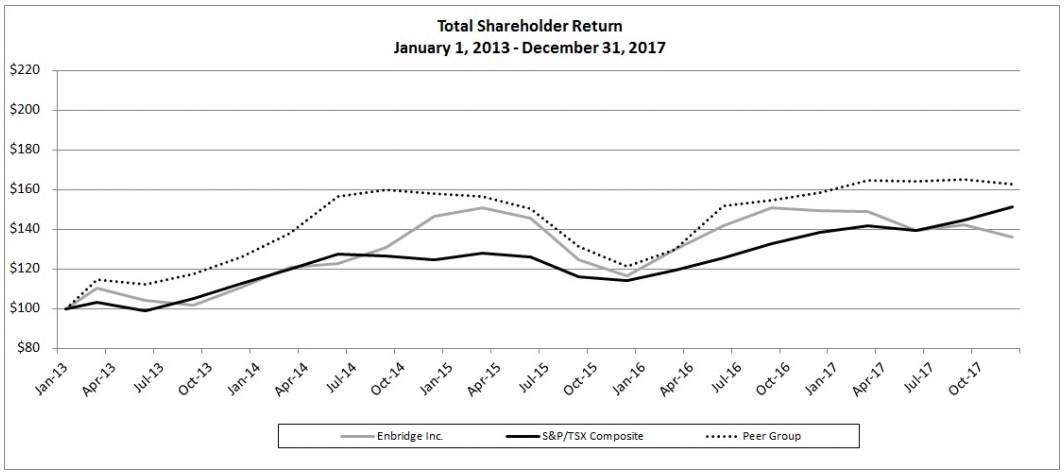
On December 11, 2017, we issued 20,000,000 of Series 19 Preference Shares in Canada pursuant to a prospectus supplement to our Canadian base shelf prospectus in reliance on Regulation S. Please refer to *Item 7 - Outstanding Share Data* for further discussion of the transaction.

Issuer Purchases of Equity Securities

None.

Stock Performance Graph

The following graph reflects the comparative changes in the value from January 1, 2013 through December 31, 2017 of $100 invested in (1) Enbridge Inc.'s common shares traded on the TSX, (2) the S&P/TSX Composite index and (3) the peer group index (comprising CU, FTS, IPL, PPL, TRP, D, DTE, ETE, EPD, KMI, MMP, NI, OKE, PCG, PAA, SRE and WMB). The amounts included in the table were calculated assuming the reinvestment of dividends at the time dividends were paid.



	January 1, 2013	December 31,				
		2013	2014	2015	2016	2017
Enbridge Inc.	100.00	110.93	146.76	116.80	149.53	136.37
S&P/ TSX Composite	100.00	112.99	124.92	114.53	138.67	151.28
Peer Group[1]	100.00	126.35	158.17	121.45	158.82	163.06

1 For the purpose of the graph, it was assumed that CAD:USD conversion ratio remained at 1:1 for the years presented.

ITEM 6. SELECTED FINANCIAL DATA

The following selected financial data should be read in conjunction with Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* and Item 8. *Financial Statements and Supplementary Data*.

	Years Ended December 31,				
	2017[1]	2016[1]	2015[1]	2014	2013
(millions of Canadian dollars, except per share amounts)					
Consolidated Statements of Earnings					
Operating revenues	**$44,378**	$ 34,560	$ 33,794	$ 37,641	$ 32,918
Operating income	**1,571**	2,581	1,862	3,200	1,365
Earnings/(loss) from continuing operations	**3,266**	2,309	(159)	1,562	490
(Earnings)/loss attributable to noncontrolling interests and redeemable noncontrolling interests	**(407)**	(240)	410	(203)	135
Earnings attributable to controlling interests	**2,859**	2,069	251	1,405	629
Earnings/(loss) attributable to common shareholders	**2,529**	1,776	(37)	1,154	446
Common Stock Data					
Earnings/(loss) per common share					
Basic	**1.66**	1.95	(0.04)	1.39	0.55
Diluted	**1.65**	1.93	(0.04)	1.37	0.55
Dividends paid per common share	**2.41**	2.12	1.86	1.40	1.26

	December 31,				
	2017[1]	2016[1]	2015[1]	2014	2013
(millions of Canadian dollars)					
Consolidated Statements of Financial Position					
Total assets[2]	**$ 162,093**	$ 85,209	$ 84,154	$ 72,280	$ 57,196
Long-term debt including capital leases, less current portion	**60,865**	36,494	39,391	33,423	22,357

1 Our Consolidated Statements of Earnings and Consolidated Statements of Financial Position data reflect the following acquisitions, dispositions and impairment:
2017 - Spectra Merger Transaction, acquisition of public interest in Midcoast Energy Partners, L.P. and other impairment
2016 - Sandpiper Project impairment, gain on disposition of South Prairie Region assets, Tupper Plants acquisition and other
2015 - Goodwill impairment

2 We combined Cash and cash equivalents and other amounts previously presented as Bank indebtedness where the corresponding bank accounts are subject to pooling arrangements.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

INTRODUCTION

The following discussion and analysis of our financial condition and results of operations is based on and should be read in conjunction with "Forward-Looking Information", Part I. Item 1A. *Risk Factors* and our consolidated financial statements and the accompanying notes included in Part II. Item 8. *Financial Statements and Supplementary Data* of this Annual Report on Form 10-K.

We are a Canadian company and a North American leader in delivering energy. As a transporter of energy, we operate, in Canada and the United States, the world's longest crude oil and liquids transportation system. Following the combination of Enbridge and Spectra Energy Corp. (Spectra Energy) through a stock-for-stock merger transaction on February 27, 2017 (the Merger Transaction), we are also a leader in the natural gas transmission and midstream business moving approximately 20% of all natural gas in the United States, serving key supply basins and markets. As a distributor of energy, we own and operate Canada's largest natural gas distribution company and provide distribution services in Ontario, Quebec and New Brunswick. As a generator of energy, we have interests in approximately 3,500 megawatts (MW) (2,500 MW net) of renewable and alternative energy generating capacity which is operating, secured or under construction, and we continue to expand our interests in wind, solar and geothermal power.

DOMESTIC ISSUER REPORTING REQUIREMENTS

Effective January 1, 2018, we began to comply with the Securities and Exchange Commission reporting requirements applicable to United States domestic issuers and, accordingly, we are filing our annual report on Form 10-K for the year ended December 31, 2017 and regular periodic reports under both Canadian and United States law thereafter.

MERGER WITH SPECTRA ENERGY

On February 27, 2017, we announced the closing of the Merger Transaction.

Under the terms of the Merger Transaction, Spectra Energy shareholders received 0.984 shares of Enbridge for each share of Spectra Energy common stock they held. Upon closing of the Merger Transaction, Enbridge shareholders owned approximately 57% of the combined company and Spectra Energy shareholders owned approximately 43%.

Spectra Energy, which we now wholly-own, is one of North America's leading natural gas delivery companies owning and operating a large, diversified and complementary portfolio of gas transmission, midstream gathering and processing and distribution assets. Spectra Energy also owns and operates a crude oil pipeline system that connects Canadian and United States producers to refineries in the United States Rocky Mountain and Midwest regions. Our combination with Spectra Energy has created the largest energy infrastructure company in North America with an extensive portfolio of energy assets that are well positioned to serve key supply basins and end use markets and multiple business platforms through which to drive future growth.

A more detailed description of each of the businesses and underlying assets acquired through the Merger Transaction is provided under Part I. Item 1. *Business*. The results of operations from assets acquired through the Merger Transaction are included in our financial statements and in this management's discussion and analysis (MD&A) on a prospective basis from the closing date of the Merger Transaction.

Subsequent to the completion of the Merger Transaction, our activities continue to be carried out through five business segments: Liquids Pipelines; Gas Transmission and Midstream (previously known as Gas Pipelines and Processing); Gas Distribution; Green Power and Transmission; and Energy Services. Effective February 27, 2017, as a result of the Merger Transaction:

- Liquids Pipelines also includes results from the operation of the Express-Platte System;
- Gas Transmission and Midstream also includes Spectra Energy's United States Storage and Transmission Assets, Canadian Pipeline & Field Services, Canadian Gas Transmission and Midstream and Maritimes & Northeast U.S. and Canada businesses, as well as the results of the Company's 50% interest in DCP Midstream, LLC (DCP Midstream); and
- Gas Distribution also includes results from the operation of Union Gas Limited (Union Gas).

UNITED STATES TAX REFORM

On December 22, 2017, the United States enacted the "Tax Cuts and Jobs Act" (TCJA). Substantially all of the provisions in the TCJA are effective for taxation years beginning after December 31, 2017. The TCJA includes significant changes to the Internal Revenue Code of 1986 (as amended, the Code), including amendments which significantly change the taxation of individuals and business entities, and includes specific provisions related to regulated public utilities which includes our various regulated gas pipeline businesses. The most significant changes that impact us, included in the TCJA, are reductions in the corporate federal income tax rate from 35% to 21%, and several technical provisions including, among others, a onetime deemed repatriation or "toll" tax on undistributed earnings and profits of US controlled foreign affiliates, including Canadian subsidiaries. The specific provisions related to regulated public utilities in the TCJA generally allow for the continued deductibility of interest expense, the elimination of full expensing for tax purposes of certain property acquired after September 27, 2017, and the continuance of certain rate normalization requirements for accelerated depreciation benefits. For other operations, immediate full expensing of capital expenditures placed into service after September 27, 2017 and before January 1, 2023 (before January 1, 2024 for qualified long production period property) will be available under the TCJA. Inversely to the regulated public utility operations, interest deductions will be more restrictive for other operations as existing interest expense limitations are broadened to apply to all interest paid and the allowable deduction is reduced from 50% to 30% of adjusted taxable income.

Changes in the Code from the TCJA had a material impact on our consolidated financial statements as at and for the year ended December 31, 2017. Under generally accepted accounting principles in the United States of America (U.S. GAAP), the tax effects of changes in tax laws must be recognized in the period in which the law is enacted, or December 22, 2017 for the TCJA. Thus, at the date of enactment, our deferred tax liability was re-measured based upon the new tax rate. For some of our gas pipeline entities with regulated cost of service rate mechanisms, the change in the deferred tax liability is offset by a regulatory liability. In the event of a future rate case, and subject to further regulatory guidance, we anticipate that the regulatory liability may be required to be amortized over the remaining useful life of the affected assets and would be one of many factors to be considered in establishing go forward rates. For all other operations, the change in the deferred tax liability is recorded as an adjustment to our deferred tax provision.

While certain elements of the TCJA require clarification through more detailed regulation or interpretive guidance, based on the information and guidance available and our analysis (including computations of income tax effects) completed to date, at this time, we do not expect that the TCJA will have a material economic impact on us going forward.

For additional information, refer to Item 8. *Financial Statements and Supplementary Data - Note 24. Income Taxes*.

UNITED STATES SPONSORED VEHICLE STRATEGY

In 2017, we continued the ongoing evaluation of our investment in our United States sponsored vehicles, and alternatives to such investment, and we completed or announced certain strategic reviews and transactions. We intend to review our United States sponsored vehicle strategy on a continuing basis. From time to time, we may formulate plans or proposals with respect to such matters and hold discussions with or make formal proposals to the board of directors of the sponsored vehicles or other third parties. These plans or proposals may, subject to price, market and general economic and fiscal conditions and other factors, include potential consolidations, acquisition or sale of assets or securities, changes to capital structure or other transactions.

On April 28, 2017, we announced the completion of a strategic review of Enbridge Energy Partners, L.P. (EEP). The following actions, together with the measures announced in January 2017 and disclosed in our 2016 annual MD&A, have been taken to date to enhance EEP's value proposition to its unitholders and to us:

Acquisition of Midcoast Assets and Privatization of Midcoast Energy Partners, L.P.
On April 27, 2017, we completed our previously-announced merger through which we privatized Midcoast Energy Partners, L.P. (MEP) by acquiring all of the outstanding publicly-held common units of MEP, through a wholly-owned subsidiary, for total consideration of approximately US$170 million.

On June 28, 2017, through a wholly-owned subsidiary, we acquired all of EEP's interest in the MEP gas gathering and processing business for cash consideration of US$1.3 billion plus existing indebtedness of MEP of US$953 million.

As a result of the above transactions, we now own 100% of the MEP gas gathering and processing business.

Finalization of Bakken Pipeline System Joint Funding Agreement
On February 15, 2017, EEP acquired an effective 27.6% interest in the Dakota Access and Energy Transfer Crude Oil Pipelines (collectively, the Bakken Pipeline System). On April 27, 2017, we entered into a joint funding arrangement with EEP whereby we own 75% and EEP owns 25% of the combined 27.6% effective interest in the Bakken Pipeline System (our jointly held interest). Under this arrangement, EEP has retained a five-year option to acquire from us an additional 20% interest of the jointly held interest. On finalization of this joint funding arrangement, EEP repaid the outstanding balance on its US$1.5 billion credit agreement with us, which it had drawn upon to fund the initial purchase.

EEP Strategic Restructuring Actions
On April 27, 2017, EEP redeemed all of its outstanding Series 1 Preferred Units held by us at face value of US$1.2 billion through the issuance of 64.3 million Class A common units to us. Further, we irrevocably waived all of our rights associated with our ownership of 66.1 million Class D units and 1,000 Incentive Distribution Units (IDUs) of EEP, in exchange for the issuance of 1,000 Class F units. The Class F units are entitled to (i) 13% of all distributions in excess of US$0.295 per EEP unit, but equal to or less than US$0.35 per EEP unit, and (ii) 23% of all distributions in excess of US$0.35 per EEP unit. The irrevocable waiver was effective with respect to distributions declared with a record date after April 27, 2017. In connection with these strategic restructuring actions, EEP reduced its quarterly distribution from US$0.583 per unit to US$0.35 per unit.

The irrevocable waiver of the Class D units and IDUs, the redemption of the Series 1 Preferred Units and the reduction in the quarterly distributions will result in a lower contribution of earnings from EEP. This lower contribution will be partially offset by an increased contribution of earnings as a result of our increased ownership in the Class A common units post restructuring.

Restructuring of SEP Incentive Distribution Rights
On January 22, 2018, Enbridge and Spectra Energy Partners, LP (SEP) announced the execution of a definitive agreement, resulting in us converting all of our incentive distribution rights (IDRs) and general partner economic interests in SEP into 172.5 million newly issued SEP common units. As part of the transaction, all of the IDRs have been eliminated. We now hold a non-economic general partner interest in SEP and own approximately 403 million of SEP common units, representing approximately 83% of SEP's outstanding common units.

ASSET MONETIZATION

In conjunction with the announcement of the Merger Transaction in September 2016, we announced our intention to divest $2 billion of assets over the ensuing 12 months in order to further strengthen our post-combination balance sheet and enhance the financial flexibility of the combined entity. With the completion of the Secondary Offering noted below, the Ozark pipeline system sale, the Olympic refined products pipeline sale and other divestitures completed in 2016 and previously disclosed, we exceeded the $2 billion monetization target established on announcement of the Merger Transaction.

On April 18, 2017, Enbridge Income Fund Holdings Inc. (ENF) completed a secondary offering of 17,347,750 ENF common shares to the public at a price of $33.15 per share, for gross proceeds to us of approximately $0.6 billion (the Secondary Offering). To effect the Secondary Offering, we exchanged 21,657,617 Enbridge Income Fund (Fund) units we owned for an equivalent amount of ENF common shares. In order to maintain our 19.9% ownership interest in ENF, we retained 4,309,867 of the common shares we received in the exchange, and sold the balance to the public through the Secondary Offering. We used the proceeds from the Secondary Offering to pay down short-term debt, pending reinvestment in our growing portfolio of secured projects. Upon closing of the Secondary Offering, our total economic interest in ENF decreased from 86.9% to 84.6%.

On November 29, 2017, we finalized our 2018-2020 Strategic Plan and announced that we have identified a further $10 billion of non-core assets, of which a minimum of $3 billion we intend to sell or monetize in 2018. As a result of the announcement, we are in the process of selling certain assets within the US Midstream business of our Gas Transmission and Midstream segment. Refer to Item 8. *Financial Statements and Supplementary Data - Note 7. Acquisitions and Dispositions.*

ALBERTA CLIPPER (LINE 67) PRESIDENTIAL PERMIT

On October 16, 2017, we received a Presidential permit for Line 67, following a nearly five-year process of review. Line 67 currently operates under an existing Presidential permit that was issued by the State Department in 2009 and the 2017 Presidential permit authorizes us to fully utilize Line 67's capacity across the United States/Canada border.

Line 67 is a key component of our mainline system, which United States refineries rely on to provide vital products to consumers across the Midwest United States.

For additional information on Line 67, refer to *Growth Projects - Commercially Secured Projects - Liquids Pipelines - Lakehead System Mainline Expansion.*

CANADIAN RESTRUCTURING PLAN

Effective September 1, 2015, under an agreement with the Fund and ENF, Enbridge transferred its Canadian Liquids Pipelines business, held by Enbridge Pipelines Inc. (EPI) and Enbridge Pipelines (Athabasca) Inc. (EPAI), and certain Canadian renewable energy assets to the Fund Group (comprising the Fund, Enbridge Commercial Trust, Enbridge Income Partners LP (EIPLP) and the subsidiaries of EIPLP) for consideration valued at $30.4 billion plus incentive distribution and performance rights (the Canadian Restructuring Plan). The consideration that we received included $18.7 billion of units in the Fund Group, comprised of $3 billion of Fund units and $15.7 billion of equity units of EIPLP, in which the Fund has an interest. The Fund Group also assumed debt of EPI and EPAI of approximately $11.7 billion.

RESULTS OF OPERATIONS

	Year ended December 31,		
	2017	2016	2015
(millions of Canadian dollars, except per share amounts)			
Segment earnings before interest, income taxes and depreciation and amortization			
Liquids Pipelines	**6,395**	4,926	3,033
Gas Transmission and Midstream	**(1,269)**	464	43
Gas Distribution	**1,390**	831	763
Green Power and Transmission	**372**	344	363
Energy Services	**(263)**	(183)	324
Eliminations and Other	**(337)**	(101)	(867)
Depreciation and amortization	**(3,163)**	(2,240)	(2,024)
Interest expense	**(2,556)**	(1,590)	(1,624)
Income tax recovery/(expense)	**2,697**	(142)	(170)
(Earnings)/loss attributable to noncontrolling interests and redeemable noncontrolling interests	**(407)**	(240)	410
Preference share dividends	**(330)**	(293)	(288)
Earnings/(loss) attributable to common shareholders	**2,529**	1,776	(37)
Earnings/(loss) per common share	**1.66**	1.95	(0.04)
Diluted earnings/(loss) per common share	**1.65**	1.93	(0.04)

EARNINGS/(LOSS) ATTRIBUTABLE TO COMMON SHAREHOLDERS

Year ended December 31, 2017 compared with year ended December 31, 2016

Earnings Attributable to Common Shareholders for the year ended December 31, 2017 were positively impacted by contributions of approximately $2,574 million from new assets following the completion of the Merger Transaction.

After taking into consideration the contribution of additional earnings from the Merger Transaction, Earnings Attributable to Common Shareholders decreased by $151 million due to certain unusual, infrequent or other factors, primarily explained by the following:

- a loss of $4,391 million ($2,753 million after-tax attributable to us) and related goodwill impairment of $102 million resulting from the classification of certain assets as held for sale and the subsequent measurement at the lower of their carrying value or fair value less costs to sell, refer to Item 8. *Financial Statements and Supplementary Data - Note 7. Acquisitions and Dispositions*;
- employee severance and restructuring costs of $354 million ($273 million after-tax attributable to us) in 2017, compared with $82 million in the corresponding 2016 period, related to a corporate reorganization initiative and the Merger Transaction, refer to *Merger with Spectra Energy*;
- project development and transaction costs of $205 million ($155 after-tax attributable to us) in 2017, compared with $86 million in the corresponding 2016 period, related to the Merger Transaction, refer to *Merger with Spectra Energy*;
- the absence of a gain of $850 million ($520 million after-tax attributable to us) recorded in 2016 related to the disposition of the South Prairie Region assets, as discussed below; partially offset by
- a non-cash, $1,936 million income tax benefit ($2,045 million federal tax recovery net of a $109 million state deferred tax expense) due to the enactment of the TCJA by the United States in December 2017, refer to Item 8. *Financial Statements and Supplementary Data - Note 24. Income Taxes*;
- a non-cash, unrealized derivative fair value gain of $1,109 million in 2017 ($624 million after-tax attributable to us), compared with $543 million ($459 million after-tax attributable to us) in the corresponding 2016 period reflecting net fair value gains and losses arising from changes in the mark-to-market value of derivative financial instruments used to manage foreign exchange and commodity prices risks; and
- the absence of cumulative asset impairment charges of $1,561 million ($456 million after-tax attributable to us) recorded in 2016 related to EEP's Sandpiper Project, the Northern Gateway Project and Eddystone Rail, as discussed below.

We have a comprehensive long-term economic hedging program to mitigate interest rate, foreign exchange and commodity price risks which creates volatility in short-term earnings through the recognition of unrealized non-cash gains and losses on financial derivative instruments used to hedge these risks. Over the long term, we believe our hedging program supports the reliable cash flows and dividend growth upon which our investors value proposition is based.

After taking into consideration the factors above, the remaining $1,670 million decrease is primarily explained by the following significant business factors:

- increased depreciation and amortization expense primarily resulting from a significant number of new assets placed into service in 2017;
- increased interest expense primarily resulting from the settlement of certain pre-issuance hedges;
- increased earnings attributable to noncontrolling interests and redeemable noncontrolling interests in 2017, compared with the corresponding 2016 period. The increase was driven by higher earnings attributable to noncontrolling interests in EEP during 2017 as a result of the EEP strategic restructuring actions;

- the absence of earnings from certain assets that were divested since the third quarter of 2016; partially offset by
- strong contributions from our Liquids Pipelines segment due to higher throughput primarily attributable to capacity optimization initiatives implemented in 2017 which significantly reduced heavy crude oil apportionment allowing incremental heavy crude oil barrels to be shipped;
- contributions from new Liquids Pipelines assets placed into service in 2017; and
- increased earnings from our Gas Transmission and Midstream segment in 2017 due to favorable seasonal firm revenue and a full year of contributions from assets acquired in 2016.

Lower earnings per common share for 2017, compared with the corresponding 2016 period, is primarily due to the increase in common shares from the issuance of approximately 33 million common shares in December 2017 in a private placement offering, the issuance of approximately 691 million common shares in February 2017 as part of the consideration for the Merger Transaction, the issuance of approximately 75 million common shares in 2016 through the public offering of 56 million common shares in the first quarter of 2016, and ongoing quarterly issuances under our Dividend Reinvestment Program. Additional earnings from the assets acquired in the Merger Transaction were offset by certain unusual, infrequent or other factors, as discussed above.

Year ended December 31, 2016 compared with year ended December 31, 2015

Earnings Attributable to Common Shareholders increased by $1,601 million due to certain unusual, infrequent or other factors, primarily explained by the following:

- a gain of $850 million ($520 million after-tax attributable to us) within the Liquids Pipelines segment related to the disposition of the South Prairie Region assets in December 2016;
- a non-cash, unrealized derivative fair value gain of $543 million in 2016, compared with a $2,017 million unrealized derivative fair value loss in the corresponding 2015 period reflecting net fair value gains and losses arising from changes in the mark-to-market value of derivative financial instruments used to manage foreign exchange and commodity price risks;
- the absence of a goodwill impairment charge of $440 million ($167 million after-tax attributable to us) recognized in the second quarter of 2015 related to EEP's natural gas and natural gas liquids (NGL) businesses as a result of the prolonged decline in commodity prices which reduced producers' expected drilling programs and negatively impacted volumes on EEP's natural gas and NGL pipelines and processing systems; partially offset by
- an impairment charge of $1,004 million ($81 million after-tax attributable to us) in 2016, including related project costs, on EEP's Sandpiper Project resulting from the withdrawal of regulatory applications for the project in September 2016 that were pending with the Minnesota Public Utilities Commission (MNPUC);
- an impairment charge of $373 million ($272 million after-tax attributable to us) related to the Northern Gateway Project recorded in the fourth quarter of 2016, after the Canadian Federal Government directed the National Energy Board (NEB) to dismiss our Northern Gateway Project application and rescind the Certificates of Public Convenience and Necessity for the project; and
- an impairment charge of $184 million ($108 million after-tax attributable to us) recorded in 2016 related to our 75% joint venture interest in Eddystone Rail, located in the Philadelphia, Pennsylvania area. Demand for Eddystone Rail services declined as a result of a significant decrease in Bakken crude oil and West Africa/Brent crude oil and increased competition in the region.

After taking into consideration the factors above, the remaining $212 million increase is primarily explained by the following significant business factors:

- strong contributions from our Liquids Pipelines segment which benefited from a number of new assets that were placed into service in 2015;
- throughput growth period over period on the Canadian Mainline, Lakehead Pipeline System (Lakehead System) and Regional Oil Sands System primarily due to strong oil sands production growth in western Canada enabled by completed pipeline expansion projects;

- contributions from the United States Gulf Coast and Mid-Continent systems in 2016, attributable to increased transportation revenues mainly resulting from an increase in the level of committed take-or-pay volumes on the Flanagan South Pipeline (Flanagan South);
- contributions from Enbridge Offshore Pipelines' Heidelberg Oil Pipeline (Heidelberg Pipeline) which was placed into service in January 2016 and Canadian Gas Transmission and Midstream's Tupper Main and Tupper West gas plants (the Tupper Plants) which were acquired on April 1, 2016; partially offset by
- higher earnings attributable to noncontrolling interests and redeemable noncontrolling interests in 2016 compared with 2015 driven by stronger operating performance at EEP as a result of stronger contributions from its liquids business;
- the impact of extreme wildfires in northeastern Alberta during the second quarter of 2016 which led to a temporary shutdown of certain of our upstream pipelines and terminal facilities resulting in a disruption of service on our Regional Oil Sands System with corresponding impacts into and out of our downstream pipelines, including Canadian Mainline and the Lakehead System;
- a combination of a lower average International Joint Tariff (IJT) Residual Benchmark Toll and a lower foreign exchange hedge rate period over period used to convert Canadian Mainline United States dollar toll revenues to Canadian dollars;
- the performance of the United States portion of the Bakken Pipeline System where contributions decreased period over period primarily due to a lower surcharge on tolls subject to annual adjustment;
- lower contributions in 2016 from EEP's Berthold rail facility as a result of declining volumes on expiration of contracts;
- the compression of certain crude oil location and quality differentials and the impact of a weaker NGL market; and
- depreciation and amortization expense increased period over period primarily as a result of a significant number of new assets placed into service in 2016.

REVENUES

We generate revenues from three primary sources: transportation and other services, gas distribution sales and commodity sales. Transportation and other services revenues are earned from our crude oil and natural gas pipeline transportation businesses and also include power production revenues from our portfolio of renewable and power generation assets. For our transportation assets operating under market-based arrangements, revenues are driven by volumes transported and the corresponding tolls for transportation services. For assets operating under take-or-pay contracts, revenues reflect the terms of the underlying contract for services or capacity. For rate-regulated assets, revenues are charged in accordance with tolls established by the regulator, and in most cost-of-service based arrangements are reflective of our cost to provide the service plus a regulator-approved rate of return. Higher transportation and other services revenues reflected increased throughput on our core liquids pipeline assets combined with the incremental revenues associated with assets placed into service over the past two years.

Gas distribution sales revenues are recognized in a manner consistent with the underlying rate-setting mechanism mandated by the regulator. Revenues generated by the gas distribution businesses are primarily driven by volumes delivered, which vary with weather and customer composition and utilization, as well as regulator-approved rates. The cost of natural gas is passed through to customers through rates and does not ultimately impact earnings due to its flow-through nature.

Commodity sales of $26,286 million, $22,816 million and $23,842 million for the year ended December 31, 2017, 2016 and 2015, respectively, were generated primarily through our Energy Services operations. Energy Services includes the contemporaneous purchase and sale of crude oil, natural gas, power and NGLs to generate a margin, which is typically a small fraction of gross revenue. While sales revenue generated from these operations are impacted by commodity prices, net margins and earnings are relatively insensitive to commodity prices and reflect activity levels which are driven by differences in commodity prices between locations, grades and points in time, rather than on absolute prices. Any residual commodity margin risk is closely monitored and managed. Revenues from these operations

depend on activity levels, which vary from year-to-year depending on market conditions and commodity prices.

Our revenues also include changes in unrealized derivative fair value gains and losses related to foreign exchange and commodity price contracts used to manage exposures from movements in foreign exchange rates and commodity prices. The mark-to-market accounting creates volatility and impacts the comparability of revenues in the short-term, but we believe over the long-term, the economic hedging program supports reliable cash flows and dividend growth.

DIVIDENDS

We have paid common share dividends in every year since we became a publicly traded company in 1953. In November 2017, we announced a 10% increase in our quarterly dividend to $0.671 per common share, or $2.684 annualized, effective with the dividend payable on March 1, 2018.

BUSINESS SEGMENTS

Effective December 31, 2017, we changed our segment-level profit measure to EBITDA from the previous measure of Earnings before interest and income taxes. We also renamed the Gas Pipelines and Processing segment to Gas Transmission and Midstream. The presentation of the prior years' tables has been revised in order to align with the current presentation.

LIQUIDS PIPELINES

EARNINGS BEFORE INTEREST, INCOME TAXES AND DEPRECIATION AND AMORTIZATION

	2017	2016	2015
(millions of Canadian dollars)			
Earnings before interest, income taxes and depreciation and amortization	**6,395**	4,926	3,033

Year ended December 31, 2017 compared with year ended December 31, 2016

EBITDA for the year ended December 31, 2017 was positively impacted by $285 million of contributions from new assets following the completion of the Merger Transaction.

After taking into consideration the contribution of additional earnings from the Merger Transaction, EBITDA increased by $1,312 million due to certain unusual, infrequent or other factors, primarily explained by the following:

- a non-cash, unrealized gain of $875 million in 2017 compared with $474 million in 2016 reflecting net fair value gains and losses arising from changes in the mark-to-market value of derivative financial instruments used to manage foreign exchange and commodity price risks;
- the absence of an impairment charge of $1,004 million recorded in 2016, including related project costs, on EEP's Sandpiper Project resulting from the withdrawal of the regulatory applications in September 2016 that were pending with the MNPUC;
- the absence of an impairment charge of $373 million recorded in 2016 related to the Northern Gateway Project due to our conclusion that the project could not proceed as envisioned as a result of the Federal Government's decision to dismiss the application for Certificate of Public Convenience and Necessity;
- the absence of an impairment charge of $184 million recorded in 2016 related to our 75% joint venture interest in Eddystone Rail attributable to market conditions which impacted volumes at the rail facility;
- a gain of $72 million on sale of pipe partially offset by project wind-down costs related to EEP’s Sandpiper Project; partially offset by

- the absence of a gain of $850 million recorded in 2016 related to the sale of non-core South Prairie Region assets.

After taking into consideration the factors above, the remaining $128 million decrease is primarily explained by the following significant business factors:

- a lower contribution of $46 million from Mid-Continent assets primarily due to lower contracted storage revenues and the sale of the Ozark Pipeline system in the first quarter of 2017;
- a lower contribution of $76 million resulting from the sale of the South Prairie Region assets in December 2016;
- higher Lakehead System operating costs including costs to implement EEP's signed settlement agreement regarding the Lines 6A and 6B crude oil releases (the Consent Decree) approved by the United States Department of Justice (DOJ) in May 2017;
- the unfavorable effect of translating United States dollar EBITDA at a lower United States to Canadian dollar average exchange rate (Average Exchange Rate) as compared with 2016, inclusive of the impact of settlements under our foreign exchange hedging program; partially offset by
- contributions of from new assets placed into service including the Regional Oil Sands Optimization Project and the Norlite Pipeline System and the acquisition of a minority interest in the Bakken Pipeline System that went into service in June 2017; and
- higher Canadian Mainline and Lakehead System throughput period over period resulting from capacity optimization initiatives.

Year ended December 31, 2016 compared with year ended December 31, 2015

EBITDA increased by $1,177 million due to certain unusual, infrequent or other factors, primarily explained by the following:

- a non-cash, unrealized gain of $474 million in 2016 compared with an unrealized loss of $1,500 million in 2015 reflecting net fair value gains and losses on derivative financial instruments used to manage foreign exchange and commodity price risks;
- a gain of $850 million in 2016 related to the sale of non-core South Prairie Region assets;
- the absence of an impairment charge of $86 million recorded in 2015 related to EEP's Berthold rail facility due to contracts that were not renewed beyond 2016;
- hydrostatic testing recoveries of $15 million in 2016 compared with charges of $72 million in 2015; partially offset by
- an impairment charge of $1,004 million in 2016, including related project costs, on EEP's Sandpiper Project resulting from the withdrawal of the regulatory applications in September 2016 that were pending with the MNPUC;
- an impairment charge of $373 million in 2016 related to the Northern Gateway Project due to our conclusion that the project could not proceed as envisioned as a result of the Federal Government's decision to dismiss the application for Certificate of Public Convenience and Necessity;
- an impairment charge of $184 million in 2016 related to our 75% joint venture interest in Eddystone Rail attributable to market conditions which impacted volumes at the rail facility; and
- the absence of a gain of $91 million recorded in 2015 related to the sale of non-core assets.

After taking into consideration the factors above, the remaining $716 million increase is primarily explained by the following significant business factors:

- higher throughput period over period resulting from strong oil sands production in western Canada enabled by pipeline capacity expansion projects placed into service in 2015;
- increased transportation revenues in 2016 resulting from an increase in the level of committed take-or-pay volumes on Flanagan South;
- the favorable effect of translating United States dollar earnings at a higher Average Exchange Rate in 2016, inclusive of the impact of settlements under our foreign exchange hedging program; partially offset by

- the impact of extreme wildfires in northeastern Alberta during the second quarter of 2016 which led to a temporary shutdown of certain of our upstream pipelines and terminal facilities resulting in a disruption of service.

Supplemental information on Liquids Pipelines EBITDA for the years ended December 31, 2017, 2016 and 2015 is provided below.

December 31,	**2017**	2016	2015
(United States dollars per barrel)			
IJT Benchmark Toll[1]	**$4.07**	$4.05	$4.07
Lakehead System Local Toll[2]	**$2.43**	$2.58	$2.44
Canadian Mainline IJT Residual Benchmark Toll[3]	**$1.64**	$1.47	$1.63

1 The IJT Benchmark Toll is per barrel of heavy crude oil transported from Hardisty, Alberta to Chicago, Illinois. A separate distance adjusted toll applies to shipments originating at receipt points other than Hardisty and lighter hydrocarbon liquids pay a lower toll than heavy crude oil. Effective July 1, 2015, this toll increased from US$4.02 to US$4.07. Effective July 1, 2016, this toll decreased to US$4.05. Effective July 1, 2017, this toll increased to US$4.07.

2 The Lakehead System Local Toll is per barrel of heavy crude oil transported from Neche, North Dakota to Chicago, Illinois. Effective April 1, 2015, the Lakehead System Local Toll decreased from US$2.49 to US$2.39 and effective July 1, 2015, this toll increased to US$2.44. Effective April 1, 2016, this toll increased to US$2.61 and effective July 1, 2016, this toll decreased to US$2.58. Effective April 1, 2017, this toll decreased to US$2.43.

3 The Canadian Mainline IJT Residual Benchmark Toll is per barrel of heavy crude oil transported from Hardisty, Alberta to Gretna, Manitoba. For any shipment, this toll is the difference between the IJT Benchmark Toll and the Lakehead System Local Toll. Effective April 1, 2015, this toll increased from US$1.53 to US$1.63. Effective April 1, 2016, this toll decreased to US$1.46, coinciding with the revised Lakehead System Local Toll. Effective July 1, 2016, this toll increased to US$1.47. Effective April 1, 2017, this toll increased to US$1.62, coinciding with the revised Lakehead System Local Toll. Effective July 1, 2017, this toll increased to US$1.64.

Throughput Volume

	Q1	**Q2**	**Q3**	**Q4**	**Full Year**
(thousands of barrels per day (bpd))					
Canadian Mainline[1]					
2017	**2,593**	**2,449**	**2,492**	**2,586**	**2,530**
2016	2,543	2,242	2,353	2,481	2,405
2015	2,210	2,073	2,212	2,243	2,185
Lakehead System[2]					
2017	**2,748**	**2,604**	**2,620**	**2,724**	**2,673**
2016	2,735	2,440	2,495	2,624	2,574
2015	2,330	2,208	2,338	2,388	2,315

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

2 Average throughput volume represents mainline system deliveries to the United States midwest and eastern Canada.

Average Exchange Rate

	Q1	**Q2**	**Q3**	**Q4**	**Full Year**
(United States dollar to Canadian dollar)					
2017	**1.32**	**1.34**	**1.25**	**1.27**	**1.30**
2016	1.37	1.29	1.31	1.33	1.32
2015	1.24	1.23	1.31	1.34	1.28

GAS TRANSMISSION AND MIDSTREAM

EARNINGS/(LOSS) BEFORE INTEREST, INCOME TAXES AND DEPRECIATION AND AMORTIZATION

	2017	2016	2015
(millions of Canadian dollars)			
Earnings/(loss) before interest, income taxes and depreciation and amortization	**(1,269)**	464	43

Year ended December 31, 2017 compared with year ended December 31, 2016

EBITDA for the year ended December 31, 2017 was positively impacted by $2,557 million of contributions from new assets following the completion of the Merger Transaction. When compared to pre-merger results from the prior year, operating results from the new assets include higher earnings primarily from business expansion projects on Algonquin Gas Transmission, Sabal Trail Transmission and Texas Eastern Transmission.

After taking into consideration the contribution of additional earnings from the Merger Transaction, EBITDA was negatively impacted by $4,287 million due to certain unusual, infrequent or other market factors primarily explained by the following:

- a loss of $4,391 million and related goodwill impairment of $102 million resulting from the classification of certain United States Midstream assets as held for sale and the subsequent measurement at the lower of their carrying value or fair value less costs to sell, refer to Item 8. *Financial Statements and Supplementary Data - Note 7. Acquisitions and Dispositions*; partially offset by
- a non-cash, unrealized loss of $1 million in 2017 compared with $139 million in 2016 reflecting net fair value gains and losses arising from the change in the mark-to-market of derivative financial instruments used to manage foreign exchange and commodity price risk.

After taking into consideration the factors above, the remaining $3 million decrease is primarily explained by the following significant business factors:

- lower earnings of $127 million period over period due to lower commodity prices which impacted production volume in areas served by some of our US Midstream assets; partially offset by
- increased earnings of $19 million period over period from our Alliance joint venture due to favorable seasonal firm revenues that resulted from wider basis differentials;
- increased earnings of $16 million due to a full year of contributions from the Tupper Plants that were acquired in April 2016;
- increased fractionation margins of $45 million period over period driven by higher NGL prices and increased demand from our Aux Sable joint venture; and
- increased earnings of $41 million period over period from our Offshore assets driven by higher volumes and higher earnings from certain joint venture pipelines.

Year ended December 31, 2016 compared with year ended December 31, 2015

EBITDA increased by $370 million due to certain unusual, infrequent or other market factors primarily explained by the following:

- the absence of a goodwill impairment charge of $440 million recorded in 2015 related to our United States natural gas and NGL businesses due to a prolonged decline in commodity prices which reduced producers' expected drilling programs and negatively impacted volumes on our natural gas and NGL systems; partially offset by
- a non-cash, unrealized loss of $139 million in 2016 compared with $77 million in 2015 reflecting net fair value gains and losses arising from the change in the mark-to-market of derivative financial instruments used to manage foreign exchange and commodity price risk.

After taking into consideration the factors above, the remaining $51 million increase is primarily explained by the following significant business factors:

- operational efficiencies achieved in 2016 on Alliance Pipeline due to lower operating costs;
- contributions from the Heidelberg Pipeline which was placed into service in January 2016;
- contributions from the Tupper Plants acquired in April 2016; partially offset by
- unfavorable market conditions in 2016 resulting from lower volumes due to reduced drilling by producers on our United States Midstream assets.

GAS DISTRIBUTION

EARNINGS BEFORE INTEREST, INCOME TAXES AND DEPRECIATION AND AMORTIZATION

	2017	2016	2015
(millions of Canadian dollars)			
Earnings before interest, income taxes and depreciation and amortization	**1,390**	831	763

Year ended December 31, 2017 compared with year ended December 31, 2016

EBITDA for the year ended December 31, 2017 was positively impacted by $545 million of contributions from Union Gas following the completion of the Merger Transaction. When compared to pre-merger results from prior years, Union Gas' operating results benefited mainly from higher transportation revenue from the Dawn-Parkway expansion projects, increased storage optimization and increases in delivery rates, partially offset by higher operating costs.

After taking into consideration the contribution of additional earnings from the Merger Transaction, EBITDA increased by $14 million due to certain unusual, infrequent and other business factors, primarily explained by the following:

- a non-cash, unrealized gain of $16 million in 2017 compared with an unrealized loss of $6 million in 2016 arising from the change in the mark-to-market value of Noverco Inc.'s (Noverco) derivative financial instruments;
- warmer than normal weather experienced during 2017 which negatively impacted EBITDA by $15 million compared with $18 million in 2016; partially offset by
- the absence of other regulatory adjustments at Noverco of $17 million recorded in 2016.

Year ended December 31, 2016 compared with year ended December 31, 2015

EBITDA decreased by $11 million due to certain unusual, infrequent and other market factors, primarily explained by the following:

- warmer than normal weather experienced during 2016 which negatively impacted EBITDA by $18 million compared with colder than normal weather during 2015 of $15 million; partially offset by
- other regulatory adjustments at Noverco of $17 million recorded in 2016 compared with $6 million in 2015.

After taking into consideration the factors above, the remaining $79 million increase is primarily explained by the following significant business factor:

- higher distribution charges arising from growth in rate base, including customer growth in excess of expectations embedded in rates.

GREEN POWER AND TRANSMISSION

EARNINGS BEFORE INTEREST, INCOME TAXES AND DEPRECIATION AND AMORTIZATION

	2017	2016	2015
(millions of Canadian dollars)			
Earnings before interest, income taxes and depreciation and amortization	**372**	344	363

Year ended December 31, 2017 compared with year ended December 31, 2016

EBITDA increased by $4 million due to certain unusual, infrequent and other factors, primarily explained by the following:

- the absence of an investment impairment loss of $13 million recorded in 2016; partially offset by
- a $9 million loss that resulted from the sale of an investment.

After taking into consideration the factors above, the remaining $24 million increase is primarily explained by the following significant business factors:

- stronger wind resources of $12 million at Canadian and United States wind farms period over period; and
- contributions of $9 million from new United States wind projects placed into service in 2016 and 2017.

Year ended December 31, 2016 compared with year ended December 31, 2015

EBITDA decreased by $13 million due to an unusual and infrequent investment impairment loss in 2016.

After taking into consideration the factor above, the remaining $6 million decrease is primarily explained by the following significant business factors:

- disruptions at certain eastern Canadian wind farms in the first quarter and fourth quarter of 2016 due to weather conditions which caused a higher degree of icing on wind turbine blades;
- weaker wind resources experienced at certain facilities in Canada period over period; partially offset by
- stronger wind resources at United States wind farms during the second half of 2016.

ENERGY SERVICES

EARNINGS/(LOSS) BEFORE INTEREST, INCOME TAXES AND DEPRECIATION AND AMORTIZATION

	2017	2016	2015
(millions of Canadian dollars)			
Earnings/(loss) before interest, income taxes and depreciation and amortization	**(263)**	(183)	324

EBITDA from Energy Services is dependent on market conditions and results achieved in one period may not be indicative of results to be achieved in future periods.

Year ended December 31, 2017 compared with year ended December 31, 2016

EBITDA increased by $2 million due to certain unusual, infrequent or other factors, primarily explained by the following:

- a non-cash, unrealized loss of $200 million in 2017 compared with $205 million in 2016 reflecting the revaluation of financial derivatives used to manage the profitability of transportation and storage transactions and exposure to movements in commodity prices.

After taking into consideration the factors above, the remaining $82 million decrease is primarily explained by the following significant business factor:

- weaker performance from Energy Services' Canadian and United States operations due to the compression of certain crude oil and NGL location and quality differentials in 2017 which limited opportunities to generate profitable margins.

Year ended December 31, 2016 compared with year ended December 31, 2015

EBITDA decreased by $477 million due to certain unusual, infrequent or other factors, primarily explained by the following:

- a non-cash, unrealized loss of $205 million in 2016 compared with an unrealized gain of $264 million in 2015 reflecting the revaluation of financial derivatives used to manage the profitability of transportation and storage transactions and exposure to movements in commodity prices.

After taking into consideration the factor above, the remaining $30 million decrease is primarily explained by the following significant business factor:

- weaker performance from Energy Services' Canadian and United States operations due to the compression of certain crude oil and NGL location and quality differentials in 2016 which limited opportunities to generate profitable margins.

ELIMINATIONS AND OTHER

LOSS BEFORE INTEREST, INCOME TAXES AND DEPRECIATION AND AMORTIZATION

	2017	2016	2015
(millions of Canadian dollars)			
Loss before interest, income taxes and depreciation and amortization	**(337)**	(101)	(867)

Eliminations and Other includes operating and administrative costs and the impact of foreign exchange hedge settlements which are not allocated to business segments. Eliminations and Other also includes new business development activities, general corporate investments and a portion of the synergies achieved thus far on integration of corporate functions in relation to the Merger Transaction.

Year ended December 31, 2017 compared with year ended December 31, 2016

EBITDA decreased by $315 million due to certain unusual, infrequent and other factors, primarily explained by the following:

- project development and transaction costs of $197 million incurred in 2017 compared with $81 million in 2016 related to the Merger Transaction;
- employee severance and restructuring costs of $292 million in 2017 compared with $92 million in 2016 related to a corporate reorganization initiative and the Merger Transaction; partially offset by
- a non-cash, unrealized intercompany foreign exchange loss of $29 million in 2017 compared with $43 million in 2016 under our foreign exchange risk management program.

After taking into consideration the factors above, the remaining $79 million increase is primarily explained by the following significant business factor:

- a realized loss of $173 million in 2017 compared with $281 million in 2016 related to settlements under our foreign exchange risk management program.

Year ended December 31, 2016 compared with year ended December 31, 2015

EBITDA increased by $854 million due to certain unusual, infrequent and other factors, primarily explained by the following:

- a non-cash, unrealized gain of $417 million in 2016 compared with an unrealized loss of $694 million in 2015 resulting from our foreign exchange hedging program; partially offset by
- a non-cash, unrealized intercompany foreign exchange loss of $43 million in 2016 compared with a gain of $131 million in 2015;
- project development and transaction costs of $81 million incurred in 2016 in relation to the Merger Transaction; and
- employee severances costs of $92 million in 2016 compared with $47 million in 2015 related to a corporate reorganization initiative.

After taking into consideration the factors above, the remaining $88 million decrease is primarily explained by the following significant business factor:

- a realized loss of $281 million in 2016 compared with $203 million in 2015 related to settlements under our foreign exchange risk management program.

GROWTH PROJECTS – COMMERCIALLY SECURED PROJECTS

A key element of our corporate strategy is the successful execution of our growth capital program. In 2017, we successfully placed into service approximately $12 billion of growth projects across several business units and we expect to place a further $22 billion of commercially secured projects into service through 2020.

The following table summarizes the status of our commercially secured projects, organized by business segment:

		Enbridge's Ownership Interest	Estimated Capital Cost[1]	Expenditures to Date[2]	Status	Expected In-Service Date
(Canadian dollars, unless stated otherwise)						
LIQUIDS PIPELINES						
1	Norlite Pipeline System (the Fund Group)	70%	$1.3 billion	$1.1 billion	Complete	In service
2	Bakken Pipeline System (EEP)[3]	27.6%	US$1.5 billion	US$1.5 billion	Complete	In service
3	Regional Oil Sands Optimization Project (the Fund Group)	100%	$2.6 billion	$2.3 billion	Complete	In service
4	Lakehead System Mainline Expansion - Line 61 (EEP)[4]	100%	US$0.4 billion	US$0.4 billion	Substantially complete	2H - 2019
5	Canadian Line 3 Replacement Program (the Fund Group)	100%	$5.3 billion	$2.3 billion	Under construction	2H - 2019
6	U.S. Line 3 Replacement Program (EEP)[4]	100%	US$2.9 billion	US$0.7 billion	Under construction	2H - 2019
7	Other - Canada	100%	$0.2 billion	$0.2 billion	Various stages	2018
GAS TRANSMISSION & MIDSTREAM						
8	Sabal Trail (SEP)[5]	50%	US$1.6 billion	US$1.5 billion	Complete	In service
9	Access South, Adair Southwest and Lebanon Extension (SEP)[5]	100%	US$0.5 billion	US$0.3 billion	Complete	In service
10	Atlantic Bridge (SEP)[5]	100%	US$0.5 billion	US$0.3 billion	Under construction	Q4 - 2018
11	NEXUS (SEP)[5]	50%	US$1.3 billion	US$0.6 billion	Under construction	Q3 - 2018
12	Reliability and Maintainability Project[5]	100%	$0.5 billion	$0.4 billion	Under construction	Q3 - 2018
13	Valley Crossing Pipeline[5]	100%	US$1.5 billion	US$1.1 billion	Under construction	Q4 - 2018
14	Spruce Ridge Program[5]	100%	$0.5 billion	$0.1 billion	Pre-construction	2019
15	T-South Expansion Program[5]	100%	$1.0 billion	No significant expenditures to date	Pre-construction	2020
16	Other - United States[5]	100%	US$1.9 billion	US$1.0 billion	Various stages	2017-2019
17	Other - Canada[5]	100%	$0.9 billion	$0.7 billion	Various stages	2017-2018
GAS DISTRIBUTION						
18	2017 Dawn-Parkway Expansion[5]	100%	$0.6 billion	$0.6 billion	Complete	In service
19	Panhandle Reinforcement Project5	100%	$0.3 billion	$0.2 billion	Complete	In service

GREEN POWER & TRANSMISSION

20	Chapman Ranch Wind Project	100%	US$0.4 billion	US$0.3 billion	Complete	In service
21	Rampion Offshore Wind Project	24.9%	$0.8 billion (£0.37 billion)	$0.6 billion (£0.3 billion)	Under construction	Q2 - 2018
22	Hohe See Offshore Wind Project and Expansion	50%	$2.1 billion (€1.34 billion)	$0.5 billion (€0.4 billion)	Pre-construction	2H - 2019

1These amounts are estimates and are subject to upward or downward adjustment based on various factors. Where appropriate, the amounts reflect our share of joint venture projects.

2 Expenditures to date reflect total cumulative expenditures incurred from inception of the project up to December 31, 2017.

3 On February 15, 2017, EEP acquired an effective 27.6% interest in the Bakken Pipeline System for a purchase price of $2.0 billion (US$1.5 billion). On April 27, 2017, Enbridge entered into a joint funding arrangement with EEP whereby Enbridge owns 75% and EEP owns 25% of the combined 27.6% effective interest in the Bakken Pipeline System.

4 The Lakehead System Mainline Expansion project is funded 75% by Enbridge and 25% by EEP, and the project will be operated by EEP on a cost-of-service basis. The U.S. L3R Program is being funded 99% by Enbridge and 1% by EEP.

5 Project acquired as part of the Merger Transaction. For additional information, refer to Merger with Spectra Energy.

Risks related to the development and completion of growth projects are described under Part I. Item 1A. *Risk Factors.*

LIQUIDS PIPELINES

The following commercially secured growth projects were placed into service in 2017:

- **Norlite Pipeline System (the Fund Group)** - a diluent pipeline originating from our Stonefell Terminal and terminating at our Fort McMurray South facility, with a transfer line to Suncor's East Tank Farm. The project provides an initial capacity of approximately 218,000 bpd, with the potential to be further expanded to approximately 465,000 bpd with the addition of pump stations. The project was placed into commercial service on May 1, 2017.

- **Bakken Pipeline System (EEP)** - a pipeline system that transports crude oil from the Bakken formation in North Dakota to markets in eastern PADD II, and the United States Gulf Coast. The system's initial capacity is approximately 470,000 bpd of crude oil and has the potential to be expanded to 570,000 bpd. The system was placed into service on June 1, 2017.

- **Regional Oil Sands Optimization Project (the Fund Group)** - the Athabasca Pipeline Twin portion of the project, which includes twinning of the southern section of the crude oil Athabasca Pipeline from Kirby Lake, Alberta to the crude oil hub at Hardisty, Alberta provides an initial capacity of approximately 450,000 bpd, with the potential to be further expanded to approximately 800,000 bpd. This portion of the project was placed into service on January 1, 2017. The Wood Buffalo Extension portion of the project includes a crude oil pipeline expansion between Cheecham, Alberta and Kirby Lake, Alberta that provides an initial capacity of approximately 635,000 bpd, with the potential to be further expanded to approximately 800,000 bpd. This portion of the project was placed into service on December 1, 2017.

- **JACOS Hangingstone Project (the Fund Group)** - a crude oil pipeline connecting the Japan Canada Oil Sands Limited (JACOS) Hangingstone project site to our existing Cheecham Terminal that provides an initial capacity of approximately 40,000 bpd. The project was placed into service on August 29, 2017.

The following commercially secured growth projects are expected to be placed into service in 2018 and 2019:

- **Lakehead System Mainline Expansion (EEP)** - the remaining scope of the project includes the Southern Access expansion between Superior, Wisconsin and Flanagan, Illinois that will increase capacity from 950,000 bpd to 1,200,000 bpd, which was substantially completed in June of 2017. We currently anticipate an in-service date in the second half of 2019 for this phase to more closely align

with the anticipated in-service date for the Line 3 Replacement Program (U.S. L3R Program). For additional updates on the project, refer to *Growth Projects - Regulatory Matters*.

- **Canadian Line 3 Replacement Program (the Fund Group)** - replacement of the existing Line 3 crude oil pipeline between Hardisty, Alberta and Gretna, Manitoba. The L3R Program will not provide an increase in the overall capacity of the mainline system, but will restore approximately 370,000 bpd and supports the safety and operational reliability of the overall system, enhances flexibility and will allow us to optimize throughput from western Canada into Superior, Wisconsin. The L3R Program is expected to achieve the original capacity of approximately 760,000 bpd. Construction commenced in early August 2017. For additional updates on the project, refer to *Growth Projects - Regulatory Matters*.

- **United States Line 3 Replacement Program (EEP)** - replacement of the existing Line 3 crude oil pipeline between Neche, North Dakota and Superior, Wisconsin. The U.S. L3R Program, along with the Canadian L3R Program discussed above, will support the safety and operational reliability of the mainline system, enhance system flexibility, and allow the Company and EEP to optimize throughput on the mainline. The L3R Program is expected to achieve the original capacity of approximately 760,000 bpd. Construction commenced on the Wisconsin portion of the U.S. L3R Program in late June 2017 and will be substantially complete in February 2018. For additional updates on the project, refer to *Growth Projects - Regulatory Matters*.

Liquids Pipelines

1 Norlite Pipeline System (the Fund Group)
2 Bakken Pipeline System (EEP)
3 Regional Oil Sands Optimization Project (the Fund Group)
4 Lakehead System Mainline Expansion (EEP)
5 Canadian Line 3 Replacement Program (the Fund Group)
6 U.S. Line 3 Replacement Program (EEP)

GAS TRANSMISSION AND MIDSTREAM
The following commercially secured growth projects were placed into service in 2017:

- **Sabal Trail (SEP)** - a natural gas pipeline connecting Alexander City, Alabama to the Central Florida Hub in Kissimmee, Florida that provides capacity of approximately 1.1 billion cubic feet per day (bcf/d) of new capacity to access onshore shale gas supplies once approved future expansions are completed. Facilities include a new 749-kilometer (465-mile) pipeline, laterals and various compressor stations. The project was placed into service on July 3, 2017.

- **Access South, Adair Southwest and Lebanon Extension (SEP)** - natural gas pipeline extensions connecting the Appalachian region of the United States to markets in the Midwest and Southeast regions of the United States. The combined projects provide an initial capacity of 622 million cubic feet per day (mmcf/d) of gas to customers in Ohio, Kentucky and Mississippi. The Lebanon extension was placed into service early, on August 1, 2017 and the majority of the Access and Adair portions of the project were placed in service in November 2017 with the final 20 mmcf/d expected to be placed in service in the first quarter of 2018.

The following commercially secured growth projects are expected to be placed into service in 2018 to 2020:

- **Atlantic Bridge (SEP) -** expansion of SEP's Algonquin Gas Transmission systems to transport 133 mmcf/d of natural gas to the New England Region. The expansion primarily consists of the replacement of a natural gas pipeline, meter station additions, compression additions in Connecticut, and a new compressor station in Massachusetts. The Connecticut portion of the project was placed into service in the fourth quarter of 2017. The remainder of the project is expected to be in-service during the fourth quarter of 2018.

- **NEXUS (SEP)** - a natural gas pipeline system connecting SEP's Texas Eastern pipeline system in Ohio to the Union Gas Dawn hub in Ontario, via Vector Pipeline L.P., that will provide capacity of up to approximately 1.5 bcf/d. The project received a Notice to Proceed from the Federal Energy Regulatory Commission (FERC) in August 2017 and construction activities have commenced.

- **Reliability and Maintainability Project** - a natural gas pipeline project designed to enhance the performance of the southern segment of the British Columbia Pipeline system to accommodate the increased base load on the system. The project involves adding new compressor units at three compressor stations along the pipeline system as well as upgrading existing pipeline crossovers and adding new crossovers at key locations. During 2017, six crossovers were placed into service.

- **Valley Crossing Pipeline** - a natural gas pipeline connecting the Agua Dulce hub in Texas to an offshore tie-in with the Sur de Texas-Tuxpan project, which is being constructed by a third party. The project will help Mexico meet its growing gas fired electric generation needs by providing capacity of up to approximately 2.6 bcf/d.

- **Spruce Ridge Program** - natural gas pipeline expansion of Westcoast Energy Inc.'s British Columbia Pipeline in northern British Columbia, which consists of the Aitken Creek Looping project and the Spruce Ridge Expansion project. The combined projects will provide additional capacity of up to 402 mmcf/d.

- **T-South Expansion Program** - natural gas pipeline expansion of Westcoast Energy Inc.'s T-South system that will provide additional capacity of approximately 190 mmcf/d into the Huntington/Sumas market at the United States/Canada border.

Gas Transmission and Midstream

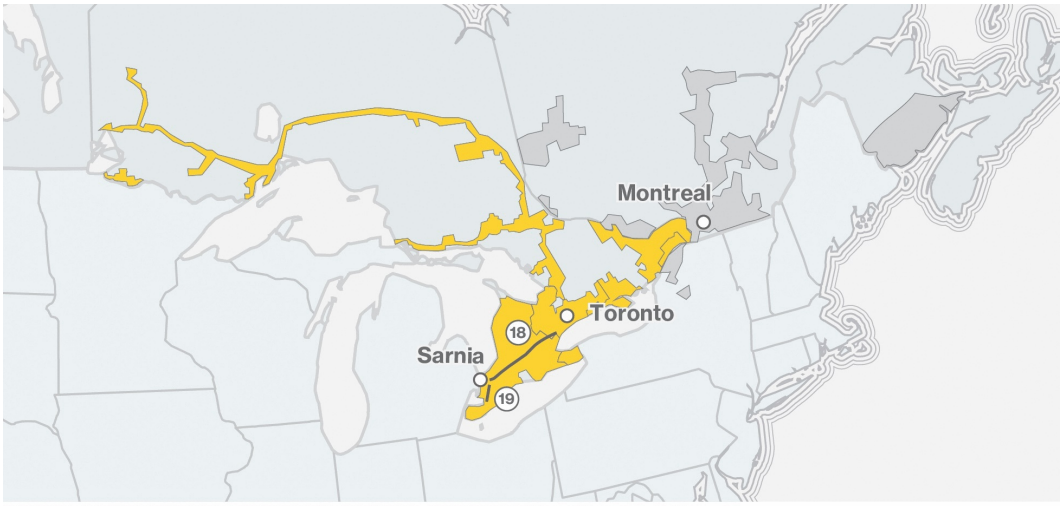
8 Sabal Trail (SEP)
9 Access South, Adair Southwest and Lebanon Extension (SEP)
10 Atlantic Bridge (SEP)
11 NEXUS (SEP)
12 Reliability and Maintainability Project
13 Valley Crossing Pipeline
14 Spruce Ridge Program
15 T- South Expansion Program

- Assets in Operation
- Projects Placed into Service in 2017
- Growth Projects
- Gas Plants in Operation

GAS DISTRIBUTION
In addition to normal course investment to support customer additions, the following commercially secured growth projects were placed into service in 2017:

- **2017 Dawn-Parkway Expansion** - the expansion of the existing Dawn-Parkway pipeline system, which provides transportation service from Dawn to the Greater Toronto Area, through the addition of new compressors at each of the Dawn, Lobo and Bright compressor stations in Ontario. The project provides additional capacity of approximately 419 mmcf/d and was placed into service in October 2017.

- **Panhandle Reinforcement Project** - the expansion of the existing Panhandle pipeline from Dawn to the Dover transmission station in Chatham-Kent, Ontario. The project serves firm demand growth in southwestern Ontario and was placed into service in November 2017.



Gas Distribution

18 Dawn-Parkway Expansion
19 Panhandle Reinforcement Project

GREEN POWER AND TRANSMISSION
The following commercially secured growth project was placed into service in 2017:

- **Chapman Ranch Wind Project** - a wind project that consists of 81 Acciona Windpower North America, LLC (Acciona) turbines located in Nueces County, Texas which generate approximately 249-MW of power and were placed into service on October 25, 2017. Acciona provides turbine operations and maintenance services under a five-year fixed-price contract with an option to extend. The project is backed by a 12-year power offtake agreement.

The following commercially secured growth projects are expected to be placed into service in 2018 and 2019:

- **Rampion Offshore Wind Project** - a wind project located off the Sussex coast in the United Kingdom, consisting of 116 turbines, which will generate approximately 400-MW when complete. We hold an effective 24.9% interest, United Kingdom's Green Investment Bank plc holds a 25% interest and E.ON SE holds the remaining 50.1% interest in the project, which was developed and is being constructed by E.ON Climate & Renewables UK Limited, a subsidiary of E.ON SE. The Rampion Offshore Wind Project is backed by revenues from the United Kingdom's fixed-price Renewable Obligation certificates program and a 15-year power purchase agreement. The project generated first power in November 2017 and is currently in the commissioning phase.

- **Hohe See Offshore Wind Project and Expansion** - a wind project located in the North Sea, off the coast of Germany that will generate approximately 497-MW, with an additional 112-MW from the expansion. The Hohe See Offshore Wind Project and Expansion will be constructed under fixed-price engineering, procurement, construction and installation contracts, which have been secured with key suppliers. The Hohe See Project and Expansion is backed by a government legislated 20-year revenue support mechanism.

Green Power and Transmission

20 Chapman Ranch Wind Project
21 Rampion Offshore Wind Project
22 Hohe See Offshore Wind Project

- Power Transmission in Operation
- Wind Assets in Operation
- Solar Assets in Operation
- Growth Projects – Wind

OTHER ANNOUNCED PROJECTS UNDER DEVELOPMENT

The following projects have been announced by us, but have not yet met our criteria to be classified as commercially secured:

LIQUIDS PIPELINES

- **Gray Oak Pipeline Project** - a 385,000 bpd pipeline system to provide producers and other shippers the opportunity to secure crude oil transportation from West Texas to the destination markets of Corpus Christi, Freeport, and Houston, Texas with connectivity to over 3 million bpd of refining capacity and multiple dock facilities capable of crude oil exports. The project is a joint development with Phillips 66 and would be placed into service during the second half of 2019 depending on shipper interest expressed in the recently closed open season.

GAS TRANSMISSION AND MIDSTREAM

- **Gulf Coast Express Pipeline Project** - a natural gas pipeline connecting the Waha, Texas area to Agua Dulce, Texas that will provide capacity up to approximately 1.7 bcf/d. The project is a joint development between our equity investment DCP Midstream, Kinder Morgan Texas Pipeline LLC and an affiliate of Targa Resources Corp, and is expected to be placed into service during the second half of 2019, subject to obtaining sufficient shipper commitments.

- **Alliance Pipeline Expansion Project -** Alliance Pipeline announced a non-binding request for expressions of interest for additional transportation service on the Alliance Pipeline Canada and Alliance Pipeline US systems. Alliance Pipeline continues to engage with interested parties and assess the addition of more compression facilities along the system in order to increase throughput capacity by up to 500 mmcf/d. The projected in-service date for the potential capacity expansion is the second half of 2021.

- **Access Northeast -** Access Northeast is a project that will bring affordable energy to New England consumers. Natural gas pipeline capacity scarcity and system reliability remains a primary issue for New England and one that must be resolved for the region to meet its energy supply needs. The project's partners continue to pursue a viable commercial and operational model to provide natural gas to the region.

GREEN POWER AND TRANSMISSION

- **Éolien Maritime France SAS** - a 50% interest in Éolien Maritime France SAS (EMF), a French offshore wind development company, which is co-owned by EDF Energies Nouvelles, a subsidiary of Électricité de France S.A. EMF holds licenses for three large-scale offshore wind farms off the coast of France that would generate approximately 1,428 MW. The development of these projects is subject to a final investment decision and regulatory approvals, the timing of which is not yet certain.

We also have a large portfolio of additional projects under development that have not yet progressed to the point of public announcement.

GROWTH PROJECTS - REGULATORY MATTERS

Lakehead System Mainline Expansion (EEP)
On October 16, 2017, the United States Department of State issued a Presidential permit to EEP to operate Line 67 at its design capacity of 888,889 bpd at the international border of the United States and Canada near Neche, North Dakota.

Canadian Line 3 Replacement Program (the Fund Group)
In December 2016, the Manitoba Metis Federation (MMF) and the Association of Manitoba Chiefs (AMC) applied to the Federal Court of Appeal for leave, which was subsequently granted, to judicially review the Government of Canada's decision to approve the Canadian L3R Program. On July 4, 2017, the MMF discontinued its judicial review application. On October 25, 2017, the AMC discontinued its judicial review application. As a result, no further challenges to the Government of Canada's decision to approve the Canadian L3R Program may be brought by any party.

All required pre-construction filings have been approved by the NEB.

United States Line 3 Replacement Program (EEP)
EEP is in the process of obtaining the appropriate permits for constructing the U.S. L3R Program in Minnesota. The project requires both a Certificate of Need and an approval of the pipeline's route (Route Permit) from the MNPUC. The MNPUC found both the Certificate of Need and Route Permit applications for the U.S. L3R Program through Minnesota to be complete. On February 1, 2016, the MNPUC issued a written order requiring the Minnesota Department of Commerce (DOC) to prepare an Environmental Impact Statement (EIS) before the filing of intervenor testimony in the Certificate of Need and Route Permit processes. The DOC issued the final EIS on August 17, 2017. The MNPUC determined the final EIS to be inadequate in four specific areas on December 7, 2017. The DOC provided a supplemental EIS on February 12, 2018, and the MNPUC will determine its adequacy in the second quarter of 2018. In the parallel Certificate of Need and Route Permit dockets, public and evidentiary hearings were held at locations along the proposed route and in Saint Paul, Minnesota from September to November 2017 and are now complete. The MNPUC is expected to vote on the Certificate of Need and Route Permit at the end of the second quarter of 2018.

LIQUIDITY AND CAPITAL RESOURCES

The maintenance of financial strength and flexibility is fundamental to our growth strategy, particularly in light of the significant number and size of capital projects currently secured or under development. Access to timely funding from capital markets could be limited by factors outside our control, including but not limited to financial market volatility resulting from economic and political events both inside and outside North America. To mitigate such risks, we actively manage financial plans and strategies to ensure we maintain sufficient liquidity to meet routine operating and future capital requirements. In the near term, we generally expect to utilize cash from operations together with commercial paper issuance and/or credit facility draws and the proceeds of capital market offerings to fund liabilities as they become due, finance capital expenditures, fund debt retirements and pay common and preference share dividends. We target to maintain sufficient liquidity through securement of committed credit facilities with a diversified group of banks and financial institutions to enable us to fund all anticipated requirements for approximately one year without accessing the capital markets.

Our financing plan is regularly updated to reflect evolving capital requirements and financial market conditions and identifies a variety of potential sources of debt and equity funding alternatives, including utilization of our sponsored vehicles. For additional information, refer to *Sponsored Vehicles* below.

CAPITAL MARKET ACCESS

We ensure ready access to capital markets, subject to market conditions, through maintenance of shelf prospectuses that allow for issuance of long-term debt, equity and other forms of long-term capital when market conditions are attractive. In accordance with our funding plan, we completed the following issuances in 2017:

Entity	Type of Issuance	Amount
(in millions of Canadian dollars, unless stated otherwise)		
Enbridge Inc.	Common shares (via share exchange*)	37,429
Enbridge Inc.	Common shares (by private placement)	1,500
Enbridge Inc.	Preference shares	500
Enbridge Inc.	Fixed-to-floating rate subordinated notes	1,650
Enbridge Inc.	Floating rate notes	750
Enbridge Inc.	Medium-term notes	1,200
Enbridge Inc.	US$ Fixed-to-floating rate subordinated notes	US$1,000
Enbridge Inc.	US$ Floating rate notes	US$1,200
Enbridge Inc.	US$ Senior notes	US$1,400
Enbridge Income Fund Holdings Inc.	Common shares	575
Enbridge Income Fund Holdings Inc.	Common shares (Secondary offering by Enbridge)	575
Enbridge Gas Distribution Inc. (EGD)	Medium-term notes	300
Spectra Energy Partners, LP	Floating rate notes	US$400
Union Gas Limited	Medium-term notes	500

** In connection with the Merger Transaction*

On January 9, 2018, Texas Eastern Transmission, LP, a wholly-owned operating subsidiary of SEP, completed an offering of US$800 million of senior notes, which consisted of two US$400 million tranches with fixed interest rates of 3.50% and 4.15% which mature in 2028 and 2048, respectively.

Credit Facilities, Ratings and Liquidity

To ensure ongoing liquidity and to mitigate the risk of capital market disruption, we maintain ready access to funds through committed bank credit facilities and actively manage our bank funding sources to optimize pricing and other terms. The following table provides details of our committed credit facilities at December 31, 2017.

		2017		
December 31,	Maturity	Total Facilities	Draws[1]	Available
(millions of Canadian dollars)				
Enbridge Inc.[2]	2019-2022	**7,353**	**2,737**	**4,616**
Enbridge (U.S.) Inc.	2019	**3,590**	**490**	**3,100**
Enbridge Energy Partners, L.P.[3]	2019-2022	**3,289**	**1,820**	**1,469**
Enbridge Gas Distribution Inc.	2019	**1,016**	**972**	**44**
Enbridge Income Fund	2020	**1,500**	**766**	**734**
Enbridge Pipelines (Southern Lights) L.L.C.	2019	**25**	**—**	**25**
Enbridge Pipelines Inc.	2019	**3,000**	**1,438**	**1,562**
Enbridge Southern Lights LP	2019	**5**	**—**	**5**
Spectra Energy Partners, LP[4,5]	2022	**3,133**	**2,824**	**309**
Union Gas Limited[5]	2021	**700**	**485**	**215**
Westcoast Energy Inc.[5]	2021	**400**	**—**	**400**
Total committed credit facilities		**24,011**	**11,532**	**12,479**

1 Includes facility draws, letters of credit and commercial paper issuances that are back-stopped by the credit facility.
2 Includes $135 million, $157 million (US$125 million) and $150 million of commitments that expire in 2018, 2018 and 2020, respectively.
3 Includes $219 million (US$175 million) and $232 million (US$185 million) of commitments that expire in 2018 and 2020, respectively.
4 Includes $421 million (US$336 million) of commitments that expire in 2021.
5 Committed credit facilities acquired on February 27, 2017 in conjunction with the Merger Transaction. For additional information, refer to Merger with Spectra Energy.

During the first quarter of 2017, Enbridge established a five-year, term credit facility for $239 million (¥20,000 million) with a syndicate of Japanese banks. Principal and interest on this facility have been converted to United States dollars using a cross currency interest rate swap.

In addition to the committed credit facilities noted above, we have $792 million of uncommitted demand facilities, of which $518 million were unutilized as at December 31, 2017. As at December 31, 2016, we had $335 million of uncommitted credit facilities, of which $177 million were unutilized.

Our net available liquidity of $12,959 million at December 31, 2017 was inclusive of $480 million of unrestricted cash and cash equivalents as reported on the Consolidated Statements of Financial Position.

Our credit facility agreements and term debt indentures include standard events of default and covenant provisions whereby accelerated repayment and/or termination of the agreements may result if we were to default on payment or violate certain covenants. As at December 31, 2017, we were in compliance with all debt covenants and expect to continue to comply with such covenants.

Strong growth in internal cash flow, ready access to liquidity from diversified sources and a stable business model have enabled us to manage our credit profile. We actively monitor and manage key financial metrics with the objective of sustaining investment grade credit ratings from the major credit rating agencies and ongoing access to bank funding and term debt capital on attractive terms. Key measures of financial strength that are closely managed include the ability to service debt obligations from operating cash flow and the ratio of debt to total capital. As at December 31, 2017, our debt capitalization ratio was 48.3% compared with 61.8% as at December 31, 2016. The improvement in the ratio reflected an increase in equity that resulted from the Merger Transaction.

During 2017, our credit ratings were affirmed as follows:

- DBRS Limited confirmed our issuer rating and medium-term notes and unsecured debentures rating of BBB (high), fixed-to-floating subordinated notes rating of BBB (low), preference share rating of Pfd-3 (high) and commercial paper rating of R-2 (high), and changed their rating outlook from under review with developing implications to stable.
- Standard & Poor's Rating Services (S&P) affirmed our corporate credit rating and senior unsecured debt rating of BBB+, preference share rating of P-2 (low) and commercial paper rating of A-1 (low), and reaffirmed a stable outlook. S&P also affirmed our global overall short-term rating of A-2.
- In June 2017, we obtained Fitch long-term issuer default rating and senior unsecured debt rating of BBB+, preference share rating of BBB-, junior subordinated note rating of BBB-, and short-term and commercial paper rating of F2 with a stable rating outlook.
- On December 22, 2017, Moody's Investor Services, Inc. downgraded our issuer and senior unsecured ratings from Baa2 to Baa3, subordinated rating from Ba1 to Ba2, preference share rating from Ba1 to Ba2, commercial paper rating for Enbridge (U.S.) Inc. from P-2 to P-3, and changed the outlook on all of these ratings from negative to stable.

We invest surplus cash in short-term investment grade money market instruments with highly creditworthy counterparties. Short-term investments were $70 million as at December 31, 2017 compared with $800 million as at December 31, 2016. The higher short-term investment balances at the end of 2016 reflect the temporary investment of a portion of the proceeds of capital markets offerings undertaken by us in the fourth quarter of 2016, pending its redeployment in our growth capital program.

There are no material restrictions on our cash. Total restricted cash of $107 million includes EGD's and Union Gas' receipt of cash from the Government of Ontario to fund its Green Investment Fund program. In addition, our restricted cash includes cash collateral and amounts received in respect of specific shipper commitments. Cash and cash equivalents held by EEP, the Fund Group and SEP are generally not readily accessible by us until distributions are declared and paid by these entities, which occurs quarterly for EEP and SEP, and monthly for the Fund Group. Further, cash and cash equivalents held by certain foreign subsidiaries may not be readily accessible for alternative uses by us.

Excluding current maturities of long-term debt, at December 31, 2017 and 2016 we had a negative working capital position of $2,538 million and $456 million, respectively. In both periods, the major contributing factor to the negative working capital position was the ongoing funding of our growth capital program.

To address this negative working capital position, we maintain significant liquidity in the form of committed credit facilities and other sources as previously discussed, which enable the funding of liabilities as they become due. As at December 31, 2017 and 2016, our net available liquidity totaled $12,959 million and $14,274 million, respectively, on a consolidated basis. It is anticipated that any current maturities of long-term debt will be refinanced upon maturity.

SOURCES AND USES OF CASH

December 31,	**2017**	2016	2015
(millions of Canadian dollars)			
Operating activities	**6,584**	5,211	4,571
Investing activities	**(11,002)**	(5,192)	(7,933)
Financing activities	**3,476**	840	3,074
Effect of translation of foreign denominated cash and cash equivalents	**(72)**	(19)	143
Increase/(decrease) in cash and cash equivalents	**(1,014)**	840	(145)

Significant sources and uses of cash for the years ended December 31, 2017 and 2016 are summarized below:

Operating Activities

2017

- The growth in cash flow delivered by operations in 2017 is a reflection of the positive operating factors discussed under *Results of Operations*, which primarily included contributions from new assets of approximately $2,574 million following the completion of the Merger Transaction.
- For the year ended, partially offsetting the increase in cash flows from operating activities are transaction costs in connection with the Merger Transaction, as well as employee severance costs in relation to our enterprise-wide reduction of workforce.
- Changes in operating assets and liabilities to $314 million from $358 million for the years ended December 31, 2017 and 2016, respectively, reflected negative working capital in each of those years. Our operating assets and liabilities fluctuate in the normal course due to various factors including fluctuations in commodity prices and activity levels within the Energy Services and Gas Distribution segments, the timing of tax payments, as well as timing of cash receipts and payments.

2016

- The growth in cash flow delivered by operations in 2016 was a reflection of the positive operating factors discussed under *Results of Operations*, which primarily included stronger contributions from the Liquids Pipelines segment, partially offset by higher financing costs resulting from the incurrence of incremental debt to fund asset growth and the impact of refinancing construction debt with longer-term debt financing.
- Changes in operating assets and liabilities included within operating activities were $358 million for the year ended December 31, 2016 compared with $645 million for the comparative 2015 year. Our operating assets and liabilities fluctuate in the normal course due to various factors including fluctuations in commodity prices and activity levels within the Energy Services and Gas Distribution segments, the timing of tax payments, general variations in activity levels within our businesses, as well as timing of cash receipts and payments.

Investing Activities

We continue with the execution of our growth capital program which is further described in *Growth Projects – Commercially Secured Projects*. The timing of project approval, construction and in-service dates impacts the timing of cash requirements.

A summary of additions to property, plant and equipment for the years ended December 31, 2017, 2016 and 2015 is set out below:

Year ended December 31,	**2017**	2016	2015
(millions of Canadian dollars)			
Liquids Pipelines	**2,797**	3,956	5,882
Gas Transmission and Midstream	**3,883**	176	385
Gas Distribution	**1,177**	713	858
Green Power and Transmission	**321**	251	68
Energy Services	**1**	—	—
Eliminations and Other	**108**	32	80
Total capital expenditures	**8,287**	5,128	7,273

2017

- The increase in cash used in investing activities was primarily attributable to capital expenditures of $8,287 million compared with $5,128 million for the comparable period, which include capital expenditures on assets and growth projects acquired through the Merger Transaction, and increased investment in equity investments. During the first half of 2017, we paid cash consideration of $2.0 billion (US $1.5 billion) for the acquisition of an interest in the Bakken Pipeline System. In addition, we also made an equity investment of $0.5 billion in connection with our 50% interest in the Hohe See Offshore Wind Project.
- The above increase in cash usage was partially offset by cash acquired in the Merger Transaction in the first quarter of 2017, proceeds from the disposition of the Ozark Pipeline, Sandpiper Project and Olympic Pipeline in 2017.

2016

- The timing of projects approval, construction and in-service dates impacted the timing of cash requirements. For the year ended December 31, 2016, additions to property, plant and equipment resulted in cash expenditures of $5,128 million compared with $7,273 million for the year ended December 31, 2015. The year-over-year decrease reflected the successful completion of growth projects in 2015, including the Edmonton to Hardisty Expansion, Southern Access Extension and phases of the Eastern Access Program.
- Also contributing to the decrease in year-over-year cash used in investing activities were proceeds received from disposition of assets. For the year ended December 31, 2016, proceeds from dispositions were $1,379 million compared with $146 million for the year ended December 31, 2015. The majority of the proceeds in 2016 related to the sale of the South Prairie Region assets completed in December 2016.
- Partially offsetting the above factors was higher spending in 2016 for acquisitions. During the second quarter of 2016, we made an initial equity investment in and advanced an affiliate loan to acquire a 50% interest in a French offshore wind development company and fund the ongoing development costs of that company.

Financing Activities

2017

The increase in net cash generated from financing activities resulted from the following factors:

- We issued a series of medium term fixed and floating rate notes, the proceeds of which were used to repay maturing term notes and credit facilities and to finance growth capital programs. For the year ended 2017, proceeds from term note issuances were primarily used to repay credit facilities and redeem tender offers for Spectra Energy's outstanding senior unsecured notes as discussed in *Liquidity and Capital Resources - Capital Market Access*.
- The change in cash generated from financing activities reflected overall higher cash contributions from redeemable noncontrolling interests of $1,178 million compared with $591 million in the comparable period attributable to our holdings in ENF equity. Cash contributions were also higher

for noncontrolling interests, which now include noncontrolling interests acquired through the Merger Transaction, which is more than offset by the increase in distributions to noncontrolling interests. The increase in distributions to noncontrolling interests was primarily attributable to the acquired assets, which were partially offset by the decrease in distributions resulting from the EEP strategic restructuring discussed under *United States Sponsored Vehicle Strategy*.

- Cash provided from financing activities further increased as we completed the issuance of 33.5 million common shares for gross proceeds of approximately $1.5 billion along with the issuance of 4 million preferred shares for gross proceeds of $0.5 billion.
- For the year ended 2017, the above increases in cash were partially offset by $227 million paid to acquire all of the outstanding publicly-held common units of MEP during the second quarter of 2017, as well as higher cash received from the issuance of common shares in the first quarter of 2016, as a result of the issuance of 56 million common shares in March 2016.
- Finally, our common share dividend payments increased in the first half of 2017, primarily due to the increase in the common share dividend rate effective March 2017, as well as higher number of common shares outstanding as a result of the issuance of approximately 75 million common shares in 2016 and 691 million common shares issued in connection with the Merger Transaction. In addition, we paid $414 million in common share dividends to the shareholders of Spectra Energy. These dividends were declared before the closing of the Merger Transaction but were paid after the closing of the Merger Transaction.

2016

- Our financing requirements decreased for the year ended December 31, 2016 compared with December 31, 2015, primarily reflecting lower expenditures on growth capital projects and the proceeds of asset sales. Our funding requirements are a reflection of the timing of various growth projects.
- In 2016, our overall debt decreased by $149 million compared with an overall increase in debt of $3,663 million in 2015. The decrease was mainly due to lower debt requirements resulting from the timing of completion of various growth projects and other sources of funds, primarily the proceeds from our common share issuance in March 2016, which were partly utilized to reduce drawn credit facilities and outstanding commercial paper draws.
- The increase in common share dividends paid in 2016 was attributable to the increase in the common share dividend rate effective March 2016 and a higher number of common shares outstanding primarily as a result of the common share issuance noted above.
- Distributions to redeemable noncontrolling interests in the Fund Group increased during 2016 compared with the corresponding 2015 period mainly due to a higher per share distribution rate and a larger number of public shares outstanding in ENF. Higher distributions to noncontrolling interests in EEP reflected an increase to the per unit distribution in the first half of 2016 as well as the effects of a strengthening United States dollar versus the Canadian dollar.

Preference Share Issuances

Since July 2011, we have issued 310 million preference shares for gross proceeds of approximately $7.8 billion with the following characteristics.

	Gross Proceeds	Dividend Rate	Dividend[1,9]	Per Share Base Redemption Value[2]	Redemption and Conversion Option Date[2,3]	Right to Convert Into[3,4]
(Canadian dollars, unless otherwise stated)						
Series B[5]	$500 million	3.42%	$0.85360	$25	June 1, 2022	Series C
Series C[5]	—	3-month treasury bill plus 2.400%	—	$25	June 1, 2022	Series B
Series D[6]	$450 million	4.00%	$1.00000	$25	March 1, 2018	Series E
Series F	$500 million	4.00%	$1.00000	$25	June 1, 2018	Series G
Series H	$350 million	4.00%	$1.00000	$25	September 1, 2018	Series I
Series J[7]	US$200 million	4.89%	US$1.22160	US$25	June 1, 2022	Series K
Series L[7]	US$400 million	4.96%	US$1.23972	US$25	September 1, 2022	Series M
Series N	$450 million	4.00%	$1.00000	$25	December 1, 2018	Series O
Series P	$400 million	4.00%	$1.00000	$25	March 1, 2019	Series Q
Series R	$400 million	4.00%	$1.00000	$25	June 1, 2019	Series S
Series 1	US$400 million	4.00%	US$1.00000	US$25	June 1, 2018	Series 2
Series 3	$600 million	4.00%	$1.00000	$25	September 1, 2019	Series 4
Series 5	US$200 million	4.40%	US$1.10000	US$25	March 1, 2019	Series 6
Series 7	$250 million	4.40%	$1.10000	$25	March 1, 2019	Series 8
Series 9	$275 million	4.40%	$1.10000	$25	December 1, 2019	Series 10
Series 11	$500 million	4.40%	$1.10000	$25	March 1, 2020	Series 12
Series 13	$350 million	4.40%	$1.10000	$25	June 1, 2020	Series 14
Series 15	$275 million	4.40%	$1.10000	$25	September 1, 2020	Series 16
Series 17	$750 million	5.15%	$1.28750	$25	March 1, 2022	Series 18
Series 19[8]	$500 million	4.90%	$1.22500	$25	March 1, 2023	Series 20

1 The holder is entitled to receive a fixed, cumulative, quarterly preferential dividend, as declared by the Board. With the exception of Series A and Series C Preference Shares, such fixed dividend rate resets every five years beginning on the initial redemption and conversion option date. The Series 17 and Series 19 Preference Shares contain a feature where the fixed dividend rate, when reset every five years, will not be less than 5.15% and 4.90%, respectively. No other series of Preference Shares has this feature.

2 Preference Shares, Series A may be redeemed any time at our option. For all other series of Preference Shares, we may, at our option, redeem all or a portion of the outstanding Preference Shares for the Base Redemption Value per share plus all accrued and unpaid dividends on the Redemption Option Date and on every fifth anniversary thereafter.

3 The holder will have the right, subject to certain conditions, to convert their shares into Cumulative Redeemable Preference Shares of a specified series on a one-for-one basis on the Conversion Option Date and every fifth anniversary thereafter at an ascribed issue price equal to the Base Redemption Value.

4 With the exception of Series A Preference Shares, after the redemption and conversion option dates, holders may elect to receive quarterly floating rate cumulative dividends per share at a rate equal to: $25 x (number of days in quarter/365) x 90 day Government of Canada treasury bill rate + 2.4% (Series C), 2.4% (Series E), 2.5% (Series G), 2.1% (Series I), 2.7% (Series O), 2.5% (Series Q), 2.5% (Series S), 2.4% (Series 4), 2.6% (Series 8), 2.7% (Series 10), 2.6% (Series 12), 2.7% (Series 14), 2.7% (Series 16), 4.1% (Series 18) or 3.2% (Series 20); or US$25 x (number of days in quarter/365) x three-month United States Government treasury bill rate + 3.1% (Series K), 3.2% (Series M), 3.1% (Series 2) or 2.8% (Series 6).

5 On June 1, 2017, 1,730,188 of Series B fixed rate Preference Shares were converted to Series C floating rate Preference Shares based upon preference share holder elections under the terms of the Series B Preference Shares. The quarterly dividend amount for the Series B Preference Shares was decreased to $0.21340 from $0.25000 on June 1, 2017, due to the reset of the annual dividend rate on every fifth anniversary of the date of issuance of the Series B Preference Shares. The quarterly dividend amount for the Series C Preference Shares was set at $0.18600 on June 1, 2017, $0.19571 on September 1, 2017 and $0.20342 on December 1, 2017, due to reset on a quarterly basis following the issuance thereof.

6 On January 30, 2018, we announced that we do not intend to exercise our right to redeem our Series D Preference Shares on March 1, 2018. As a result, until February 14, 2018, the holders of such shares had the right to convert all or part of their Series D fixed rate Preference Shares on a one-for-one basis into Series E floating rate Preference Shares. As of February 14, 2018, less than the 1,000,000 Series D Preference Shares required to give effect to conversions into Series E Preference Shares were tendered for conversion. As a result, none of our outstanding Series D Preference Shares will be converted into Series E Preference Shares on March 1, 2018. However, on March 1, 2018, the quarterly dividend amount for the Series D Preference Shares will be increased to $0.27875 from $0.25000, due to the reset of the annual dividend rate on every fifth anniversary of the date of issuance of the Series D Preference Shares.

7 No Series J or Series L Preference Shares were converted on the June 1, 2017 and September 1, 2017 conversion option dates, respectively. However, the quarterly dividend amounts for the Series J and Series L Preference Shares were increased to US$0.30540 from US$0.25000 on June 1, 2017, and to US$0.30993 from US$0.25000 on September 1, 2017, respectively, due to the reset of the annual dividend rate on every fifth anniversary of the date of issuance of the Series J and Serles L Preference Shares.

8 On December 11, 2017, 20 million Series 19 Preferred Shares, inclusive of 4 million Series 19 Preferred Shares issued on full exercise of the underwriters' option, were issued for gross proceeds of $500 million.
9 For dividends declared, see Liquidity and Capital Resources – Sources and Uses of Cash – Dividend Reinvestment and Share Purchase Plan.

Common Share Issuances
On December 7, 2017, we completed the issuance of 33.5 million common shares for gross proceeds of approximately $1.5 billion. The proceeds were used to reduce short-term indebtedness pending reinvestment in secured capital projects.

On February 27, 2017, we completed the issuance of 691 million common shares with a value of $37.4 billion in exchange for shares of Spectra Energy in connection with the Merger Transaction. For further information, see *Merger with Spectra Energy* and Item 8. *Financial Statements and Supplementary Data - Note 7. Acquisitions and Dispositions.*

On March 1, 2016, we completed the issuance of 56.5 million common shares for gross proceeds of approximately $2.3 billion, inclusive of the shares issued on exercise of the full amount of the underwriters' over-allotment option to purchase an additional 7.4 million common shares. The proceeds were used to reduce short-term indebtedness pending reinvestment in secured capital projects.

Dividend Reinvestment and Share Purchase Plan
Participants in our Dividend Reinvestment and Share Purchase Plan (DRIP) receive a 2% discount on the purchase of common shares with reinvested dividends. For the years ended December 31, 2017 and 2016, total dividends paid were $3,562 million and $1,945 million, respectively, of which $2,336 million and $1,150 million, respectively, were paid in cash and reflected in financing activities. The remaining $1,226 million and $795 million, respectively, of dividends paid were reinvested pursuant to the DRIP and resulted in the issuance of common shares rather than a cash payment. For the years ended December 31, 2017 and 2016, 34.4% and 40.9%, respectively, of total dividends paid were reinvested through the DRIP. In addition to amounts paid in cash and reflected in financing activities for the year ended December 31, 2017, were $414 million in dividends declared to Spectra Energy shareholders prior to the Merger Transaction that were paid after the Merger Transaction.

Our Board of Directors has declared the following quarterly dividends. All dividends are payable on March 1, 2018 to shareholders of record on February 15, 2018.

Common Shares	$0.67100
Preference Shares, Series A	$0.34375
Preference Shares, Series B[1]	$0.21340
Preference Shares, Series C[2]	$0.20342
Preference Shares, Series D	$0.25000
Preference Shares, Series F	$0.25000
Preference Shares, Series H	$0.25000
Preference Shares, Series J[3]	US$0.30540
Preference Shares, Series L[4]	US$0.30993
Preference Shares, Series N	$0.25000
Preference Shares, Series P	$0.25000
Preference Shares, Series R	$0.25000
Preference Shares, Series 1	US$0.25000
Preference Shares, Series 3	$0.25000
Preference Shares, Series 5	US$0.27500
Preference Shares, Series 7	$0.27500
Preference Shares, Series 9	$0.27500
Preference Shares, Series 11	$0.27500
Preference Shares, Series 13	$0.27500
Preference Shares, Series 15	$0.27500
Preference Shares, Series 17	$0.32188
Preference Shares, Series 19	$0.26850

1 The quarterly dividend amount of Series B was decreased to $0.21340 from $0.25000 on June 1, 2017, due to the reset of the annual dividend on every fifth anniversary of the date of issuance of the Series B Preference Shares.

2 The quarterly dividend amount of Series C was set at $0.18600 on June 1, 2017, $0.19571 on September 1, 2017 and $0.20342 on December 1, 2017, due to reset on a quarterly basis following the date of issuance of the Series C Preference Shares.

3 The quarterly dividend amount of Series J was increased to US$0.30540 from US$0.25000 on June 1, 2017, due to the reset of the annual dividend on every fifth anniversary of the date of issuance of the Series J Preference Shares.

4 The quarterly dividend amount of Series L was increased to US$0.30993 from US$0.25000 on September 1, 2017, due to the reset of the annual dividend on every fifth anniversary of the date of issuance of the Series L Preference Shares.

SPONSORED VEHICLES

We utilize Sponsored Vehicles to diversify our access to capital and enhance our costs of funds. When market conditions are supportive, we may also seek to raise capital and monetize the value of existing assets through drop-down transactions with our Sponsored Vehicles.

The Fund Group

	2017	2016	2015
Economic interest as at December 31,	**82.5%**	86.9%	89.2%
Distributions received by us for the year ended December 31,	**$1,539 million**	$1,555 million	$601 million

Common Unit Issuance

On December 7, 2017, ENF completed the issuance of 20,683,900 common shares, inclusive of 2,697,900 common shares issued on full exercise of the underwriters' over-allotment option, at a price of $27.80 for a gross proceeds of $575 million. The proceeds will be used to repay short-term indebtedness and fund growth projects associated with the Fund's Canadian liquids pipeline assets.

On April 18, 2017, ENF completed the Secondary Offering of 17,347,750 common shares to the public at a price of $33.15 per share, for gross proceeds of approximately $575 million. For further information, refer to *Asset Monetization*.

Restructuring

In September 2015, we completed the Canadian Restructuring Plan. For further details, refer to *Canadian Restructuring Plan.*

EEP

	2017	2016	2015
Economic interest as at December 31,	**34.6%**	35.3%	35.7%
Distributions received by us for the year ended December 31,[1]	**US$713 million**	US$573 million	US$499 million

1 Includes distributions for our ownership interest in EEP and distributions from direct ownership in its jointly funded projects.

Strategic Review

In 2017, we continued the ongoing evaluation of our investment in EEP. For additional information, refer to *United States Sponsored Vehicle Strategy*.

Common Unit Issuance

In March 2015, EEP completed the issuance of eight million Class A common units for gross proceeds of approximately US$294 million before underwriting discounts and commissions and offering expenses. We did not participate in the issuance; however, we made a capital contribution of US$6 million to maintain our 2% general partner interest in EEP. EEP used the proceeds from the offering to fund a portion of its capital expansion projects and for general partnership purposes.

Alberta Clipper Drop Down

In January 2015, we completed the drop down of our 66.7% interest in the United States segment of the Alberta Clipper Pipeline to EEP. Aggregate consideration for the transaction was US$1 billion, consisting of approximately US$694 million of Class E equity units issued to us by EEP and the repayment of approximately US$306 million of indebtedness owed to us.

SEP

	2017	2016	2015
Economic interest as at December 31,	**83%**	—	—
Distributions received by us for the year ended December 31,	**US$738 million**	—	—

The Merger Transaction
As a result of the Merger Transaction, we acquired a 75% economic interest in SEP. For further information, refer to *Merger with Spectra Energy*.

Share Issuances
During the year ended December 31, 2017, SEP issued 3,991,977 million common units under its at-the-market program for total proceeds of US$171 million.

Restructuring of Incentive Distribution Rights
Refer to *United States Sponsored Vehicle Strategy - Restructuring of SEP Incentive Distribution Rights.*

OFF-BALANCE SHEET ARRANGEMENTS
We enter into guarantee arrangements in the normal course of business to facilitate commercial transactions with third parties. These arrangements include financial guarantees, stand-by letters of credit, debt guarantees, surety bonds and indemnifications. See Item 8. Financial Statements and supplementary data - *Note 29. Guarantees* for further discussion of guarantee arrangements.

Most of the guarantee arrangements that we enter into enhance the credit standings of certain subsidiaries, non-consolidated entities or less than 100%-owned entities, enabling them to conduct business. As such, these guarantee arrangements involve elements of performance and credit risk which are not included on our Consolidated Statements of Financial Position. The possibility of us having to honor our contingencies is largely dependent upon the future operations of our subsidiaries, investees and other third parties, or the occurrence of certain future events. Issuance of these guarantee arrangements is not required for the majority of our operations.

We do not have material off-balance sheet financing entities or structures, except for normal operating lease arrangements, guarantee arrangements and financings entered into by our equity investments. For additional information on these commitments, see Item 8. Financial Statements and supplementary data - *Note 28. Commitments and Contingencies* and *Note 29. Guarantees*.

We do not have material off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

CONTRACTUAL OBLIGATIONS

Payments due under contractual obligations over the next five years and thereafter are as follows:

As at December 31, 2017	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
(millions of Canadian dollars)					
Annual debt maturities[1,2]	62,927	2,831	12,995	11,344	35,757
Interest obligations[2,3]	42,083	2,485	4,415	3,794	31,389
Operating leases[4]	1,151	106	198	184	663
Capital leases	35	9	10	4	12
Pension obligations[5]	162	162	—	—	—
Long-term contracts[6]	14,718	4,182	4,000	2,448	4,088
Other long-term liabilities[7]	—	—	—	—	—
Total contractual obligations	121,076	9,775	21,618	17,774	71,909

1 Includes debentures, term notes, commercial paper and credit facility draws based on the facility's maturity date and excludes short-term borrowings, debt discount, debt issue costs and capital lease obligations. We have the ability under certain debt facilities to call and repay the obligations prior to scheduled maturities. Therefore, the actual timing of future cash repayments could be materially different than presented above.

2 Excludes the debt issuance of US$800 million senior notes that occurred subsequent to December 31, 2017.

3 Includes debentures and term notes bearing interest at fixed, floating and fixed-to-floating rates.

4 Includes land leases.

5 Assumes only required payments will be made into the pension plans in 2018. Contributions are made in accordance with independent actuarial valuations as at December 31, 2017. Contributions, including discretionary payments, may vary pending future benefit design and asset performance.

6 Included within long-term contracts, in the table, above are contracts that we have signed for the purchase of services, pipe and other materials totaling $2,609 million which are expected to be paid over the next five years. Also consists of the following purchase obligations: gas transportation and storage contracts (EGD), firm capacity payments and gas purchase commitments (Spectra Energy), transportation, service and product purchase obligations (MEP), and power commitments (EEP).

7 We are unable to estimate deferred income taxes (Item 8. Financial Statements and supplementary data - Note 24. Income Taxes) since cash payments for income taxes are determined primarily by taxable income for each discrete fiscal year. We are also unable to estimate asset retirement obligations (Item 8. Financial Statements and supplementary data - Note 18. Asset Retirement Obligations), environmental liabilities (Item 8. Financial Statements and supplementary data - Note 28. Commitments and Contingencies) and hedges payable (Item 8. Financial Statements and supplementary data - Note 23. Risk Management and Financial Instruments) due to the uncertainty as to the amount and, or, timing of when cash payments will be required.

LEGAL AND OTHER UPDATES

LIQUIDS PIPELINES

Renewal of Line 5 Easement

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

Eddystone Rail Legal Matter

In February 2017, Eddystone Rail filed an action against several defendants in the United States District Court for the Eastern District of Pennsylvania. Eddystone Rail alleges that the defendants transferred valuable assets from Eddystone Rail's counterparty in a maritime contract, so as to avoid outstanding obligations to Eddystone Rail. Eddystone Rail is seeking payment of compensatory and punitive damages in excess of US$140 million. Eddystone Rail's chances of success in connection with the above noted action cannot be predicted and it is possible that Eddystone Rail may not recover any of the amounts sought. On July 19, 2017, the defendants' motions to dismiss Eddystone Rail's claims were denied. Defendants have filed Answers and Counterclaims, which together with subsequent amendments, seek damages from Eddystone Rail in excess of US$32 million. Eddystone filed a motion to dismiss the counterclaims and defendants amended their Answer and Counterclaims on September 21, 2017. On

October 12, 2017 Eddystone Rail moved to dismiss the latest version of defendants' counterclaims. The defendants' chances of success on their counterclaims cannot be predicted at this time.

Dakota Access Pipeline
As noted previously under *United States Sponsored Vehicle Strategy - Finalization of Bakken Pipeline System Joint Funding Agreement,* our investment in the Bakken Pipeline System is inclusive of the Dakota Access Pipeline. In February 2017, the Standing Rock Sioux Tribe and the Cheyenne River Sioux Tribe (the Tribes) filed motions with the United States District Court for the District of Columbia (the Court) contesting the validity of the process used by the United States Army Corps of Engineers (Army Corps) to permit the Dakota Access Pipeline. The plaintiffs requested the Court order the operator to shut down the pipeline until the appropriate regulatory process is completed.

On June 14, 2017, the Court ruled that the Army Corps did not sufficiently weigh the degree to which the project's effects would be highly controversial, and the Army Corps failed to adequately consider the impact of an oil spill on the hunting and fishing rights of the Tribes and on environmental justice. The Court ordered the Army Corps to reconsider those components of its environmental analysis. On October 11, 2017, the Court issued an order that allows the Dakota Access Pipeline to continue operating while the Army Corps completes the additional environmental review required by the Court's June 14, 2017 order and the Court ordered the Dakota Access Pipeline to implement certain interim measures pending the Army Corps' supplemental analysis.

Lakehead System Lines 6A and Line 6B Crude Oil Release
On July 26, 2010, a release of crude oil on Line 6B of EEP's Lakehead System was reported near Marshall, Michigan. Further, on September 9, 2010, a release of crude oil from Line 6A of EEP's Lakehead System was reported in an industrial area of Romeoville, Illinois.

As at December 31, 2017, EEP's cumulative cost estimate for the Line 6B crude oil release remains at US$1.2 billion ($195 million after-tax attributable to us) including those costs that were considered probable and that could be reasonably estimated at December 31, 2017. As at December 31, 2017, EEP's remaining estimated liability is approximately US$62 million.

Insurance Recoveries
EEP is included in the comprehensive insurance program that is maintained by us for our subsidiaries and affiliates. As at December 31, 2017, EEP has recorded total insurance recoveries of US$547 million ($80 million after-tax attributable to us) for the Line 6B crude oil release out of the US$650 million applicable limit. Of the remaining US$103 million coverage limit, US$85 million was the subject matter of a lawsuit against one particular insurer. In March 2015, we reached an agreement with that insurer to submit the US$85 million claim to binding arbitration. On May 2, 2017, the arbitration panel issued a decision that was not favorable to us. As a result, EEP will not receive any additional insurance recoveries in connection with the Line 6B crude oil release.

Legal and Regulatory Proceedings
A number of United States governmental agencies and regulators initiated investigations into the Line 6B crude oil release. As at December 31, 2017, there are no claims pending against us, EEP or their affiliates in United States state courts in connection with the Line 6B crude oil release.

We have accrued a provision for future legal costs and probable losses associated with the Line 6B crude oil release as described above.

Line 6B Fines and Penalties
As at December 31, 2017, EEP's total estimated costs related to the Line 6B crude oil release include US$69 million in previously paid fines and penalties, which includes fines and penalties paid to the DOJ as discussed below.

Consent Decree
On May 23, 2017, the United States District Court for the Western District of Michigan, Southern Division, approved EEP's signed settlement agreement with the United States Environmental Protection Agency and the DOJ regarding the Lines 6A and 6B crude oil releases (the Consent Decree). On June 15, 2017, we made a total payment of US$68 million as required by the Consent Decree, which reflects US$61 million for the civil penalty for the Line 6B release, US$1 million for the Line 6A release, and US$6 million for past removal costs and interest.

Seaway Pipeline Regulatory Matters
Seaway Crude Pipeline System (Seaway Pipeline) filed an application for market-based rates in December 2011 and refiled in December 2014. Several parties filed comments in opposition alleging that the application should be denied because Seaway Pipeline has market power in both its receipt and destination markets. On December 1, 2016, the Administrative Law Judge issued its decision which concluded that the Commission should grant the application of Seaway Pipeline for authority to charge market-based rates. The parties filed briefs during the first quarter of 2017 to defend the Administrative Law Judge's decision and to respond to criticisms of that decision. The Commissioners will now review the entire record and issue a decision. There is no timeline for the FERC to act and issue a decision.

GAS TRANSMISSION AND MIDSTREAM
Aux Sable Environmental Protection Agency Matter
On October 14, 2016, an amended claim was filed against Aux Sable by a counterparty to a NGL supply agreement. On January 5, 2017, Aux Sable filed a Statement of Defence with respect to this claim. While the final outcome of this action cannot be predicted with certainty, at this time management believes that the ultimate resolution of this action will not have a material impact on our consolidated financial position or results of operations.

Sabal Trail FERC Certificate Review
Sierra Club and two other non-governmental organizations filed a Petition for Review of Sabal Trail's FERC certificate on September 20, 2016 in the D.C. Circuit Court of Appeals. On August 22, 2017, the D.C. Circuit issued an opinion denying one of the petitions, and granting the other petition in part, vacating the certificates, and remanding the case to FERC to supplement the environmental impact statement for the project to estimate the quantity of green-house gases to be released into the environment by the gas-fired generation plants in Florida that will consume the gas transported by Sabal Trail. The court withheld issuance of the mandate requiring vacatur of the certificate until seven days after the disposition of any timely petition for rehearing. On October 6, 2017, Sabal Trail and FERC each filed timely petitions for rehearing. On January 31, 2018, the court denied FERC's and Sabal Trail's petitions for rehearing. Absent a stay, the court's mandate could have issued on February 7, 2018. However, on February 2, 2018, Sabal Trail filed with FERC a request for expedited issuance of its order on remand or, alternatively, temporary emergency certificates to permit continued operation of the pipeline absent a stay of the court's mandate. On February 5, 2018, FERC issued its final supplemental environmental impact statement in compliance with the D.C. Circuit decision. In addition, on February 6, 2018, FERC filed a motion with the court requesting a 45-day stay of the mandate, and stated in its motion that it intends to issue the order on remand within 45 days. Sabal Trail filed a motion with the court requesting a 90-day stay of the mandate. The February 6, 2018 motions automatically stay the issuance of the court's mandate until the later of seven days after the court denies the motions or the expiration of any stay granted by the court. Both motions are pending.

TAX MATTERS
We and our subsidiaries maintain tax liabilities related to uncertain tax positions. While fully supportable in our view, these tax positions, if challenged by tax authorities, may not be fully sustained on review.

OTHER LITIGATION
We and our subsidiaries are subject to various other legal and regulatory actions and proceedings which arise in the normal course of business, including interventions in regulatory proceedings and challenges

to regulatory approvals and permits by special interest groups. While the final outcome of such actions and proceedings cannot be predicted with certainty, management believes that the resolution of such actions and proceedings will not have a material impact on our consolidated financial position or results of operations.

CRITICAL ACCOUNTING ESTIMATES

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States, which require management to make estimates, judgments and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. In making judgments and estimates, management relies on external information and observable conditions, where possible, supplemented by internal analysis as required. We believe our most critical accounting policies and estimates discussed below have an impact across the various segments of our business.

Business Combinations
We apply the provisions of Accounting Standards Codification 805 *Business Combinations* in accounting for our acquisitions. The acquired long-lived assets and intangible assets and assumed liabilities are recorded at their estimated fair values at the date of acquisition. Goodwill represents the excess of the purchase price over the fair value of net assets. While we use our best estimates and assumptions to accurately value assets acquired and liabilities assumed at the date of acquisition, as well as any contingent consideration, our estimates are inherently uncertain and subject to refinement. During the measurement period, which may be up to one year from the acquisition date, we record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to our consolidated statements of operations.

Accounting for business combinations requires significant judgment, estimates and assumptions at the acquisition date. In developing estimates of fair values at the acquisition date, we utilize a variety of factors including market data, historical and future expected cash flows, growth rates and discount rates. The subjective nature of our assumptions increases the risk associated with estimates surrounding the projected performance of the acquired entity.

On February 27, 2017, we acquired Spectra Energy for a purchase price of $37.5 billion. In determining the valuation of tangible assets acquired, we applied the cost, market and income approaches. For intangible assets acquired, we used an income approach which included cash flow projections based on historical performance, terms found in contracts and assumptions on expected renewals. Discount rates used in the valuation were also developed using a weighted-average cost of capital based on risks specific to respective assets and returns that an investor would likely require given the expected cash flows, timing and risk.

Goodwill Impairment
We assess our goodwill for impairment at least annually unless events or changes in circumstances indicate that it is more likely than not that the fair value of a reporting unit is below its carrying value. For the purposes of impairment testing, reporting units are identified as business operations within an operating segment. We have the option to first assess qualitative factors to determine whether it is necessary to perform the quantitative goodwill impairment test. If the quantitative goodwill impairment test is performed, we determine the fair value of our reporting units inclusive of goodwill and compare those values to the carrying value of each reporting unit. If the carrying value of a reporting unit, including allocated goodwill, exceeds its fair value, goodwill impairment is measured at the amount by which the reporting unit's carrying value exceeds its fair value.

We also apply significant judgement when identifying the composition of disposal groups and determining which disposal groups meet the definition of a business. If the composition of disposal groups were to change as a result of a change in our marketing plans or a new agreement with a buyer, this could create a difference in the amount of goodwill allocated to assets held for sale. During 2017, we impaired $102 million of goodwill allocated to assets held for sale.

For the year ended December 31, 2017, we elected to perform a qualitative assessment to test the goodwill acquired from the acquisition of Spectra Energy for impairment. We assessed macroeconomic conditions, industry and market considerations, cost factors and overall financial performance to determine whether it is more likely than not that the fair value of each of our reporting units is less than its carrying amount. Other than as discussed above, our goodwill impairment analysis performed as at December 31, 2017, did not result in an impairment charge.

Effective in the quarter ended December 31, 2017, we have elected to move the annual review of the goodwill balance from October 1 to April 1 to better align with the preparation and review of our business plan, which is used in the test. The change does not delay, accelerate or avoid an impairment charge.

Asset Impairment
We evaluate the recoverability of our property, plant and equipment when events or circumstances such as economic obsolescence, business climate, legal or regulatory changes, or other factors indicate we may not recover the carrying amount of our assets. We continually monitor our businesses, the market and business environments to identify indicators that could suggest an asset may not be recoverable. If it is determined that the carrying value of an asset exceeds the undiscounted cash flows expected from the asset, we will assess the fair value of the asset. An impairment loss is recognized when the carrying amount of the asset exceeds its fair value as determined by quoted market prices in active markets or present value techniques. The determination of the fair value using present value techniques requires the use of projections and assumptions regarding future cash flows and weighted average cost of capital. Any changes to these projections and assumptions could result in revisions to the evaluation of the recoverability of the property, plant and equipment and the recognition of an impairment loss in the Consolidated Statements of Earnings.

Assets held for sale
We classify assets as held for sale when management commits to a formal plan to actively market an asset or a group of assets and when management believes it is probable the sale of the assets will occur within one year. We measure assets classified as held for sale at the lower of their carrying value and their estimated fair value less costs to sell.

We are in the process of selling certain midstream assets within our gas transmission and midstream segment. Given the state of the divestiture plan for these assets, as at December 31, 2017, we classified them as held for sale and measured them at the lower of their carrying value and fair value less costs to sell, which resulted in a loss of $4.4 billion ($2.8 billion after-tax). We determined the fair value of these assets held for sale using present value techniques which required us to make projections and assumptions regarding future cash flows, discount rates, inflation rates and growth rates, which were impacted by prolonged decline in commodity prices and deteriorating business performance. These

projections and assumptions are subject to uncertainty and could be negatively impacted by changes in market conditions, asset performance, legal environment, and other factors.

Regulatory Accounting
Certain of our businesses are subject to regulation by various authorities, including but not limited to, the NEB, the FERC, the Alberta Energy Regulator, the New Brunswick Energy and Utilities Board, La Régie de l'Energie du Québec and the Ontario Energy Board (OEB). Regulatory bodies exercise statutory authority over matters such as construction, rates and ratemaking and agreements with customers. To recognize the economic effects of the actions of the regulator, the timing of recognition of certain revenues and expenses in these operations may differ from that otherwise expected under U.S. GAAP for non-rate-regulated entities. Key determinants in the ratemaking process are:

- Costs of providing service, including depreciation expense;
- Allowed rate of return, including the equity component of the capital structure and related income taxes; and
- Contract and volume throughput assumptions.

The allowed rate of return is determined in accordance with the applicable regulatory model and may impact our profitability. The rates for a number of our projects are based on a cost-of-service recovery model that follows the regulators' authoritative guidance. Under the cost-of-service tolling methodology, we calculate tolls based on forecast volumes and cost. A difference between forecast and actual results causes an over or under recovery in any given year. Regulatory assets represent amounts that are expected to be recovered from customers in future periods through rates. Regulatory liabilities represent amounts that are expected to be refunded to customers in future periods through rates or expected to be paid to cover future abandonment costs in relation to the NEB's Land Matters Consultation Initiative (LMCI).

To the extent that the regulator's actions differ from our expectations, the timing and amount of recovery or settlement of regulatory balances could differ significantly from those recorded. In the absence of rate regulation, we would generally not recognize regulatory assets or liabilities and the earnings impact would be recorded in the period the expenses are incurred or revenues are earned. A regulatory asset or liability is recognized in respect of deferred income taxes when it is expected the amounts will be recovered or settled through future regulator-approved rates.

As at December 31, 2017 and 2016, our regulatory assets totaled $3,477 million and $1,865 million, respectively, and significant regulatory liabilities totaled $2,366 million and $844 million, respectively.

Depreciation
Depreciation of property, plant and equipment, our largest asset with a net book value at December 31, 2017 and 2016, of $90,711 million and $64,284 million, respectively, is charged in accordance with two primary methods. For distinct assets, depreciation is generally provided on a straight-line basis over the estimated useful lives of the assets commencing when the asset is placed in service. For largely homogeneous groups of assets with comparable useful lives, the pool method of accounting is followed whereby similar assets are grouped and depreciated as a pool. When group assets are retired or otherwise disposed of, gains and losses are not reflected in earnings but are booked as an adjustment to accumulated depreciation.

When it is determined that the estimated service life of an asset no longer reflects the expected remaining period of benefit, prospective changes are made to the estimated service life. Estimates of useful lives are based on third party engineering studies, experience and/or industry practice. There are a number of assumptions inherent in estimating the service lives of our assets including the level of development, exploration, drilling, reserves and production of crude oil and natural gas in the supply areas served by our pipelines as well as the demand for crude oil and natural gas and the integrity of our systems. Changes in these assumptions could result in adjustments to the estimated service lives, which could result in material changes to depreciation expense in future periods in any of our business segments. For

certain rate-regulated operations, depreciation rates are approved by the regulator and the regulator may require periodic studies or technical updates on useful lives which may change depreciation rates.

Postretirement Benefits
We maintain pension plans, which provide defined benefit and/or defined contribution pension benefits and other postretirement benefits (OPEB) to eligible retirees. Pension costs and obligations for the defined benefit pension plans are determined using actuarial methods and are funded through contributions determined using the projected benefit method, which incorporates management's best estimates of future salary level, other cost escalations, retirement ages of employees and other actuarial factors including discount rates and mortality. We determine discount rates by reference to rates of high-quality long-term corporate bonds with maturities that approximate the timing of future payments we anticipate making under each of the respective plans. These assumptions are reviewed annually by our actuaries. Actual results that differ from assumptions are amortized over future periods and therefore could materially affect the expense recognized and the recorded obligation in future periods. The actual return on plan assets exceeded the expectation by $174 million and $19 million for the years ended December 31, 2017 and 2016, respectively, as disclosed in Part II. Item 8. *Financial Statements and Supplementary Data - Note 25 Pension and Other Postretirement Benefits*. The difference between the actual and expected return on plan assets is amortized over the remaining service period of the active employees.

The following sensitivity analysis identifies the impact on the December 31, 2017 Consolidated Financial Statements of a 0.5% change in key pension and OPEB assumptions.

	Canada		United States	
	Obligation	Expense	Obligation	Expense
(millions of Canadian dollars)				
Pension				
Decrease in discount rate	255	26	71	3
Decrease in expected return on assets	—	12	—	5
Decrease in rate of salary increase	(56)	(13)	(9)	(2)
OPEB				
Decrease in discount rate	27	1	18	(1)
Decrease in expected return on assets	—	—	—	1

Contingent Liabilities
Provisions for claims filed against us are determined on a case-by-case basis. Case estimates are reviewed on a regular basis and are updated as new information is received. The process of evaluating claims involves the use of estimates and a high degree of management judgment. Claims outstanding, the final determination of which could have a material impact on our financial results and certain subsidiaries and investments are detailed in Part II. Item 8. *Financial Statements and Supplementary Data - Note 28 Commitments and Contingencies*. In addition, any unasserted claims that later may become evident could have a material impact on our financial results and certain subsidiaries and investments.

Asset Retirement Obligations
Asset retirement obligations (ARO) associated with the retirement of long-lived assets are measured at fair value and recognized as Accounts payable and other or Other long-term liabilities in the period in which they can be reasonably determined. The fair value approximates the cost a third party would charge to perform the tasks necessary to retire such assets and is recognized at the present value of expected future cash flows. Discount rates used to present value the expected future cash flows range from 2.5% to 11.0% and 1.7% to 11.0% for the years ended December 31, 2017 and 2016, respectively. ARO is added to the carrying value of the associated asset and depreciated over the asset's useful life. The corresponding liability is accreted over time through charges to earnings and is reduced by actual costs of decommissioning and reclamation. Our estimates of retirement costs could change as a result of changes in cost estimates and regulatory requirements. Currently, for the majority of our assets, there is

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

In 2009, the NEB issued a decision related to the LMCI, which required holders of an authorization to operate a pipeline under the NEB Act to file a proposed process and mechanism to set aside funds to pay for future abandonment costs in respect of the sites in Canada used for the operation of a pipeline. The NEB's decision stated that while pipeline companies are ultimately responsible for the full costs of abandoning pipelines, abandonment costs are a legitimate cost of providing service and are recoverable from the users of the pipeline upon approval by the NEB. Following the NEB's final approval of the collection mechanism and the set-aside mechanism for LMCI, we began collecting and setting aside funds to cover future abandonment costs effective January 1, 2015. The funds collected are held in trust in accordance with the NEB decision. The funds collected from shippers are reported within Transportation and other services revenues and Restricted long-term investments. Concurrently, we reflect the future abandonment cost as an increase to Operating and administrative expense and Other long-term liabilities.

CHANGES IN ACCOUNTING POLICIES

Goodwill
We previously performed our annual goodwill impairment test on October 1 of each fiscal year. Beginning with the quarter ended December 31, 2017, we moved the annual goodwill impairment test from October 1 to April 1 to better align with the preparation and review of our business plan, which is used in the test. The change does not delay, accelerate or avoid an impairment charge.

ADOPTION OF NEW STANDARDS
Simplifying the Measurement of Goodwill Impairment
Effective January 1, 2017, we early adopted Accounting Standards Update (ASU) 2017-04 and applied the standard on a prospective basis. Under the new guidance, goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value; this amount should not exceed the carrying amount of goodwill. We applied this standard as at December 31, 2017 in the measurement of the goodwill impairment relating to the gas midstream reporting unit.

Clarifying the Definition of a Business in an Acquisition
Effective January 1, 2017, we early adopted ASU 2017-01 on a prospective basis. The new standard was issued with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (disposals) of assets or businesses. This accounting update was applied to acquisitions and dispositions that occurred in the year.

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

Improvements to Employee Share-Based Payment Accounting
Effective January 1, 2017, we adopted ASU 2016-09 and applied certain amendments on a modified retrospective basis with the remaining amendments applied on a prospective basis. The new standard was issued with the intent of simplifying and improving several aspects of accounting for share-based payment transactions including the income tax consequences, classification of awards as either equity or

liabilities, and classification on the statement of cash flows. The adoption of the pronouncement did not have a material impact on our consolidated financial statements.

Simplifying the Embedded Derivatives Analysis for Debt Instruments
Effective January 1, 2017, we adopted ASU 2016-06 on a modified retrospective basis. The new guidance simplifies the embedded derivative analysis for debt instruments containing contingent call or put options. The adoption of the pronouncement did not have a material impact on our consolidated financial statements.

FUTURE ACCOUNTING POLICY CHANGES
Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income
ASU 2018-02 was issued in February 2018 to address a specific consequence of the TCJA. This accounting update allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from TCJA. The amendments eliminate the stranded tax effects that were created as a result of the reduction of historical U.S. federal corporate income tax rate to the newly enacted U.S. federal corporate income tax rate. The accounting update is effective January 1, 2019, with early adoption permitted, and is to be applied either in the period of adoption or retrospectively to each period in which the effect of the change in the U.S. federal corporate income tax rate in the TCJA is recognized. We are currently assessing the impact of the new standard on the consolidated financial statements.

Improvements to Accounting for Hedging Activities
ASU 2017-12 was issued in August 2017 with the objective of better aligning a company's risk management activities and the resulting hedge accounting reflected in the financial statements. The accounting update allows cash flow hedging of contractually specified components in financial and non-financial items. Under the new guidance, hedge ineffectiveness is no longer required to be measured and hedging instruments' fair value changes will be recorded in the same income statement line as the hedged item. The ASU also allows the initial quantitative hedge effectiveness assessment to be performed at any time before the end of the quarter in which the hedge is designated. After initial quantitative testing is performed, an ongoing qualitative effectiveness assessment is permitted. The accounting update is effective January 1, 2019 and is to be applied on a modified retrospective basis. We are currently assessing the impact of the new standard on our consolidated financial statements.

Clarifying Guidance on the Application of Modification Accounting on Stock Compensation
ASU 2017-09 was issued in May 2017 with the intent to clarify the scope of modification accounting and when it should be applied to a change to the terms or conditions of a share based payment award. Under the new guidance, modification accounting is required for all changes to share based payment awards, unless all of the following are met: 1) there is no change to the fair value of the award, 2) the vesting conditions have not changed, and 3) the classification of the award as an equity instrument or a debt instrument has not changed. The accounting update is effective January 1, 2018 and will be applied on a prospective basis. We do not expect the adoption of this accounting update to have a material impact on our consolidated financial statements.

Amending the Amortization Period for Certain Callable Debt Securities Purchased at a Premium
ASU 2017-08 was issued in March 2017 with the intent of shortening the amortization period to the earliest call date for certain callable debt securities held at a premium. The accounting update is effective January 1, 2019 and will be applied on a modified retrospective basis. We are currently assessing the impact of the new standard on our consolidated financial statements.

Improving the Presentation of Net Periodic Benefit Cost related to Defined Benefit Plans
ASU 2017-07 was issued in March 2017 primarily to improve the income statement presentation of the components of net periodic pension cost and net periodic postretirement benefit cost for an entity's sponsored defined benefit pension and OPEB plans. In addition, only the service cost component of net benefit cost is eligible for capitalization. The accounting update is effective January 1, 2018 and will be

applied on a retrospective basis for the statement of earnings presentation component and a prospective basis for the capitalization component. We do not expect the adoption of this accounting update to have a material impact on our consolidated financial statements.

Clarifying Guidance on Derecognition and Partial Sales of Nonfinancial Assets
ASU 2017-05 was issued in February 2017 with the intent of clarifying the scope of asset derecognition guidance and accounting for partial sales of nonfinancial assets. The ASU clarifies the scope provisions of nonfinancial assets and how to allocate consideration to each distinct asset, and amends the guidance for derecognition of a distinct nonfinancial asset in partial sale transactions. The accounting update is effective January 1, 2018 and will be applied on a modified retrospective basis. We do not expect the adoption of this accounting update to have a material impact on our consolidated financial statements.

Clarifying the Presentation of Restricted Cash in the Statement of Cash Flows
ASU 2016-18 was issued in November 2016 with the intent to clarify guidance on the classification and presentation of changes in restricted cash and restricted cash equivalents within the statement of cash flows. The accounting update requires that changes in restricted cash and restricted cash equivalents be included within cash and cash equivalents when reconciling the opening and closing period amounts shown on the statement of cash flows. We currently present the changes in restricted cash and restricted cash equivalents under investing activities in the Consolidated Statement of Cash Flows. The accounting update is effective January 1, 2018 and will be applied on a retrospective basis. We will amend the presentation in the Consolidated Statement of Cash Flows to include restricted cash and restricted cash equivalents with cash and cash equivalents and we will retrospectively reclassify all periods presented.

Simplifying Cash Flow Classification
ASU 2016-15 was issued in August 2016 with the intent of reducing diversity in practice of how certain cash receipts and cash payments are classified in the Consolidated Statement of Cash Flows. The new guidance addresses eight specific presentation issues. The accounting update is effective January 1, 2018 and will be applied on a retrospective basis. We assessed each of the eight specific presentation issues and the adoption of this ASU does not have a material impact on our consolidated financial statements.

Accounting for Credit Losses
ASU 2016-13 was issued in June 2016 with the intent of providing financial statement users with more useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. Current treatment uses the incurred loss methodology for recognizing credit losses that delays the recognition until it is probable a loss has been incurred. The accounting update adds a new impairment model, known as the current expected credit loss model, which is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of expected credit losses, which the Financial Accounting Standards Board believes will result in more timely recognition of such losses. We are currently assessing the impact of the new standard on our consolidated financial statements. The accounting update is effective January 1, 2020.

Recognition of Leases
ASU 2016-02 was issued in February 2016 with the intent to increase transparency and comparability among organizations. It requires lessees of operating lease arrangements to recognize lease assets and lease liabilities on the statement of financial position and disclose additional key information about lease agreements. The accounting update also replaces the current definition of a lease and requires that an arrangement be recognized as a lease when a customer has the right to obtain substantially all of the economic benefits from the use of an asset, as well as the right to direct the use of the asset. We are currently gathering a complete inventory of our lease contracts in order to assess the impact of the new standard on our consolidated financial statements. The accounting update is effective January 1, 2019 and will be applied using a modified retrospective approach.

Recognition and Measurement of Financial Assets and Liabilities
ASU 2016-01 was issued in January 2016 with the intent to address certain aspects of recognition, measurement, presentation and disclosure of financial assets and liabilities. Investments in equity securities, excluding equity method and consolidated investments, are no longer classified as trading or available-for-sale securities. All investments in equity securities with readily determinable fair values are classified as investments at fair value through net income. Investments in equity securities without readily determinable fair values are measured using the fair value measurement alternative and are recorded at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer. Investments in equity securities measured using the fair value measurement alternative are reviewed for indicators of impairment each reporting period. Fair value of financial instruments for disclosure purposes is measured using exit price. The accounting update is effective January 1, 2018 and applied on a prospective basis. We do not expect the adoption of this accounting update to have a material impact on our consolidated financial statements.

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

We have reviewed our revenue contracts in order to evaluate the effect of the new standard on our revenue recognition practices. Based on our assessment to-date, the adoption of the new standard will have the following impact to our financial statements:

- A change in presentation in the Gas Distribution business related to payments to customers under the earnings sharing mechanism which are currently shown as an expense in the Consolidated Statements of Earnings. Under the new standard, these payments will be reflected as a reduction of revenue.
- Estimates of variable consideration, required under the new standard for certain Liquids Pipelines, Gas Transmission and Midstream and Green Power and Transmission revenue contracts as well as the allocation of the transaction price for certain Liquids Pipelines revenue contracts, may result in changes to the pattern or timing of revenue recognition for those contracts.
- Non-cash consideration received in the form of a percentage of the products derived from processing natural gas in the Gas Transmission and Midstream business was previously accounted for as revenue when the commodity was sold to third parties. Under the new standard, the non-cash consideration will be accounted for as revenue when processing services are performed. The commodity will continue to be accounted for as revenue when it is subsequently sold to third parties. The impact of this change will be an increase in costs and revenues due to the recognition of this non-cash consideration.
- Service fee revenue, from processing natural gas for certain contracts in the Gas Transmission and Midstream business whereby Enbridge purchases natural gas at the wellhead, then processes and subsequently sells the gas, was previously presented as revenue. Under the new standard, processing fees charged on natural gas purchased by Enbridge are presented as a reduction of commodity costs upon the transfer of control of the natural gas at the wellhead.
- Revenue from certain contracts in the Gas Transmission and Midstream business that provide for Enbridge to process and sell customers' natural gas and retain a percentage of the resulting processed natural gas and/or NGLs as payment for processing services rendered, commonly referred to as Percentage of Proceeds and Percentage of Liquids contracts, was previously

presented on a gross basis whereby Enbridge recorded one hundred percent of the value of the natural gas and products sold as revenue, with the cost of the natural gas purchased recorded as commodity cost. Under the new standard only Enbridge's share of the products retained and sold is presented as revenue and no commodity cost is recorded.

- Certain payments received from customers to offset the cost of constructing assets required to provide services to those customers, referred to as Contributions in Aid of Construction (CIAC) were previously recorded as reductions of property, plant and equipment regardless of whether the amounts were imposed by regulation or negotiated. Under the new standard, negotiated CIACs are deemed to be advance payments for services and must be recognized as revenue when those future services are provided. Negotiated CIACs will be accounted for as deferred revenue and recognized over the term of the associated revenue contract.

Upon adoption, we will recognize the significant cumulative effect of initially applying the new standard as an increase in the opening balance of retained deficit of approximately $120 million, an increase in property, plant and equipment of $130 million and an increase in deferred revenue of $120 million, subject to final determination, as at January 1, 2018. The adoption of the new standard will also result in changes in classification between Revenue and Commodity costs as discussed above.

We have also developed and tested processes to generate the disclosures which will be required under the new standard commencing in the first quarter of 2018.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our earnings, cash flows and other comprehensive income (OCI) are subject to movements in foreign exchange rates, interest rates, commodity prices and our share price.

The following summarizes the types of market risks to which we are exposed and the risk management instruments used to mitigate them. We use a combination of qualifying and non-qualifying derivative instruments to manage the risks noted below.

Foreign Exchange Risk
We generate certain revenues, incur expenses, and hold a number of investments and subsidiaries that are denominated in currencies other than Canadian dollars. As a result, our earnings, cash flows and OCI are exposed to fluctuations resulting from foreign exchange rate variability.

We employ financial derivative instruments to hedge foreign currency denominated earnings exposure. A combination of qualifying and non-qualifying derivative instruments are used to hedge anticipated foreign currency denominated revenues and expenses, and to manage variability in cash flows. We hedge certain net investments in United States dollar denominated investments and subsidiaries using foreign currency derivatives and United States dollar denominated debt.

Interest Rate Risk
Our earnings and cash flows are exposed to short-term interest rate variability due to the regular repricing of our variable rate debt, primarily commercial paper. Pay fixed-receive floating interest rate swaps are used to hedge against the effect of future interest rate movements. We have implemented a program to significantly mitigate the impact of short-term interest rate volatility on interest expense via execution of floating to fixed interest rate swaps with an average swap rate of 2.6%.

As a result of the Merger Transaction, we are exposed to changes in the fair value of fixed rate debt that arise as a result of the changes in market interest rates. Pay floating-receive fixed interest rate swaps are used to hedge against future changes to the fair value of fixed rate debt. We have assumed a program

within our subsidiaries to mitigate the impact of fluctuations in the fair value of fixed rate debt via execution of fixed to floating interest rate swaps with an average swap rate of 2.2%.

Our earnings and cash flows are also exposed to variability in longer term interest rates ahead of anticipated fixed rate term debt issuances. Forward starting interest rate swaps are used to hedge against the effect of future interest rate movements. We have assumed a program within some of our subsidiaries to mitigate our exposure to long-term interest rate variability on select forecast term debt issuances via execution of floating to fixed interest rate swaps with an average swap rate of 3.1%.

We also monitor our debt portfolio mix of fixed and variable rate debt instruments to maintain a consolidated portfolio of debt within the Board of Directors approved policy limit of a maximum of 25% floating rate debt as a percentage of total debt outstanding. Effective January 1, 2018, the Board of Directors approved a policy limit increase of a maximum of 30% floating rate debt as a percentage of total debt outstanding. We primarily use qualifying derivative instruments to manage interest rate risk.

Commodity Price Risk
Our earnings and cash flows are exposed to changes in commodity prices as a result of our ownership interests in certain assets and investments, as well as through the activities of our energy services subsidiaries. These commodities include natural gas, crude oil, power and NGL. We employ financial and physical derivative instruments to fix a portion of the variable price exposures that arise from physical transactions involving these commodities. We use primarily non-qualifying derivative instruments to manage commodity price risk.

Emission Allowance Price Risk
Emission allowance price risk is the risk of gain or loss due to changes in the market price of emission allowances that our gas distribution business is required to purchase for itself and most of its customers to meet GHG compliance obligations under the Ontario Cap and Trade framework. Similar to the gas supply procurement framework, the OEB's framework for emission allowance procurement allows recovery of fluctuations in emission allowance prices in customer rates, subject to OEB approval.

Equity Price Risk
Equity price risk is the risk of earnings fluctuations due to changes in our share price. We have exposure to our own common share price through the issuance of various forms of stock-based compensation, which affect earnings through revaluation of the outstanding units every period. We use equity derivatives to manage the earnings volatility derived from 1 form of stock-based compensation, restricted share units. We use a combination of qualifying and non-qualifying derivative instruments to manage equity price risk.

Market Risk Management
We have a Risk Policy to minimize the likelihood that adverse earnings impacts arising from movements in market prices will exceed a defined risk tolerance. We identify and measure all material market risks including commodity price risks, interest rate risks, foreign exchange risk, emission allowance price risk and equity price risk using a standardized measurement methodology. Our market risk metric consolidates the exposure after accounting for the impact of offsetting risks and limits the consolidated earnings volatility arising from market related risks to an acceptable approved risk tolerance threshold.

We use Earnings-at-Risk (EaR), a statistically derived measurement, to quantify losses that could potentially result from adverse market price movements over a one month holding period for price sensitive non-derivative exposures and for derivative instruments we hold or issue as recorded on the balance sheet as at December 31, 2017. EaR assumes no further mitigating actions are taken to hedge or otherwise minimize exposures. The selection of a one month holding period reflects the mix of price risk sensitive assets at Enbridge. EaR calculates the annual earnings impact of market price movements over a one month period assuming no action is taken to hedge or otherwise mitigate exposures. As a practical matter, a large portion of Enbridge’s exposure could be hedged or unwound in a much shorter period if required to mitigate the risks.

The consolidated EaR policy limit for Enbridge is 5% of its forward 12 month forecast normalized earnings. EaR incorporates a Monte Carlo simulation, a 97.5 percent confidence level, a risk measurement horizon of one year (forward looking), a holding period of one month, and includes financial derivative instruments, other financial instruments, commodity derivative instruments, other commodity and executory contracts, positions and earnings or cash flows from anticipated transactions. EaR at December 31, 2017 and 2016 is 1.7% and 2.8% or $68 million and $59 million, respectively.

Effective January 1, 2018, the Board of Directors approved to change the market risk metric to Cash-Flows-at-Risk (CFaR) and the consolidated CFaR limit will be 3.5% of forward 12 month normalized cash flow. The policy change will align the market risk metric with other key results metrics in the organization.

LIQUIDITY RISK

Liquidity risk is the risk that we will not be able to meet our financial obligations, including commitments and guarantees, as they become due. In order to mitigate this risk, we forecast cash requirements over a 12 month rolling time period to determine whether sufficient funds will be available and maintain substantial capacity under our committed bank lines of credit to address any contingencies. Our primary sources of liquidity and capital resources are funds generated from operations, the issuance of commercial paper and draws under committed credit facilities and long-term debt, which includes debentures and medium-term notes. We also maintain current shelf prospectuses with securities regulators which enables, subject to market conditions, ready access to either the Canadian or United States public capital markets. In addition, we maintain sufficient liquidity through committed credit facilities with a diversified group of banks and institutions which, if necessary, enables us to fund all anticipated requirements for approximately one year without accessing the capital markets. We are in compliance with all the terms and conditions of our committed credit facility agreements and term debt indentures as at December 31, 2017. As a result, all credit facilities are available to us and the banks are obligated to fund and have been funding us under the terms of the facilities.

CREDIT RISK

Entering into derivative instruments may result in exposure to credit risk from the possibility that a counterparty will default on its contractual obligations. In order to mitigate this risk, we enter into risk management transactions primarily with institutions that possess investment grade credit ratings. Credit risk relating to derivative counterparties is mitigated by credit exposure limits and contractual requirements, netting arrangements, and ongoing monitoring of counterparty credit exposure using external credit rating services and other analytical tools.

We generally have a policy of entering into individual International Swaps and Derivatives Association, Inc. agreements or other similar derivative agreements with the majority of our financial derivative counterparties. These agreements provide for the net settlement of derivative instruments outstanding with specific counterparties in the event of bankruptcy or other significant credit events, and reduces our credit risk exposure on financial derivative asset positions outstanding with the counterparties in these particular circumstances.

Credit risk also arises from trade and other long-term receivables, and is mitigated through credit exposure limits and contractual requirements, assessment of credit ratings and netting arrangements. Within EGD and Union Gas, credit risk is mitigated by the utilities' large and diversified customer base and the ability to recover an estimate for doubtful accounts through the ratemaking process. We actively monitor the financial strength of large industrial customers and, in select cases, have obtained additional security to minimize the risk of default on receivables. Generally, we classify and provide for receivables older than 20 days as past due. The maximum exposure to credit risk related to non-derivative financial assets is their carrying value.

FAIR VALUE MEASUREMENTS

The most observable inputs available are used to estimate the fair value of its derivatives. When possible, we estimate the fair value of our derivatives based on quoted market prices from exchanges. If quoted market prices are not available, we use estimates from third party brokers. For non-exchange traded derivatives classified in Levels 2 and 3, we use standard valuation techniques to calculate the estimated fair value. These methods include discounted cash flows for forwards and swaps and Black-Scholes-Merton pricing models for options. Depending on the type of derivative and nature of the underlying risk, we use observable market prices (interest rates, foreign exchange rates, commodity prices and share prices, as applicable) and volatility as primary inputs to these valuation techniques. Finally, we consider our own credit default swap spread, as well as the credit default swap spreads associated with our counterparties, in our estimation of fair value.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Shareholders and Directors of Enbridge Inc.

Opinions on the consolidated financial statements and internal control over financial reporting

We have audited the accompanying consolidated statements of financial position of Enbridge Inc. and its subsidiaries (the "Company") as of December 31, 2017 and December 31, 2016, and the related consolidated statements of earnings, comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2017, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2017 and December 31, 2016, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the Management's Annual Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and limitations of internal control over financial reporting

A Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Calgary, Alberta
February 16, 2018

We have served as the Company's auditor since 1949.

ENBRIDGE INC.
CONSOLIDATED STATEMENTS OF EARNINGS

Year ended December 31,	**2017**	2016	2015
(millions of Canadian dollars, except per share amounts)			
Operating revenues			
Commodity sales	**26,286**	22,816	23,842
Gas distribution sales	**4,215**	2,486	3,096
Transportation and other services	**13,877**	9,258	6,856
Total operating revenues	**44,378**	34,560	33,794
Operating expenses			
Commodity costs	**26,065**	22,409	22,949
Gas distribution costs	**2,572**	1,596	2,292
Operating and administrative	**6,442**	4,358	4,131
Depreciation and amortization	**3,163**	2,240	2,024
Impairment of long-lived assets *(Note 7 and Note 10)*	**4,463**	1,376	96
Impairment of goodwill *(Note 7 and Note 15)*	**102**	—	440
Total operating expenses	**42,807**	31,979	31,932
Operating income	**1,571**	2,581	1,862
Income from equity investments *(Note 12)*	**1,102**	428	475
Other income/(expense)			
Net foreign currency gain/(loss)	**237**	91	(884)
Gain on dispositions	**16**	848	94
Other	**199**	93	88
Interest expense *(Note 17)*	**(2,556)**	(1,590)	(1,624)
Earnings before income taxes	**569**	2,451	11
Income tax recovery/(expense) *(Note 24)*	**2,697**	(142)	(170)
Earnings/(loss)	**3,266**	2,309	(159)
(Earnings)/loss attributable to noncontrolling interests and redeemable noncontrolling interests	**(407)**	(240)	410
Earnings attributable to controlling interests	**2,859**	2,069	251
Preference share dividends	**(330)**	(293)	(288)
Earnings/(loss) attributable to common shareholders	**2,529**	1,776	(37)
Earnings/(loss) per common share attributable to common shareholders *(Note 5)*	**1.66**	1.95	(0.04)
Diluted earnings/(loss) per common share attributable to common shareholders *(Note 5)*	**1.65**	1.93	(0.04)

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

ENBRIDGE INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Year ended December 31,	**2017**	2016	2015
(millions of Canadian dollars)			
Earnings/(loss)	**3,266**	2,309	(159)
Other comprehensive income/(loss), net of tax			
Change in unrealized gain/(loss) on cash flow hedges	**(21)**	(138)	198
Change in unrealized gain/(loss) on net investment hedges	**490**	166	(903)
Other comprehensive income/(loss) from equity investees	**(27)**	—	30
Reclassification to earnings of (gain)/loss on cash flow hedges	**313**	116	(559)
Reclassification to earnings of pension and other postretirement benefits amounts	**19**	17	21
Actuarial gain/(loss) on pension plans and other postretirement benefits	**8**	(34)	51
Foreign currency translation adjustments	**(3,060)**	(712)	3,347
Other comprehensive income/(loss), net of tax	**(2,278)**	(585)	2,185
Comprehensive income	**988**	1,724	2,026
Comprehensive (income)/loss attributable to noncontrolling interests and redeemable noncontrolling interests	**(160)**	(229)	292
Comprehensive income attributable to controlling interests	**828**	1,495	2,318
Preference share dividends	**(330)**	(293)	(288)
Comprehensive income/(loss) attributable to common shareholders	**498**	1,202	2,030

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

ENBRIDGE INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended December 31,	**2017**	2016	2015
(millions of Canadian dollars, except per share amounts)			
Preference shares *(Note 20)*			
Balance at beginning of year	**7,255**	6,515	6,515
Preference shares issued	**492**	740	—
Balance at end of year	**7,747**	7,255	6,515
Common shares *(Note 20)*			
Balance at beginning of year	**10,492**	7,391	6,669
Common shares issued	**1,500**	2,241	—
Common shares issued in Merger Transaction *(Note 7)*	**37,429**	—	—
Dividend Reinvestment and Share Purchase Plan	**1,226**	795	646
Shares issued on exercise of stock options	**90**	65	76
Balance at end of year	**50,737**	10,492	7,391
Additional paid-in capital			
Balance at beginning of year	**3,399**	3,301	2,549
Stock-based compensation	**82**	41	35
Fair value of outstanding earned stock-based compensation from Merger Transaction *(Note 7)*	**77**	—	—
Options exercised	**(95)**	(24)	(19)
Enbridge Energy Company Inc. common control transaction	**76**	—	—
Drop down of interest to Enbridge Energy Partners, L.P. *(Note 19)*	**—**	—	218
Dilution gain/(loss) and other (*Note 19)*	**(345)**	81	518
Balance at end of year	**3,194**	3,399	3,301
Retained earnings/(deficit)			
Balance at beginning of year	**(716)**	142	1,571
Earnings attributable to controlling interests	**2,859**	2,069	251
Preference share dividends	**(330)**	(293)	(288)
Common share dividends declared	**(4,702)**	(1,945)	(1,596)
Dividends paid to reciprocal shareholder	**30**	26	22
Reversal of cumulative redemption value adjustment attributable to Enbridge Commercial Trust *(Note 19)*	**—**	—	541
Redemption value adjustment attributable to redeemable noncontrolling interests *(Note 19)*	**292**	(686)	(359)
Adjustment for the recognition of unutilized tax deductions for stock based compensation expense	**41**	—	—
Adjustment relating to equity method investment	**—**	(29)	—
Other	**58**	—	—
Balance at end of year	**(2,468)**	(716)	142
Accumulated other comprehensive income/(loss) *(Note 22)*			
Balance at beginning of year	**1,058**	1,632	(435)
Other comprehensive income/(loss) attributable to common shareholders, net of tax	**(2,031)**	(574)	2,067
Balance at end of year	**(973)**	1,058	1,632
Reciprocal shareholding			
Balance at beginning of year *(Note 12)*	**(102)**	(83)	(83)
Issuance of treasury stock	**—**	(19)	—
Balance at end of year *(Note 12)*	**(102)**	(102)	(83)
Total Enbridge Inc. shareholders' equity	**58,135**	21,386	18,898
Noncontrolling interests *(Note 19)*			
Balance at beginning of year	**577**	1,300	2,015
Earnings/(loss) attributable to noncontrolling interests	**232**	(28)	(407)
Other comprehensive income/(loss) attributable to noncontrolling interests, net of tax			
Change in unrealized gain on cash flow hedges	**15**	4	161
Foreign currency translation adjustments	**(431)**	(44)	273
Reclassification to earnings of (gain)/loss on cash flow hedges	**139**	40	(319)
	(277)	—	115
Comprehensive income/(loss) attributable to noncontrolling interests	**(45)**	(28)	(292)
Noncontrolling interests resulting from Merger Transaction *(Note 7)*	**8,955**	—	—
Enbridge Energy Company, Inc. common control transaction	**(343)**	—	—
Distributions	**(839)**	(720)	(680)
Contributions	**832**	28	615
Deconsolidation of Sabal Trail Transmission, LLC	**(2,318)**	—	—
Drop down of interest to Enbridge Energy Partners, L.P.	**—**	—	(304)

Dilution gain/(loss)	**832**	—	(53)
Disposition of Olympic Pipeline	**(24)**	—	—
Other	**(30)**	(3)	(1)
Balance at end of year	**7,597**	577	1,300
Total equity	**65,732**	21,963	20,198
Dividends paid per common share	**2.41**	2.12	1.86

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

ENBRIDGE INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended December 31,	**2017**	2016	2015
(millions of Canadian dollars)			
Operating activities			
Earnings/(loss)	**3,266**	2,309	(159)
Adjustments to reconcile earnings/(loss) to net cash provided by operating activities:			
Depreciation and amortization	**3,163**	2,240	2,024
Deferred income tax expense	**(2,877)**	43	7
Changes in unrealized (gain)/loss on derivative instruments, net *(Note 23)*	**(1,242)**	(509)	2,373
Earnings from equity investments	**(1,102)**	(656)	(483)
Distributions from equity investments	**1,264**	827	727
Impairment	**4,565**	1,620	536
(Gain)/loss on dispositions	**(120)**	(848)	(94)
Hedge ineffectiveness *(Note 23)*	**(55)**	61	(20)
Inventory revaluation allowance	**56**	245	410
Unrealized intercompany foreign exchange (gain)/loss	**28**	43	(131)
Other	**50**	198	69
Changes in environmental liabilities, net of recoveries	**(98)**	(4)	(43)
Changes in operating assets and liabilities *(Note 26)*	**(314)**	(358)	(645)
Net cash provided by operating activities	**6,584**	5,211	4,571
Investing activities			
Capital expenditures	**(8,287)**	(5,128)	(7,273)
Joint venture financing	**(25)**	(1)	—
Long-term investments	**(3,525)**	(467)	(622)
Distributions from equity investments in excess of cumulative earnings	**125**	—	—
Restricted long-term investments	**(54)**	(46)	(49)
Additions to intangible assets	**(789)**	(127)	(101)
Purchases of held-to-maturity securities	**(529)**	—	—
Proceeds from sales and maturities of held-to-maturity securities	**584**	—	—
Purchase of available-for-sale securities	**(136)**	—	—
Proceeds from sales and maturities of available-for-sale securities	**99**	—	—
Acquisitions	**—**	(644)	(106)
Cash acquired in Merger Transaction *(Note 7)*	**682**	—	—
Proceeds from dispositions	**628**	1,379	146
Reimbursement of capital expenditures	**212**	—	—
Affiliate loans, net	**(22)**	(118)	59
Changes in restricted cash	**35**	(40)	13
Net cash used in investing activities	**(11,002)**	(5,192)	(7,933)
Financing activities			
Net change in short-term borrowings *(Note 2)*	**721**	(248)	(487)
Net change in commercial paper and credit facility draws	**(1,249)**	(2,297)	1,507
Debenture and term note issues, net of issue costs	**9,483**	4,080	3,767
Debenture and term note repayments	**(5,054)**	(1,946)	(1,023)
Purchase of interest in consolidated subsidiary	**(227)**	—	—
Contributions from noncontrolling interests	**832**	28	615
Distributions to noncontrolling interests	**(919)**	(720)	(680)
Contributions from redeemable noncontrolling interests	**1,178**	591	670
Distributions to redeemable noncontrolling interests	**(247)**	(202)	(114)
Preference shares issued	**489**	737	—
Common shares issued	**1,549**	2,260	57
Preference share dividends	**(330)**	(293)	(288)
Common share dividends	**(2,750)**	(1,150)	(950)
Net cash provided by financing activities	**3,476**	840	3,074
Effect of translation of foreign denominated cash and cash equivalents	**(72)**	(19)	143
Net increase/(decrease) in cash and cash equivalents	**(1,014)**	840	(145)
Cash and cash equivalents at beginning of year	**1,494**	654	799
Cash and cash equivalents at end of year	**480**	1,494	654
Supplementary cash flow information			

Cash paid for income taxes	**172**	194	80
Cash paid for interest, net of amount capitalized	**2,668**	1,820	1,835
Property, plant and equipment non-cash accruals	**889**	773	1,222

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

ENBRIDGE INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31,	2017	2016
(millions of Canadian dollars; number of shares in millions)		
Assets		
Current assets		
Cash and cash equivalents *(Note 2)*	**480**	1,494
Restricted cash	**107**	68
Accounts receivable and other *(Note 8)*	**7,053**	4,978
Accounts receivable from affiliates	**47**	14
Inventory *(Note 9)*	**1,528**	1,233
	9,215	7,787
Property, plant and equipment, net *(Note 10)*	**90,711**	64,284
Long-term investments *(Note 12)*	**16,644**	6,836
Restricted long-term investments *(Note 13)*	**267**	90
Deferred amounts and other assets	**6,442**	3,391
Intangible assets, net *(Note 14)*	**3,267**	1,573
Goodwill *(Note 15)*	**34,457**	78
Deferred income taxes *(Note 24)*	**1,090**	1,170
Total assets	**162,093**	85,209
Liabilities and equity		
Current liabilities		
Short-term borrowings *(Note 17)*	**1,444**	351
Accounts payable and other *(Note 16)*	**9,478**	7,295
Accounts payable to affiliates	**157**	122
Interest payable	**634**	333
Environmental liabilities	**40**	142
Current portion of long-term debt *(Note 17)*	**2,871**	4,100
	14,624	12,343
Long-term debt *(Note 17)*	**60,865**	36,494
Other long-term liabilities	**7,510**	4,981
Deferred income taxes *(Note 24)*	**9,295**	6,036
	92,294	59,854
Commitments and contingencies *(Note 28)*		
Redeemable noncontrolling interests *(Note 19)*	**4,067**	3,392
Equity		
Share capital *(Note 20)*		
Preference shares	**7,747**	7,255
Common shares *(1,695 and 943 outstanding at December 31, 2017 and December 31, 2016, respectively)*	**50,737**	10,492
Additional paid-in capital	**3,194**	3,399
Deficit	**(2,468)**	(716)
Accumulated other comprehensive income/(loss) *(Note 22)*	**(973)**	1,058
Reciprocal shareholding	**(102)**	(102)
Total Enbridge Inc. shareholders' equity	**58,135**	21,386
Noncontrolling interests *(Note 19)*	**7,597**	577
	65,732	21,963
Total liabilities and equity	**162,093**	85,209

Variable Interest Entities (Note 11)
The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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1. BUSINESS OVERVIEW

The terms “we,” “our,” “us” and “Enbridge” as used in this report refer collectively to Enbridge Inc. and its subsidiaries unless the context suggests otherwise. These terms are used for convenience only and are not intended as a precise description of any separate legal entity within Enbridge Inc.

Enbridge is a publicly traded energy transportation and distribution company. We conduct our business through five business segments: Liquids Pipelines; Gas Transmission and Midstream; Gas Distribution; Green Power and Transmission; and Energy Services. These reporting segments are strategic business units established by senior management to facilitate the achievement of our long-term objectives, to aid in resource allocation decisions and to assess operational performance.

LIQUIDS PIPELINES
Liquids Pipelines consists of common carrier and contract pipelines that transport crude oil, natural gas liquids (NGL) and refined products and terminals in Canada and the United States, including Canadian Mainline, Lakehead Pipeline System (Lakehead System), Regional Oil Sands System, Mid-Continent and Gulf Coast, Southern Lights Pipeline, Express-Platte System, Bakken System, and Feeder Pipelines and Other.

GAS TRANSMISSION AND MIDSTREAM
Gas Transmission and Midstream, formerly referred to as Gas Pipelines and Processing, consists of investments in natural gas pipelines and gathering and processing facilities. Investments in natural gas pipelines include our interests in US Gas Transmission, Canadian Gas Transmission and Midstream, Alliance Pipeline, US Midstream and Other. Investments in natural gas processing include our interest in Aux Sable, a natural gas extraction and fractionation business located near the terminus of the Alliance Pipeline; Canadian Gas Transmission and Midstream assets located in northeast British Columbia and northwest Alberta; and DCP Midstream, LLC (DCP Midstream) assets located primarily in Texas and Oklahoma.

GAS DISTRIBUTION
Gas Distribution consists of our natural gas utility operations, the core of which are Enbridge Gas Distribution Inc. (EGD) and Union Gas Limited (Union Gas), which serves residential, commercial and industrial customers, primarily located in Ontario. This business segment also includes our investment in Noverco Inc. (Noverco) and Other Gas Distribution and Storage.

GREEN POWER AND TRANSMISSION
Green Power and Transmission consists of our investments in renewable energy assets and transmission facilities. Renewable energy assets consist of wind, solar, geothermal and waste heat recovery facilities and are located in Canada primarily in the provinces of Alberta, Ontario and Quebec and in the United States primarily in Colorado, Texas, Indiana and West Virginia. We also have assets under development located in Europe.

ENERGY SERVICES
The Energy Services businesses in Canada and the United States undertake physical commodity marketing activity and logistical services, oversee refinery supply services and manage our volume commitments on various pipeline systems.

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

ACQUISITION OF SPECTRA ENERGY CORP
On February 27, 2017, Enbridge and Spectra Energy Corp (Spectra Energy) combined in a stock-for-stock merger transaction (the Merger Transaction) for a purchase price of $37.5 billion. Under the terms of the Merger Transaction, Spectra Energy shareholders received 0.984 shares of Enbridge for each share of Spectra Energy common stock that they owned, giving us 100% ownership of Spectra Energy. Please refer to *Note 7 - Acquisitions and Dispositions* for further discussion of the transaction.

CANADIAN RESTRUCTURING PLAN
Effective September 1, 2015, under an agreement with Enbridge Income Fund (the Fund) and Enbridge Income Fund Holdings Inc. (ENF), Enbridge transferred its Canadian Liquids Pipelines business, held by Enbridge Pipelines Inc. (EPI) and Enbridge Pipelines (Athabasca) Inc. (EPAI), and certain Canadian renewable energy assets to the Fund Group (comprising the Fund, Enbridge Commercial Trust (ECT), Enbridge Income Partners LP (EIPLP) and the subsidiaries of EIPLP) for consideration valued at $30.4 billion plus incentive distribution and performance rights (the Canadian Restructuring Plan). The consideration that we received included $18.7 billion of units in the Fund Group, comprised of $3 billion of Fund units and $15.7 billion of equity units of EIPLP, in which the Fund has an interest. The Fund Group also assumed debt of EPI and EPAI of approximately $11.7 billion.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP). Amounts are stated in Canadian dollars unless otherwise noted. As a Securities and Exchange Commission (SEC) registrant, we are permitted to use U.S. GAAP for purposes of meeting both our Canadian and United States continuous disclosure requirements.

BASIS OF PRESENTATION AND USE OF ESTIMATES
The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities in the consolidated financial statements. Significant estimates and assumptions used in the preparation of the consolidated financial statements include, but are not limited to: carrying values of regulatory assets and liabilities *(Note 6)*; purchase price allocations *(Note 7)*; unbilled revenues; depreciation rates and carrying value of property, plant and equipment *(Note 10)*; amortization rates of intangible assets *(Note 14)*; measurement of goodwill *(Note 15)*; fair value of asset retirement obligations (ARO) *(Note 18)*; valuation of stock-based compensation *(Note 21)*; fair value of financial instruments *(Note 23)*; provisions for income taxes *(Note 24)*; assumptions used to measure retirement and other postretirement benefit obligations (OPEB) *(Note 25)*; commitments and contingencies *(Note 28)*; and estimates of losses related to environmental remediation obligations *(Note 28)*. Actual results could differ from these estimates.

Effective September 30, 2017, we combined Cash and cash equivalents and amounts previously presented as Bank indebtedness where the corresponding bank accounts are subject to cash pooling arrangements. As at December 31, 2017, $0.6 billion (December 31, 2016 - $0.6 billion) of Bank indebtedness has been combined within Cash and cash equivalents in our Consolidated Statements of Financial Position. Net cash provided by financing activities in the Consolidated Statements of Cash Flows for the years ended December 31, 2016 and 2015 have decreased by $0.3 billion and increased by $0.1 billion, respectively, to reflect this change.

PRINCIPLES OF CONSOLIDATION
The consolidated financial statements include our accounts and accounts of our subsidiaries and variable interest entities (VIEs) for which we are the primary beneficiary. A VIE is a legal entity that does not have sufficient equity at risk to finance its activities without additional subordinated financial support or is structured such that equity investors lack the ability to make significant decisions relating to the entity's

operations through voting rights or do not substantively participate in the gains and losses of the entity. Upon inception of a contractual agreement, we perform an assessment to determine whether the arrangement contains a variable interest in a legal entity and whether that legal entity is a VIE. The primary beneficiary has both the power to direct the activities of the VIE that most significantly impact the entity's economic performance and the obligation to absorb losses or the right to receive benefits from the VIE entity that could potentially be significant to the VIE. Where we conclude that we are the primary beneficiary of a VIE, we will consolidate the accounts of that VIE. We assess all variable interests in the entity and use our judgment when determining if we are the primary beneficiary. Other qualitative factors that are considered include decision-making responsibilities, the VIE capital structure, risk and rewards sharing, contractual agreements with the VIE, voting rights and level of involvement of other parties. We assess the primary beneficiary determination for a VIE on an ongoing basis, as there are changes in the facts and circumstances related to a VIE. The consolidated financial statements also include the accounts of any limited partnerships where we represent the general partner and, based on all facts and circumstances, control such limited partnerships, unless the limited partner has substantive participating rights or substantive kick-out rights. For certain investments where we retain an undivided interest in assets and liabilities, we record our proportionate share of assets, liabilities, revenues and expenses. If an entity is determined to not be a VIE, the voting interest entity model will be applied.

All significant intercompany accounts and transactions are eliminated upon consolidation. Ownership interests in subsidiaries represented by other parties that do not control the entity are presented in the consolidated financial statements as activities and balances attributable to noncontrolling interests and redeemable noncontrolling interests. Investments and entities over which we exercise significant influence are accounted for using the equity method.

As a result of the Canadian Restructuring Plan, ECT, our subsidiary, determines its equity investment earnings from EIPLP using the Hypothetical Liquidation at Book Value (HLBV) method. ECT applies the HLBV method to its equity method investments where cash distributions, including both preference and residual distributions, are not based on the investor's ownership percentages. Under the HLBV method, a calculation is prepared at each balance sheet date to determine the amount that ECT would receive if EIPLP were to liquidate all of its assets, as valued in accordance with U.S. GAAP, and distribute that cash to the investors. The difference between the calculated liquidation distribution amounts at the beginning and the end of the reporting period, after adjusting for capital contributions and distributions, is ECT's share of the earnings or losses from the equity investment for the period.

While ECT and EIPLP are both consolidated in these financial statements, the use of the HLBV method by ECT impacts the earnings attributable to redeemable noncontrolling interests reported on Enbridge's Consolidated Statements of Earnings. We continue to recognize Redeemable noncontrolling interests on the Consolidated Statements of Financial Position at the maximum redemption value of the trust units held by third parties, which references the market price of ENF common shares.

REGULATION

Certain parts of our businesses are subject to regulation by various authorities including, but not limited to, the National Energy Board (NEB), the Federal Energy Regulatory Commission (FERC), the Alberta Energy Regulator, the New Brunswick Energy and Utilities Board (EUB), the Ontario Energy Board (OEB) and La Régie de l'Energie du Québec. Regulatory bodies exercise statutory authority over matters such as construction, rates and ratemaking and agreements with customers. To recognize the economic effects of the actions of the regulator, the timing of recognition of certain revenues and expenses in these operations may differ from that otherwise expected under U.S. GAAP for non rate-regulated entities.

Regulatory assets represent amounts that are expected to be recovered from customers in future periods through rates. Regulatory liabilities represent amounts that are expected to be refunded to customers in future periods through rates or expected to be paid to cover future abandonment costs in relation to the NEB's Land Matters Consultation Initiative (LMCI). Long-term regulatory assets are recorded in Deferred amounts and other assets and current regulatory assets are recorded in Accounts receivable and other.

Long-term regulatory liabilities are included in Other long-term liabilities and current regulatory liabilities are recorded in Accounts payable and other. Regulatory assets are assessed for impairment if we identify an event indicative of possible impairment. The recognition of regulatory assets and liabilities is based on the actions, or expected future actions, of the regulator. To the extent that the regulator's actions differ from our expectations, the timing and amount of recovery or settlement of regulatory balances could differ significantly from those recorded. In the absence of rate regulation, we would generally not recognize regulatory assets or liabilities and the earnings impact would be recorded in the period the expenses are incurred or revenues are earned. A regulatory asset or liability is recognized in respect of deferred income taxes when it is expected the amounts will be recovered or settled through future regulator-approved rates.

Allowance for funds used during construction (AFUDC) is included in the cost of property, plant and equipment and is depreciated over future periods as part of the total cost of the related asset. AFUDC includes both an interest component and, if approved by the regulator, a cost of equity component, which are both capitalized based on rates set out in a regulatory agreement. In the absence of rate regulation, we would capitalize interest using a capitalization rate based on its cost of borrowing, whereas the capitalized equity component, the corresponding earnings during the construction phase and the subsequent depreciation would not be recognized.

For certain regulated operations to which U.S. GAAP guidance for phase-in plans applies, negotiated depreciation rates recovered in transportation tolls may be less than the depreciation expense calculated in accordance with U.S. GAAP in early years of long-term contracts but recovered in future periods when tolls exceed depreciation. Depreciation expense on such assets is recorded in accordance with U.S. GAAP and no deferred regulatory asset is recorded *(Note 6)*.

With the approval of the applicable regulator, EGD, Union Gas and certain distribution operations capitalize a percentage of specified operating costs. These operations are authorized to charge depreciation and earn a return on the net book value of such capitalized costs in future years. To the extent that the regulator's actions differ from our expectations, the timing and amount of recovery or settlement of capitalized costs could differ significantly from those recorded. In the absence of rate regulation, a portion of such costs may be charged to current period earnings.

REVENUE RECOGNITION

For businesses that are not rate-regulated, revenues are recorded when products have been delivered or services have been performed, the amount of revenue can be reliably measured and collectability is reasonably assured. Customer credit worthiness is assessed prior to agreement signing, as well as throughout the contract duration. Certain revenues from liquids and gas pipeline businesses are recognized under the terms of committed delivery contracts rather than the cash tolls received.

Long-term take-or-pay contracts, under which shippers are obligated to pay fixed amounts rateably over the contract period regardless of volumes shipped, may contain make-up rights. Make-up rights are earned by shippers when minimum volume commitments are not utilized during the period but under certain circumstances can be used to offset overages in future periods, subject to expiry periods. We recognize revenues associated with make-up rights at the earlier of when the make-up volume is shipped, the make-up right expires or when it is determined that the likelihood that the shipper will utilize the make-up right is remote.

Certain offshore pipeline transportation contracts require Enbridge to provide transportation services for the life of the underlying producing fields. Under these arrangements, shippers pay Enbridge a fixed monthly toll for a defined period of time which may be shorter than the estimated reserve life of the underlying producing fields, resulting in a contract period which extends past the period of cash collection. Fixed monthly toll revenues are recognized ratably over the committed volume made available to shippers throughout the contract period, regardless of when cash is received. For the years ended December 31, 2017, 2016 and 2015, cash received net of revenue recognized for contracts under make-

up rights and similar deferred revenue arrangements was $196 million, $249 million, and $61 million, respectively.

For rate-regulated businesses, revenues are recognized in a manner that is consistent with the underlying agreements as approved by the regulators. Natural gas utilities revenues are recorded on the basis of regular meter readings and estimates of customer usage from the last meter reading to the end of the reporting period. Estimates are based on historical consumption patterns and heating degree days experienced. Heating degree days is a measure of coldness that is indicative of volumetric requirements for natural gas utilized for heating purposes in our distribution franchise area. Since July 1, 2011, Canadian Mainline (excluding Lines 8 and 9) earnings are governed by the Competitive Toll Settlement (CTS), under which revenues are recorded when services are performed. Effective on that date, we prospectively discontinued the application of rate-regulated accounting for those assets with the exception of flow-through income taxes covered by specific rate orders.

For our energy marketing contracts, an estimate of revenues and commodity costs for the month of December is included in the Consolidated Statements of Earnings for each year based on the best available volume and price data for the commodity delivered and received.

DERIVATIVE INSTRUMENTS AND HEDGING

Non-qualifying Derivatives

Non-qualifying derivative instruments are used primarily to economically hedge foreign exchange, interest rate and commodity price earnings exposure. Non-qualifying derivatives are measured at fair value with changes in fair value recognized in earnings in Transportation and other services revenues, Commodity costs, Operating and administrative expense, Other income/(expense) and Interest expense.

Derivatives in Qualifying Hedging Relationships

We use derivative financial instruments to manage our exposure to changes in commodity prices, foreign exchange rates, interest rates and certain compensation tied to our share price. Hedge accounting is optional and requires Enbridge to document the hedging relationship and test the hedging item's effectiveness in offsetting changes in fair values or cash flows of the underlying hedged item on an ongoing basis. We present the earnings effects of hedging items with the hedged transaction. Derivatives in qualifying hedging relationships are categorized as cash flow hedges, fair value hedges or net investment hedges.

Cash Flow Hedges

We use cash flow hedges to manage our exposure to changes in commodity prices, foreign exchange rates, interest rates and certain compensation tied to our share price. The effective portion of the change in the fair value of a cash flow hedging instrument is recorded in Other comprehensive income/(loss) (OCI) and is reclassified to earnings when the hedged item impacts earnings. Any hedge ineffectiveness is recorded in current period earnings.

If a derivative instrument designated as a cash flow hedge ceases to be effective or is terminated, hedge accounting is discontinued and the gain or loss at that date is deferred in OCI and recognized concurrently with the related transaction. If a hedged anticipated transaction is no longer probable, the gain or loss is recognized immediately in earnings. Subsequent gains and losses from derivative instruments for which hedge accounting has been discontinued are recognized in earnings in the period in which they occur.

Fair Value Hedges

We use fair value hedges to hedge the fair value of debt instruments. The change in the fair value of the hedging instrument is recorded in earnings with changes in the fair value of the hedged asset or liability that is designated as part of the hedging relationship. If a fair value hedge is discontinued or ceases to be effective, the hedged asset or liability, otherwise required to be carried at cost or amortized cost, ceases

to be remeasured at fair value and the cumulative fair value adjustment to the carrying value of the hedged item is recognized in earnings over the remaining life of the hedged item.

Net Investment Hedges
Gains and losses arising from translation of net investment in foreign operations from their functional currencies to Enbridge's Canadian dollar presentation currency are included in cumulative translation adjustments (CTA). We designate foreign currency derivatives and United States dollar denominated debt as hedges of net investments in United States dollar denominated foreign operations. As a result, the effective portion of the change in the fair value of the foreign currency derivatives as well as the translation of United States dollar denominated debt are reflected in OCI and any ineffectiveness is reflected in current period earnings. Amounts recognized previously in Accumulated other comprehensive income/(loss) (AOCI) are reclassified to earnings when there is a reduction of the hedged net investment resulting from disposal of a foreign operation.

Classification of Derivatives
We recognize the fair market value of derivative instruments on the Consolidated Statements of Financial Position as current and non-current assets or liabilities depending on the timing of the settlements and the resulting cash flows associated with the instruments. Fair value amounts related to cash flows occurring beyond one year are classified as non-current.

Cash inflows and outflows related to derivative instruments are classified as Operating activities on the Consolidated Statements of Cash Flows.

Balance Sheet Offset
Assets and liabilities arising from derivative instruments may be offset in the Consolidated Statements of Financial Position when we have the legal right and intention to settle them on a net basis.

Transaction Costs
Transaction costs are incremental costs directly related to the acquisition of a financial asset or the issuance of a financial liability. We incur transaction costs primarily from the issuance of debt and account for these costs as a deduction from Long-term debt on the Statements of Financial Position. These costs are amortized using the effective interest rate method over the term of the related debt instrument and are recorded in Interest expense.

EQUITY INVESTMENTS
Equity investments over which we exercise significant influence, but do not have controlling financial interests, are accounted for using the equity method. Equity investments are initially measured at cost and are adjusted for our proportionate share of undistributed equity earnings or loss. Equity investments are increased for contributions made to and decreased for distributions received from the investees. To the extent an equity investee undertakes activities necessary to commence its planned principal operations, we capitalize interest costs associated with its investment during such period.

RESTRICTED LONG-TERM INVESTMENTS
Long-term investments that are restricted as to withdrawal or usage, for the purposes of the NEB's LMCI, are presented as Restricted long-term investments on the Consolidated Statements of Financial Position.

OTHER INVESTMENTS
Generally, we classify equity investments in entities over which we do not exercise significant influence and that do not trade on an actively quoted market as other investments carried at cost. Financial assets in this category are initially recorded at fair value with no subsequent re-measurement. Any investments which do trade on an active market are classified as available for sale investments measured at fair value through OCI. Dividends received from investments carried at cost are recognized in earnings when the right to receive payment is established.

NONCONTROLLING INTERESTS
Noncontrolling interests represent ownership interests attributable to third parties in certain consolidated subsidiaries, limited partnerships and VIEs. The portion of equity not owned by us in such entities is reflected as Noncontrolling interests within the equity section of the Consolidated Statements of Financial Position and, in the case of redeemable noncontrolling interests, within the mezzanine section of the Consolidated Statements of Financial Position between long-term liabilities and equity.

The Fund's noncontrolling interest holders have the option to redeem the Fund trust units for cash, subject to certain limitations. Redeemable noncontrolling interests are recognized at the maximum redemption value of the trust units held by third parties, which references the market price of ENF common shares. On a quarterly basis, changes in estimated redemption values are reflected as a charge or credit to retained earnings.

The use of the HLBV method by ECT impacts the earnings attributable to redeemable noncontrolling interests reported on our Consolidated Statements of Earnings.

INCOME TAXES
Income taxes are accounted for using the liability method. Deferred income tax assets and liabilities are recorded based on temporary differences between the tax bases of assets and liabilities and their carrying values for accounting purposes. Deferred income tax assets and liabilities are measured using the tax rate that is expected to apply when the temporary differences reverse. For our regulated operations, a deferred income tax liability or asset is recognized with a corresponding regulatory asset or liability, respectively, to the extent taxes can be recovered through rates. Any interest and/or penalty incurred related to tax is reflected in Income taxes.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION
Foreign currency transactions are those transactions whose terms are denominated in a currency other than the currency of the primary economic environment in which Enbridge or a reporting subsidiary operates, referred to as the functional currency. Transactions denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency using the rate of exchange in effect at the balance sheet date. Exchange gains and losses resulting from translation of monetary assets and liabilities are included in the Consolidated Statements of Earnings in the period in which they arise.

Gains and losses arising from translation of foreign operations' functional currencies to our Canadian dollar presentation currency are included in the CTA component of AOCI and are recognized in earnings upon sale of the foreign operation. Asset and liability accounts are translated at the exchange rates in effect on the balance sheet date, while revenues and expenses are translated using monthly average exchange rates.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents include short-term investments with a term to maturity of three months or less when purchased.

RESTRICTED CASH
Cash and cash equivalents that are restricted as to withdrawal or usage, in accordance with specific commercial arrangements, are presented as Restricted cash on the Consolidated Statements of Financial Position.

LOANS AND RECEIVABLES
Affiliate long-term notes receivable are measured at amortized cost using the effective interest rate method, net of any impairment losses recognized. Accounts receivable and other are measured at cost.

ALLOWANCE FOR DOUBTFUL ACCOUNTS
Allowance for doubtful accounts is determined based on collection history. When we have determined that further collection efforts are unlikely to be successful, amounts charged to the allowance for doubtful accounts are applied against the impaired accounts receivable.

NATURAL GAS IMBALANCES
The Consolidated Statements of Financial Position include in-kind balances as a result of differences in gas volumes received and delivered for customers. Since settlement of certain imbalances is in-kind, changes in the balances do not have an effect on our Consolidated Statements of Earnings or Consolidated Statements of Cash Flows. Most natural gas volumes owed to or by us are valued at natural gas market index prices as at the balance sheet dates.

INVENTORY
Inventory is comprised of natural gas in storage held in EGD and Union Gas, and crude oil and natural gas held primarily by energy services businesses in the Energy Services segment. Natural gas in storage in EGD and Union Gas is recorded at the quarterly prices approved by the OEB in the determination of distribution rates. The actual price of gas purchased may differ from the OEB approved price. The difference between the approved price and the actual cost of the gas purchased is deferred as a liability for future refund or as an asset for collection as approved by the OEB. Other commodities inventory is recorded at the lower of cost, as determined on a weighted average basis, or market value. Upon disposition, other commodities inventory is recorded to Commodity costs on the Consolidated Statements of Earnings at the weighted average cost of inventory, including any adjustments recorded to reduce inventory to market value.

PROPERTY, PLANT AND EQUIPMENT
Property, plant and equipment is recorded at historical cost. Expenditures for construction, expansion, major renewals and betterments are capitalized. Maintenance and repair costs are expensed as incurred. Expenditures for project development are capitalized if they are expected to have future benefit. We capitalize interest incurred during construction for non-rate-regulated assets. For rate-regulated assets, AFUDC is included in the cost of property, plant and equipment and is depreciated over future periods as part of the total cost of the related asset. AFUDC includes both an interest component and, if approved by the regulator, a cost of equity component.

Two primary methods of depreciation are utilized. For distinct assets, depreciation is generally provided on a straight-line basis over the estimated useful lives of the assets commencing when the asset is placed in service. For largely homogeneous groups of assets with comparable useful lives, the pool method of accounting for property, plant and equipment is followed whereby similar assets are grouped and depreciated as a pool. When group assets are retired or otherwise disposed of, gains and losses are generally not reflected in earnings but are booked as an adjustment to accumulated depreciation.

DEFERRED AMOUNTS AND OTHER ASSETS
Deferred amounts and other assets primarily include: costs which regulatory authorities have permitted, or are expected to permit, to be recovered through future rates including deferred income taxes; contractual receivables under the terms of long-term delivery contracts; and derivative financial instruments.

INTANGIBLE ASSETS
Intangible assets consist primarily of certain software costs, customer relationships and emission allowances. We capitalize costs incurred during the application development stage of internal use software projects. Customer relationships represent the underlying relationship from long-term agreements with customers that are capitalized upon acquisition. Emission allowances, which are recorded at their original cost, are purchased in order to meet greenhouse gas (GHG) compliance obligations. Intangible assets are generally amortized on a straight-line basis over their expected lives,

commencing when the asset is available for use, with the exception of emission allowances, which are not amortized as they will be used to satisfy compliance obligations as they come due.

GOODWILL
Goodwill represents the excess of the purchase price over the fair value of net identifiable assets on acquisition of a business. The carrying value of goodwill, which is not amortized, is assessed for impairment annually, or more frequently if events or changes in circumstances arise that suggest the carrying value of goodwill may be impaired.

We perform our annual review for impairment at the reporting unit level, which is identified by assessing whether the components of our operating segments constitute businesses for which discrete information is available, whether segment management regularly reviews the operating results of those components and whether the economic and regulatory characteristics are similar. We determined that our reporting units are equivalent to our reportable segments, with the exception of the gas transmission and gas midstream reportable segment which is divided at the component level into two reporting units. We have the option to first assess qualitative factors to determine whether it is necessary to perform the quantitative goodwill impairment test. The quantitative goodwill impairment test involves determining the fair value of our reporting units and comparing those values to the carrying value of each reporting unit. If the carrying value of a reporting unit, including allocated goodwill, exceeds its fair value, goodwill impairment is measured at the amount by which the reporting unit's carrying value exceeds its fair value. This amount should not exceed the carrying amount of goodwill.

IMPAIRMENT
We review the carrying values of our long-lived assets as events or changes in circumstances warrant. If it is determined that the carrying value of an asset exceeds the undiscounted cash flows expected from the asset, we calculate fair value based on the discounted cash flows and write the assets down to the extent that the carrying value exceeds the fair value.

With respect to investments in debt and equity securities, we assess at each balance sheet date whether there is objective evidence that a financial asset is impaired by completing a quantitative or qualitative analysis of factors impacting the investment. If there is objective evidence of impairment, we value the expected discounted cash flows using observable market inputs and determine whether the decline below carrying value is other than temporary. If the decline is determined to be other than temporary, an impairment charge is recorded in earnings with an offsetting reduction to the carrying value of the asset.

With respect to other financial assets, we assess the assets for impairment when there is no longer reasonable assurance of timely collection. If evidence of impairment is noted, we reduce the value of the financial asset to its estimated realizable amount, determined using discounted expected future cash flows.

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

RETIREMENT AND POSTRETIREMENT BENEFITS
We maintain pension plans which provide defined benefit and defined contribution pension benefits.

Defined benefit pension plan costs are determined using actuarial methods and are funded through contributions determined using the projected benefit method, which incorporates management's best estimates of future salary levels, other cost escalations, retirement ages of employees and other actuarial factors including discount rates and mortality.

We use mortality tables issued by the Society of Actuaries in the United States (revised in 2016) and the Canadian Institute of Actuaries tables (revised in 2014) to measure our benefit obligations of our United States pension plan (the United States Plan) and our Canadian pension plans (the Canadian Plans), respectively. We determine discount rates by reference to rates of high-quality long-term corporate bonds with maturities that approximate the timing of future payments we anticipate making under each of the respective plans. Pension cost is charged to earnings and includes:

- Cost of pension plan benefits provided in exchange for employee services rendered during the year;
- Interest cost of pension plan obligations;
- Expected return on pension plan assets;
- Amortization of the prior service costs and amendments on a straight-line basis over the expected average remaining service period of the active employee group covered by the plans; and
- Amortization of cumulative unrecognized net actuarial gains and losses in excess of 10% of the greater of the accrued benefit obligation or the fair value of plan assets, over the expected average remaining service life of the active employee group covered by the plans.

Actuarial gains and losses arise from the difference between the actual and expected rate of return on plan assets for that period or from changes in actuarial assumptions used to determine the accrued benefit obligation, including discount rate, changes in headcount or salary inflation experience.

Pension plan assets are measured at fair value. The expected return on pension plan assets is determined using market related values and assumptions on the specific invested asset mix within the pension plans. The market related values reflect estimated return on investments consistent with long-term historical averages for similar assets.

For defined contribution plans, contributions made by Enbridge are expensed in the period in which the contribution occurs.

We also provide OPEB other than pensions, including group health care and life insurance benefits for eligible retirees, their spouses and qualified dependents. The cost of such benefits is accrued during the years in which employees render service.

The overfunded or underfunded status of defined benefit pension and OPEB plans is recognized as Deferred amounts and other assets, Accounts payable and other or Other long-term liabilities, on the Consolidated Statements of Financial Position. A plan's funded status is measured as the difference between the fair value of plan assets and the plan's projected benefit obligation. Any unrecognized actuarial gains and losses and prior service costs and credits that arise during the period are recognized as a component of OCI, net of tax.

Certain regulated utility operations of Enbridge record regulatory adjustments to reflect the difference between pension expense and OPEB costs for accounting purposes and the pension expense and OPEB costs for ratemaking purposes. Offsetting regulatory assets or liabilities are recorded to the extent pension expense or OPEB costs are expected to be collected from or refunded to customers, respectively, in future rates. In the absence of rate regulation, regulatory balances would not be recorded and pension and OPEB costs would be charged to earnings and OCI on an accrual basis.

STOCK-BASED COMPENSATION
Incentive Stock Options (ISO) granted are recorded using the fair value method. Under this method, compensation expense is measured at the grant date based on the fair value of the ISO granted as calculated by the Black-Scholes-Merton model and is recognized on a straight-line basis over the shorter of the vesting period or the period to early retirement eligibility, with a corresponding credit to Additional paid-in capital. Balances in Additional paid-in capital are transferred to Share capital when the options are exercised.

Restricted Stock Units (RSU) are cash settled awards for which the related liability is remeasured each reporting period. RSUs vest at the completion of a 35-month term. During the vesting term, compensation expense is recorded based on the number of units outstanding and the current market price of Enbridge's shares with an offset to Accounts payable and other or to Other long-term liabilities.

COMMITMENTS, CONTINGENCIES AND ENVIRONMENTAL LIABILITIES
We expense or capitalize, as appropriate, expenditures for ongoing compliance with environmental regulations that relate to past or current operations. We expense costs incurred for remediation of existing environmental contamination caused by past operations that do not benefit future periods by preventing or eliminating future contamination. We record liabilities for environmental matters when assessments indicate that remediation efforts are probable and the costs can be reasonably estimated. Estimates of environmental liabilities are based on currently available facts, existing technology and presently enacted laws and regulations taking into consideration the likely effects of inflation and other factors. These amounts also consider prior experience in remediating contaminated sites, other companies' clean-up experience and data released by government organizations. Our estimates are subject to revision in future periods based on actual costs or new information and are included in Environmental liabilities and Other long-term liabilities in the Consolidated Statements of Financial Position at their undiscounted amounts. There is always a potential of incurring additional costs in connection with environmental liabilities due to variations in any or all of the categories described above, including modified or revised requirements from regulatory agencies, in addition to fines and penalties, as well as expenditures associated with litigation and settlement of claims. We evaluate recoveries from insurance coverage separately from the liability and, when recovery is probable, we record and report an asset separately from the associated liability in the Consolidated Statements of Financial Position.

Liabilities for other commitments and contingencies are recognized when, after fully analyzing available information, we determine it is either probable that an asset has been impaired, or that a liability has been incurred, and the amount of impairment or loss can be reasonably estimated. When a range of probable loss can be estimated, we recognize the most likely amount, or if no amount is more likely than another, the minimum of the range of probable loss is accrued. We expense legal costs associated with loss contingencies as such costs are incurred.

3. CHANGES IN ACCOUNTING POLICIES

CHANGES IN ACCOUNTING POLICIES
Goodwill
We previously performed our annual goodwill impairment test on October 1 of each fiscal year. Beginning with the quarter ended December 31, 2017, we moved the annual goodwill impairment test from October 1 to April 1 to better align with the preparation and review of our business plan, which is used in the test. The change does not delay, accelerate or avoid an impairment charge.

ADOPTION OF NEW STANDARDS
Simplifying the Measurement of Goodwill Impairment
Effective January 1, 2017, we early adopted Accounting Standards Update (ASU) 2017-04 and applied the standard on a prospective basis. Under the new guidance, goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value; this amount should not exceed

the carrying amount of goodwill. We applied this standard as at December 31, 2017 in the measurement of the goodwill impairment relating to the gas midstream reporting unit *(Note 15)*.

Clarifying the Definition of a Business in an Acquisition
Effective January 1, 2017, we early adopted ASU 2017-01 on a prospective basis. The new standard was issued with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (disposals) of assets or businesses. This accounting update was applied to acquisitions and dispositions that occurred in the year.

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

Improvements to Employee Share-Based Payment Accounting
Effective January 1, 2017, we adopted ASU 2016-09 and applied certain amendments on a modified retrospective basis with the remaining amendments applied on a prospective basis. The new standard was issued with the intent of simplifying and improving several aspects of accounting for share-based payment transactions including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The adoption of the pronouncement did not have a material impact on our consolidated financial statements.

Simplifying the Embedded Derivatives Analysis for Debt Instruments
Effective January 1, 2017, we adopted ASU 2016-06 on a modified retrospective basis. The new guidance simplifies the embedded derivative analysis for debt instruments containing contingent call or put options. The adoption of the pronouncement did not have a material impact on our consolidated financial statements.

FUTURE ACCOUNTING POLICY CHANGES
Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income
ASU 2018-02 was issued in February 2018 to address a specific consequence of the Tax Cuts and Jobs Act (TCJA). This accounting update allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from TCJA. The amendments eliminate the stranded tax effects that were created as a result of the reduction of historical U.S. federal corporate income tax rate to the newly enacted U.S. federal corporate income tax rate. The accounting update is effective January 1, 2019, with early adoption permitted, and is to be applied either in the period of adoption or retrospectively to each period in which the effect of the change in the U.S. federal corporate income tax rate in the TCJA is recognized. We are currently assessing the impact of the new standard on the consolidated financial statements.

Improvements to Accounting for Hedging Activities
ASU 2017-12 was issued in August 2017 with the objective of better aligning a company's risk management activities and the resulting hedge accounting reflected in the financial statements. The accounting update allows cash flow hedging of contractually specified components in financial and non-financial items. Under the new guidance, hedge ineffectiveness is no longer required to be measured and hedging instruments' fair value changes will be recorded in the same income statement line as the hedged item. The ASU also allows the initial quantitative hedge effectiveness assessment to be performed at any time before the end of the quarter in which the hedge is designated. After initial quantitative testing is performed, an ongoing qualitative effectiveness assessment is permitted. The accounting update is effective January 1, 2019 and is to be applied on a modified retrospective basis. We are currently assessing the impact of the new standard on our consolidated financial statements.

Clarifying Guidance on the Application of Modification Accounting on Stock Compensation
ASU 2017-09 was issued in May 2017 with the intent to clarify the scope of modification accounting and when it should be applied to a change to the terms or conditions of a share based payment award. Under the new guidance, modification accounting is required for all changes to share based payment awards, unless all of the following are met: 1) there is no change to the fair value of the award, 2) the vesting conditions have not changed, and 3) the classification of the award as an equity instrument or a debt instrument has not changed. The accounting update is effective January 1, 2018 and will be applied on a prospective basis. We do not expect the adoption of this accounting update to have a material impact on our consolidated financial statements.

Amending the Amortization Period for Certain Callable Debt Securities Purchased at a Premium
ASU 2017-08 was issued in March 2017 with the intent of shortening the amortization period to the earliest call date for certain callable debt securities held at a premium. The accounting update is effective January 1, 2019 and will be applied on a modified retrospective basis. We are currently assessing the impact of the new standard on our consolidated financial statements.

Improving the Presentation of Net Periodic Benefit Cost related to Defined Benefit Plans
ASU 2017-07 was issued in March 2017 primarily to improve the income statement presentation of the components of net periodic pension cost and net periodic postretirement benefit cost for an entity's sponsored defined benefit pension and OPEB plans. In addition, only the service cost component of net benefit cost is eligible for capitalization. The accounting update is effective January 1, 2018 and will be applied on a retrospective basis for the statement of earnings presentation component and a prospective basis for the capitalization component. We do not expect the adoption of this accounting update to have a material impact on our consolidated financial statements.

Clarifying Guidance on Derecognition and Partial Sales of Nonfinancial Assets
ASU 2017-05 was issued in February 2017 with the intent of clarifying the scope of asset derecognition guidance and accounting for partial sales of nonfinancial assets. The ASU clarifies the scope provisions of nonfinancial assets and how to allocate consideration to each distinct asset, and amends the guidance for derecognition of a distinct nonfinancial asset in partial sale transactions. The accounting update is effective January 1, 2018 and will be applied on a modified retrospective basis. We do not expect the adoption of this accounting update to have a material impact on our consolidated financial statements.

Clarifying the Presentation of Restricted Cash in the Statement of Cash Flows
ASU 2016-18 was issued in November 2016 with the intent to clarify guidance on the classification and presentation of changes in restricted cash and restricted cash equivalents within the statement of cash flows. The accounting update requires that changes in restricted cash and restricted cash equivalents be included within cash and cash equivalents when reconciling the opening and closing period amounts shown on the statement of cash flows. We currently present the changes in restricted cash and restricted cash equivalents under investing activities in the Consolidated Statement of Cash Flows. The accounting update is effective January 1, 2018 and will be applied on a retrospective basis. We will amend the presentation in the Consolidated Statement of Cash Flows to include restricted cash and restricted cash equivalents with cash and cash equivalents and we will retrospectively reclassify all periods presented.

Simplifying Cash Flow Classification
ASU 2016-15 was issued in August 2016 with the intent of reducing diversity in practice of how certain cash receipts and cash payments are classified in the Consolidated Statement of Cash Flows. The new guidance addresses eight specific presentation issues. The accounting update is effective January 1, 2018 and will be applied on a retrospective basis. We assessed each of the eight specific presentation issues and the adoption of this ASU does not have a material impact on our consolidated financial statements.

Accounting for Credit Losses
ASU 2016-13 was issued in June 2016 with the intent of providing financial statement users with more useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. Current treatment uses the incurred loss methodology for recognizing credit losses that delays the recognition until it is probable a loss has been incurred. The accounting update adds a new impairment model, known as the current expected credit loss model, which is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of expected credit losses, which the Financial Accounting Standards Board believes will result in more timely recognition of such losses. We are currently assessing the impact of the new standard on our consolidated financial statements. The accounting update is effective January 1, 2020.

Recognition of Leases
ASU 2016-02 was issued in February 2016 with the intent to increase transparency and comparability among organizations. It requires lessees of operating lease arrangements to recognize lease assets and lease liabilities on the statement of financial position and disclose additional key information about lease agreements. The accounting update also replaces the current definition of a lease and requires that an arrangement be recognized as a lease when a customer has the right to obtain substantially all of the economic benefits from the use of an asset, as well as the right to direct the use of the asset. We are currently gathering a complete inventory of our lease contracts in order to assess the impact of the new standard on our consolidated financial statements. The accounting update is effective January 1, 2019 and will be applied using a modified retrospective approach.

Recognition and Measurement of Financial Assets and Liabilities
ASU 2016-01 was issued in January 2016 with the intent to address certain aspects of recognition, measurement, presentation and disclosure of financial assets and liabilities. Investments in equity securities, excluding equity method and consolidated investments, are no longer classified as trading or available-for-sale securities. All investments in equity securities with readily determinable fair values are classified as investments at fair value through net income. Investments in equity securities without readily determinable fair values are measured using the fair value measurement alternative and are recorded at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer. Investments in equity securities measured using the fair value measurement alternative are reviewed for indicators of impairment each reporting period. Fair value of financial instruments for disclosure purposes is measured using exit price. The accounting update is effective January 1, 2018 and applied on a prospective basis. We do not expect the adoption of this accounting update to have a material impact on our consolidated financial statements.

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

We have reviewed our revenue contracts in order to evaluate the effect of the new standard on our revenue recognition practices. Based on our assessment to-date, the adoption of the new standard will have the following impact to our financial statements:

- A change in presentation in the Gas Distribution business related to payments to customers under the earnings sharing mechanism which are currently shown as an expense in the

Consolidated Statements of Earnings. Under the new standard, these payments will be reflected as a reduction of revenue.

- Estimates of variable consideration, required under the new standard for certain Liquids Pipelines, Gas Transmission and Midstream and Green Power and Transmission revenue contracts as well as the allocation of the transaction price for certain Liquids Pipelines revenue contracts, may result in changes to the pattern or timing of revenue recognition for those contracts.
- Non-cash consideration received in the form of a percentage of the products derived from processing natural gas in the Gas Transmission and Midstream business was previously accounted for as revenue when the commodity was sold to third parties. Under the new standard, the non-cash consideration will be accounted for as revenue when processing services are performed. The commodity will continue to be accounted for as revenue when it is subsequently sold to third parties. The impact of this change will be an increase in costs and revenues due to the recognition of this non-cash consideration.
- Service fee revenue, from processing natural gas for certain contracts in the Gas Transmission and Midstream business whereby Enbridge purchases natural gas at the wellhead, then processes and subsequently sells the gas, was previously presented as revenue. Under the new standard, processing fees charged on natural gas purchased by Enbridge are presented as a reduction of commodity costs upon the transfer of control of the natural gas at the wellhead.
- Revenue from certain contracts in the Gas Transmission and Midstream business that provide for Enbridge to process and sell customers' natural gas and retain a percentage of the resulting processed natural gas and/or NGLs as payment for processing services rendered, commonly referred to as Percentage of Proceeds and Percentage of Liquids contracts, was previously presented on a gross basis whereby Enbridge recorded one hundred percent of the value of the natural gas and products sold as revenue, with the cost of the natural gas purchased recorded as commodity cost. Under the new standard only Enbridge's share of the products retained and sold is presented as revenue and no commodity cost is recorded.
- Certain payments received from customers to offset the cost of constructing assets required to provide services to those customers, referred to as Contributions in Aid of Construction (CIAC) were previously recorded as reductions of property, plant and equipment regardless of whether the amounts were imposed by regulation or negotiated. Under the new standard, negotiated CIACs are deemed to be advance payments for services and must be recognized as revenue when those future services are provided. Negotiated CIACs will be accounted for as deferred revenue and recognized over the term of the associated revenue contract.

Upon adoption, we will recognize the significant cumulative effect of initially applying the new standard as an increase in the opening balance of retained deficit of approximately $120 million, an increase in property, plant and equipment of $130 million and an increase in deferred revenue of $120 million, subject to final determination, as at January 1, 2018. The adoption of the new standard will also result in changes in classification between Revenue and Commodity costs as discussed above.

We have also developed and tested processes to generate the disclosures which will be required under the new standard commencing in the first quarter of 2018.

4. SEGMENTED INFORMATION

Effective December 31, 2017, we changed our segment-level profit measure to Earnings before interest, income taxes and depreciation and amortization from the previous measure of Earnings before interest and income taxes. We also renamed the Gas Pipelines and Processing segment to Gas Transmission and Midstream. The presentation of the prior years' tables has been revised in order to align with the current presentation.

Segmented information for the years ended December 31, 2017, 2016 and 2015 are as follows:

Year ended December 31, 2017	Liquids Pipelines	Gas Transmission and Midstream	Gas Distribution	Green Power and Transmission	Energy Services	Eliminations and Other	Consolidated
(millions of Canadian dollars)							
Revenues	**8,913**	**7,067**	**4,992**	**534**	**23,282**	**(410)**	**44,378**
Commodity and gas distribution costs	**(18)**	**(2,834)**	**(2,689)**	**—**	**(23,508)**	**412**	**(28,637)**
Operating and administrative	**(2,949)**	**(1,756)**	**(960)**	**(163)**	**(47)**	**(567)**	**(6,442)**
Impairment of long-lived assets	**—**	**(4,463)**	**—**	**—**	**—**	**—**	**(4,463)**
Impairment of goodwill	**—**	**(102)**	**—**	**—**	**—**	**—**	**(102)**
Income/(loss) from equity investments	**416**	**653**	**23**	**6**	**8**	**(4)**	**1,102**
Other income/(expense)	**33**	**166**	**24**	**(5)**	**2**	**232**	**452**
Earnings/(loss) before interest, income tax expense, and depreciation and amortization	**6,395**	**(1,269)**	**1,390**	**372**	**(263)**	**(337)**	**6,288**
Depreciation and amortization							**(3,163)**
Interest expense							**(2,556)**
Income tax recovery							**2,697**
Earnings							**3,266**
Capital expenditures[1]	**2,799**	**4,016**	**1,177**	**321**	**1**	**108**	**8,422**
Total assets	**63,881**	**60,745**	**25,956**	**6,289**	**2,514**	**2,708**	**162,093**

Year ended December 31, 2016	Liquids Pipelines	Gas Transmission and Midstream	Gas Distribution	Green Power and Transmission	Energy Services	Eliminations and Other	Consolidated
(millions of Canadian dollars)							
Revenues	8,176	2,877	2,976	502	20,364	(335)	34,560
Commodity and gas distribution costs	(12)	(2,206)	(1,653)	5	(20,473)	334	(24,005)
Operating and administrative	(2,908)	(446)	(553)	(173)	(63)	(215)	(4,358)
Impairment of long-lived assets	(1,365)	(11)	—	—	—	—	(1,376)
Income/(loss) from equity investments	194	223	12	2	(3)	—	428
Other income/(expense)	841	27	49	8	(8)	115	1,032
Earnings/(loss) before interest, income tax expense, and depreciation and amortization	4,926	464	831	344	(183)	(101)	6,281
Depreciation and amortization							(2,240)
Interest expense							(1,590)
Income tax expense							(142)
Earnings							2,309
Capital expenditures[1]	3,957	176	713	251	—	32	5,129
Total assets	52,007	11,182	10,132	5,571	1,951	4,366	85,209

Year ended December 31, 2015	Liquids Pipelines	Gas Transmission and Midstream	Gas Distribution	Green Power and Transmission	Energy Services	Eliminations and Other	Consolidated
(millions of Canadian dollars)							
Revenues	5,589	3,803	3,609	498	20,842	(547)	33,794
Commodity and gas distribution costs	(9)	(3,002)	(2,349)	4	(20,443)	558	(25,241)
Operating and administrative	(2,748)	(506)	(536)	(143)	(66)	(132)	(4,131)
Impairment of long-lived assets	(80)	(16)	—	—	—	—	(96)
Impairment of goodwill	—	(440)	—	—	—	—	(440)
Income/(loss) from equity investments	296	200	(10)	2	(9)	(4)	475
Other income/(expense)	(15)	4	49	2	—	(742)	(702)
Earnings/(loss) before interest, income tax expense, and depreciation and amortization	3,033	43	763	363	324	(867)	3,659
Depreciation and amortization							(2,024)
Interest expense							(1,624)
Income tax expense							(170)
Loss							(159)
Capital expenditures[1]	5,884	385	858	68	—	80	7,275

1 Includes allowance for equity funds used during construction.

The measurement basis for preparation of segmented information is consistent with the significant accounting policies *(Note 2)*.

Our largest non-affiliated customer accounted for approximately 11.8%, 18.0%, and 21.8% of our third-party revenues for the years ended December 31, 2017, 2016 and 2015, respectively. A second customer accounted for approximately 10.4% of our third-party revenues for the year ended December 31, 2016. A third customer accounted for approximately 10.8% of our third-party revenues for the year ended December 31, 2015. Revenues from these three customers are primarily reported in the Energy Services segment.

OUT-OF-PERIOD ADJUSTMENT

Earnings attributable to common shareholders for the year ended December 31, 2015 were increased by an out-of-period adjustment of $71 million in respect of an overstatement of deferred income tax expense in 2013 and 2014.

GEOGRAPHIC INFORMATION

Revenues[1]

Year ended December 31,	**2017**	2016	2015
(millions of Canadian dollars)			
Canada	**18,076**	12,470	11,087
United States	**26,302**	22,090	22,707
	44,378	34,560	33,794

1 Revenues are based on the country of origin of the product or service sold.

Property, Plant and Equipment[1]

December 31,	**2017**	2016
(millions of Canadian dollars)		
Canada	**46,025**	32,008
United States	**44,686**	32,276
	90,711	64,284

1 Amounts are based on the location where the assets are held.

5. EARNINGS PER COMMON SHARE

BASIC
Earnings per common share is calculated by dividing earnings attributable to common shareholders by the weighted average number of common shares outstanding. The weighted average number of common shares outstanding has been reduced by our pro-rata weighted average interest in our own common shares of 13 million as at December 31, 2017 and 2016, and 12 million as at December 31, 2015 resulting from our reciprocal investment in Noverco.

DILUTED
The treasury stock method is used to determine the dilutive impact of stock options. This method assumes any proceeds from the exercise of stock options would be used to purchase common shares at the average market price during the period.

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

December 31,	**2017**	2016	2015
(number of shares in millions)			
Weighted average shares outstanding	**1,525**	911	847
Effect of dilutive options	**7**	7	—
Diluted weighted average shares outstanding	**1,532**	918	847

For the years ended December 31, 2017, 2016 and 2015, 14,271,615, 10,803,672 and 36,005,043, respectively, of anti-dilutive stock options with a weighted average exercise price of $56.71, $52.92 and $40.26, respectively, were excluded from the diluted earnings per common share calculation.

6. REGULATORY MATTERS

GENERAL INFORMATION ON RATE REGULATION AND ITS ECONOMIC EFFECTS
We record assets and liabilities that result from the regulated ratemaking process that would not be recorded under GAAP for non-regulated entities. See Note 2 for further discussion.

A number of our businesses are subject to regulation by the NEB. We also collect and set aside funds to cover future pipeline abandonment costs for all NEB regulated pipelines as a result of the NEB's regulatory requirements under LMCI *(Note 13)*. Amounts expected to be paid to cover future abandonment costs are recognized as long-term regulatory liabilities. Our significant regulated businesses and other related accounting impacts, are described below.

Liquids Pipelines
Canadian Mainline
Canadian Mainline includes the Canadian portion of the mainline system and is subject to regulation by the NEB. Canadian Mainline tolls (excluding Lines 8 and 9) are currently governed by the 10-year CTS, which establishes a Canadian Local Toll for all volumes shipped on the Canadian Mainline and an International Joint Tariff for all volumes shipped from western Canadian receipt points to delivery points on the Lakehead System and delivery points on the Canadian Mainline downstream of the Lakehead System. The CTS was negotiated with shippers in accordance with NEB guidelines, was approved by the NEB in June 2011 and took effect July 1, 2011. Under the CTS, a regulatory asset is recognized to offset deferred income taxes as a NEB rate order governing flow-through income tax treatment permits future recovery. No other material regulatory assets or liabilities are recognized under the terms of the CTS.

Southern Lights Pipeline
The United States portion of the Southern Lights Pipeline is regulated by the FERC and the Canadian portion of the Southern Lights Pipeline is regulated by the NEB. Shippers on the Southern Lights Pipeline are subject to long-term transportation contracts under a cost-of-service toll methodology. Toll adjustments are filed annually with the regulators. Tariffs provide for recovery of allowable operating and debt financing costs, plus a pre-determined after-tax rate of return on equity (ROE) of 10%. Southern Lights Pipeline tolls are based on a deemed 70% debt and 30% equity structure.

Gas Transmission and Midstream

British Columbia Pipeline and British Columbia Field Services
Under the current NEB-authorized rate structure, income tax costs are recovered in tolls based on the current income tax payable and do not include accruals for deferred income tax. However, as income taxes become payable as a result of the reversal of timing differences that created the deferred income taxes, it is expected that transportation and field services tolls will be adjusted to recover these taxes. Since most of these timing differences are related to property, plant and equipment costs, this recovery is expected to occur over the life of those assets.

Spectra Energy Partners, LP
SEP's gas transmission and storage services are regulated by the FERC. Current rates are governed by the applicable FERC-approved natural gas tariff while fee-based gathering services are governed by the applicable state oil and gas commissions.

For information related to regulatory assets acquired in the Merger Transaction for Union Gas, British Columbia (BC) Pipelines, BC Field Services and SEP, refer to *Note 7 - Acquisitions and Dispositions*.

Gas Distribution

Enbridge Gas Distribution Inc.
EGD’s gas distribution operations are regulated by the OEB. Rates for the years ended December 31, 2017 and 2016 were set in accordance with parameters established by the customized incentive rate plan (IR Plan). The customized IR Plan, inclusive of the requested capital investment amounts and an incentive mechanism providing the opportunity to earn above the allowed ROE, was approved, with modifications, by the OEB in 2014. The approved customized IR Plan is for establishing rates for 2014 through 2018.

As part of the customized IR Plan, the OEB approved the adoption of a new approach for determining net salvage percentages to be included within EGD’s approved depreciation rates, as compared with the traditional approach previously employed. The new approach results in lower net salvage percentages for EGD, and therefore lowers depreciation rates and future removal and site restoration reserves. The customized IR Plan also includes an earnings sharing mechanism, whereby any return over the allowed rate of return for a given year under the customized IR Plan will be shared equally with customers. Within annual rate proceedings for 2015 through 2018, the customized requires allowed revenues, and corresponding rates, to be updated annually for select items.

EGD’s after-tax rate of return on common equity embedded in rates was 8.8% and 9.2% for the years ended December 31, 2017 and 2016, respectively, based on a 36% deemed common equity component of capital for regulatory purposes, in both years.

Union Gas Limited
Union Gas is regulated by the OEB. Union Gas's distribution rates beginning January 1, 2014 are set under a five-year incentive regulation framework. The incentive regulation framework establishes new rates at the beginning of each year through the use of a pricing formula rather than through the examination of revenue and cost forecasts.

The incentive regulation framework includes an earnings sharing mechanism that permits Union Gas to fully retain the return on common equity from utility operations up to 9.93%, share 50% of any earnings between 9.93% and 10.93% with customers, and share 90% of any earnings above 10.93% with customers. Union Gas's approved after-tax return on common equity is fixed at 8.93% for the five-year incentive regulation term.

Enbridge Gas New Brunswick Inc.
Enbridge Gas New Brunswick Inc. is regulated by the EUB. The current rates are set, as prescribed by legislation for 2018 and 2019. In 2020 all rates will be set by cost-of-service methodology.

FINANCIAL STATEMENT EFFECTS
Accounting for rate-regulated activities has resulted in the recognition of the following significant regulatory assets and liabilities:

December 31,	Recovery/Refund Period Ends	**2017**	2016
(millions of Canadian dollars)			
Regulatory assets/(liabilities)			
Liquids Pipelines			
Deferred income taxes	Various	**1,492**	1,270
Tolling deferrals	2018	**(34)**	(37)
Recoverable income taxes	Through 2030	**46**	51
Pipeline future abandonment costs[1]	Various	**(141)**	(88)
Gas Transmission and Midstream			
Deferred income taxes	Various	**717**	—
Regulatory liability related to income taxes[2]	Various	**(1,078)**	—
Other	Various	**(16)**	—
Gas Distribution			
Deferred income taxes	Various	**1,000**	385
Purchased gas variance[3]	Various	**51**	5
Pension plans and OPEB[4]	Various	**102**	116
Constant dollar net salvage adjustment	2018	**38**	38
Future removal and site restoration reserves	Various	**(1,066)**	(606)
Site restoration clearance adjustment	Various	**(31)**	(109)
Other	Various	**31**	(4)

1 Funds collected are included in Restricted long-term investments (Note 13).
2 Relates to the establishment of a regulatory liability as a result of the United States tax reform legislation dated December 22, 2017.
3 Purchase gas variance is the difference between the actual cost and the approved cost of natural gas reflected in rates. EGD and Union Gas have been granted OEB approval to refund this balance to, or to collect this balance from, customers on a rolling 12-month basis via the Quarterly Rate Adjustment Mechanism process.
4 The balances are excluded from the rate base and do not earn an ROE.

OTHER ITEMS AFFECTED BY RATE REGULATION
Allowance for Funds Used During Construction and Other Capitalized Costs
Under the pool method prescribed by certain regulators, it is not possible to identify the carrying value of the equity component of AFUDC or its effect on depreciation. Similarly, gains and losses on the retirement of certain specific fixed assets in any given year cannot be identified or quantified.

Operating Cost Capitalization
With the approval of regulators, certain operations capitalize a percentage of specified operating costs. These operations are authorized to charge depreciation and earn a return on the net book value of such capitalized costs in future years. In the absence of rate regulation, a portion of such operating costs would be charged to earnings in the year incurred.

EGD entered into a services contract relating to asset management initiatives. The majority of the costs, primarily consulting fees, are being capitalized to gas mains in accordance with regulatory approval. As at December 31, 2017 and 2016, the net book value of these costs included in gas mains in Property, plant and equipment, net was $118 million and $125 million, respectively. In the absence of rate regulation accounting, some of these costs would be charged to earnings in the year incurred.

7. ACQUISITIONS AND DISPOSITIONS

ACQUISITIONS

Spectra Energy Corp

On February 27, 2017, Enbridge and Spectra Energy combined in the Merger Transaction for a purchase price of $37.5 billion. Under the terms of the Merger Transaction, Spectra Energy shareholders received 0.984 shares of Enbridge for each share of Spectra Energy common stock that they owned, giving us 100% ownership of Spectra Energy.

Consideration offered to complete the Merger Transaction included 691 million common shares of Enbridge at US$41.34 per share, based on the February 24, 2017 closing price on the New York Stock Exchange (NYSE), for a total value of $37,429 million in common shares issued to Spectra Energy shareholders, plus approximately $3 million in cash in lieu of any fractional shares, and 3.5 million share options with a fair value of $77 million, that were exchanged for Spectra Energy's outstanding stock compensation awards.

Spectra Energy, through its subsidiaries and equity affiliates, owns and operates a large and diversified portfolio of complementary natural gas-related energy assets and is one of North America's leading natural gas infrastructure companies. Spectra Energy also owns and operates a crude oil pipeline system that connects Canadian and United States producers to refineries in the United States Rocky Mountain and Midwest regions. The combination brings together two highly complementary platforms to create North America's largest energy infrastructure company and meaningfully enhances customer optionality, positioning us for long-term growth opportunities, and strengthening our balance sheet.

The Merger Transaction has been accounted for as a business combination under the acquisition method of accounting as prescribed by Accounting Standards Codification (ASC) 805 *Business Combinations*. The acquired tangible and intangible assets and assumed liabilities are recorded at their estimated fair values at the date of acquisition.

The purchase price allocation has been completed as at December 31, 2017, along with the allocation of goodwill to reporting units *(Note 15)*. Our reporting units are equivalent to our identified segments with the exception of the Gas Transmission and Midstream segment, which is composed of two reporting units: gas transmission and gas midstream.

The following table summarizes the estimated fair values that were assigned to the net assets of Spectra Energy:

February 27,	2017
(millions of Canadian dollars)	
Fair value of net assets acquired:	
Current assets (a)	2,432
Property, plant and equipment, net (b)	33,555
Restricted long-term investments	144
Long-term investments (c)	5,000
Deferred amounts and other assets (d)	2,390
Intangible assets, net (e)	1,288
Current liabilities (a)	(3,982)
Long-term debt (d)	(21,444)
Other long-term liabilities	(1,983)
Deferred income taxes (b)	(7,670)
Noncontrolling interests (f)	(8,877)
	853
Goodwill (g)	36,656
	37,509
Purchase price:	
Common shares	37,429
Cash	3
Fair value of outstanding earned stock compensation awards recorded in Additional paid-in capital	77
	37,509

a) Accounts receivable is comprised primarily of customer trade receivables and natural gas imbalances. As such, the fair value of accounts receivable approximates the net carrying value of $1,174 million. The gross amount due of $1,190 million, of which $16 million is not expected to be collected, is included in current assets.

During the fourth quarter of 2017, we identified certain transactions that were not reflected in the purchase price equation. This resulted in a $67 million and $548 million increase in current assets and current liabilities, respectively, and a $481 million decrease in long-term debt.

b) We have applied the valuation methodologies described in ASC 820 *Fair Value Measurements and Disclosures*, to value the property, plant and equipment purchased. The fair value of Spectra Energy's rate-regulated property, plant and equipment was determined using a market participant perspective, which is their carrying amount. The fair value of the remaining non-regulated property, plant and equipment was determined primarily using variations of the income approach, which is based on the present value of the future after-tax cash flows attributable to each non-regulated asset. Some of the more significant assumptions inherent in the development of the values, from the perspective of a market participant, include, but are not limited to, the amount and timing of projected future cash flows (including revenue and profitability); the discount rate selected to measure the risks inherent in the future cash flows; the assessment of the asset's life cycle; the competitive trends impacting the asset; and customer turnover.

During the third quarter of 2017, Spectra Energy's right-of-way agreements were reclassified from intangible assets to property, plant and equipment to conform the presentation of these agreements with our accounting policy pertaining to rights-of-way. The purchase price allocation above reflects this reclassification, which amounted to $830 million as at February 27, 2017. There is no change in the amortization period for the right-of-way agreements as a result of this reclassification.

During the fourth quarter of 2017, we finalized our fair value measurement of the BC Pipeline & Field Services businesses, which resulted in decreases to property, plant and equipment of $1,955 million and deferred income tax liabilities of $661 million as at February 27, 2017.

c) Long-term investments represent Spectra Energy's 50% equity investment in DCP Midstream, Gulfstream Natural Gas System, L.L.C., Nexus Gas Transmission, LLC (Nexus), Steckman Ridge LP, Islander East Pipeline Company, L.L.C., Southeast Supply Header L.L.C., and 20% equity interest in PennEast Pipeline Company LLC (PennEast). The fair value of these investments was determined using an income approach.

d) Fair value of long-term debt was determined based on the current underlying Government of Canada and United States Treasury interest rates on the corresponding bonds, as well as an implied credit spread based on current market conditions and resulted in an increase in the book value of debt of $1.5 billion. The fair value adjustment to long-term debt related to rate-regulated entities of $629 million also results in a regulatory offset in Deferred amounts and other assets in the Consolidated Statements of Financial Position.

During the fourth quarter of 2017, deferred amounts and other assets decreased by $530 million as at February 27, 2017 due to the finalization of BC Pipelines & Field Services' fair value measurement, as discussed under *(b)* above.

During the fourth quarter of 2017, we identified certain transactions that were not reflected in the purchase price equation. This resulted in a $481 million decrease in long-term debt, as discussed under *(a)* above.

e) Intangible assets primarily consist of customer relationships in the non-regulated business, which represent the underlying relationship from long-term agreements with customers that are capitalized upon acquisition, determined using the income approach. Intangible assets are amortized on a straight-line basis over their expected lives.

During the third quarter of 2017, intangible assets decreased by $830 million as at February 27, 2017 due to a reclassification to property, plant and equipment, as discussed under *(b)* above.

The fair value of intangible assets acquired through the Merger Transaction, by major classes is as follows:

As at February 27, 2017	Weighted Average Amortization Rate	Fair Value
(millions of Canadian dollars)		
Customer relationships[1]	3.7%	739
Project agreement[2]	4.0%	105
Software	11.1%	329
Other	4.2%	115
		1,288

1 Represents customer relationships in the non-regulated business, which were capitalized upon acquisition.

2 Represents a project agreement between SEP, NextEra Energy, Inc., Duke Energy Corporation (Duke Energy) and Williams Partners L.P. In accordance with the agreement, payments will be made, based on our proportional ownership interest in Sabal Trail Transmission, LLC (Sabal Trail), as certain milestones of the project are met. Amortization of the intangible asset began on July 3, 2017, when Sabal Trail was placed into service (Note 12).

f) The fair value of Spectra Energy's noncontrolling interests includes approximately 78.4 million SEP common units outstanding to the public, valued at the February 24, 2017 closing price of US$44.88 per common unit on the NYSE, and units held by third parties in Maritimes & Northeast Pipeline, L.L.C., Sabal Trail and Algonquin Gas Transmission, L.L.C., valued based on the

underlying net assets of each reporting unit and preferred stock held by third parties in Union Gas and Westcoast Energy Inc.

During the third quarter of 2017, we finalized our fair value measurement of Sabal Trail, which resulted in an increase to noncontrolling interests of $85 million as at February 27, 2017.

g) We recorded $36.7 billion in goodwill, which is primarily related to expected synergies from the Merger Transaction. The goodwill balance recognized is not deductible for tax purposes. Factors that contributed to the goodwill include the opportunity to expand our natural gas pipelines segment, the potential for cost and supply chain optimization synergies, existing assembled assets and work force that cannot be duplicated at the same cost by a new entrant, franchise rights and other intangibles not separately identifiable because they are inextricably linked to the provision of regulated utility service and the enhanced scale and geographic diversity which provide greater optionality and platforms for future growth.

During the third quarter of 2017, goodwill increased by $85 million as at February 27, 2017 due to the finalization of the fair value measurement of Sabal Trail as discussed under *(f)* above.

During the fourth quarter of 2017, goodwill increased by $1,824 million as at February 27, 2017 due to the finalization of the fair value measurement of BC Pipelines & Field Services as discussed under *(b)* above.

Acquisition-related expenses incurred to date were approximately $231 million. Costs incurred for the years ended December 31, 2017 and 2016 of $180 million and $51 million, respectively, are included in Operating and administrative expense in the Consolidated Statements of Earnings.

Upon completion of the Merger Transaction, we began consolidating Spectra Energy. Since the closing date of February 27, 2017 through December 31, 2017, Spectra Energy has generated approximately $5,740 million in revenues and $2,574 million in earnings.

Our supplemental pro forma consolidated financial information for the years ended December 31, 2017 and 2016, including the results of operations for Spectra Energy as if the Merger Transaction had been completed on January 1, 2016 are as follows:

Year ended December 31,	**2017**	2016
(unaudited; millions of Canadian dollars)		
Revenues	**45,669**	40,934
Earnings attributable to common shareholders[1]	**2,902**	2,820

1 Merger Transaction costs of $180 million (after-tax $131 million) were excluded from earnings for the year ended December 31, 2017.

Tupper Main and Tupper West
On April 1, 2016, we acquired the Tupper Main and Tupper West gas plants and associated pipelines (the Tupper Plants) located in northeastern BC for cash consideration of $539 million. The purchase price for the Tupper Plants was equal to the fair value of identifiable net assets acquired and accordingly, we did not recognize any goodwill as part of the acquisition. Transaction costs incurred by us totaled approximately $1 million and are included in Operating and administrative expense in the Consolidated Statements of Earnings. The Tupper Plants are a part of our Gas Transmission and Midstream segment.

Since the closing date through December 31, 2016, the Tupper Plants generated approximately $33 million in revenues and $22 million in earnings before interest and income taxes. If the acquisition had closed on January 1, 2016, the Consolidated Statements of Earnings for the year ended December 31, 2016 would have shown revenues of $44 million and earnings before interest and income taxes of $28 million.

The final purchase price allocation was as follows:

	April 1, 2016
(millions of Canadian dollars)	
Fair value of net assets acquired:	
Property, plant and equipment	288
Intangible assets	251
	539
Purchase price:	
Cash	539

OTHER ACQUISITIONS

Chapman Ranch Wind Project

On September 9, 2016, we acquired a 100% interest in the 249 megawatt (MW) Chapman Ranch Wind Project (Chapman Ranch) located in Texas for cash consideration of $65 million (US$50 million), of which $62 million (US$48 million) was allocated to property, plant and equipment and the balance allocated to Intangible assets. On November 2, 2016, we invested a further $40 million (US$30 million) in Chapman Ranch, of which $23 million (US$17 million) was related to Property, plant and equipment and the balance related to Intangible assets. There would have been no effect on our earnings if the transaction had occurred on January 1, 2016 as the project was under construction and had not generated revenues to date. Chapman Ranch is a part of our Green Power and Transmission segment.

New Creek Wind Project

In November 2015, we acquired a 100% interest in the 103 MW New Creek Wind Project (New Creek) for cash consideration of $48 million (US$36 million), with $35 million (US$26 million) of the purchase price allocated to Property, plant and equipment and the balance allocated to Intangible assets. New Creek was placed into service in December 2016 and is a part of our Green Power and Transmission segment.

Midstream Business

On February 27, 2015, Enbridge Energy Partners, L.P. (EEP) acquired, through its partially-owned subsidiary, Midcoast Energy Partners, L.P. (MEP), the midstream business of New Gulf Resources, LLC located in Texas for $106 million (US$85 million) in cash and a contingent future payment of up to $21 million (US$17 million). The acquisition consisted of a natural gas gathering system that is in operation and is a part of our Gas Transmission and Midstream segment. Of the purchase price, we allocated $69 million (US$55 million) to Property, plant and equipment and the balance to Intangible assets. In 2016, we determined that the likelihood of making any future contingent payments was remote.

ASSETS HELD FOR SALE

US Midstream

In November 2017, we announced that we have identified certain non-core assets that we plan to sell or monetize in 2018 as they do not meet our long-term strategy. As a result, we are in the process of selling certain assets within the United States Midstream business of our Gas Transmission and Midstream segment. As at December 31, 2017, we classified these assets as held for sale and measured them at the lower of their carrying value or fair value less costs to sell, which resulted in a loss of $4.4 billion ($2.8 billion after-tax) and a related goodwill impairment of $102 million. Fair value less cost to sell was estimated using the discounted cash flow method, which was negatively impacted by prolonged decline in commodity prices and deteriorating business performance. This loss has been included within Impairment of long-lived assets and Impairment of goodwill, respectively, on the Consolidated Statements of Earnings for the year ended December 31, 2017.

St. Lawrence Gas Company, Inc.

In August 2017, we entered into an agreement to sell the issued and outstanding shares of St. Lawrence Gas Company, Inc. (St. Lawrence Gas) for cash proceeds of approximately $88 million (US$70 million). Subject to regulatory approval and certain pre-closing conditions, the transaction is expected to close in

2018. As at December 31, 2017, St. Lawrence Gas, which is a part of our Gas Distribution segment, was classified as held for sale in the Consolidated Statements of Financial Position.

The table below summarizes the presentation of net assets held for sale in our Consolidated Statements of Financial Position:

December 31,	**2017**	2016
(millions of Canadian dollars)		
Accounts receivable and other (current assets held for sale)	**424**	—
Deferred amounts and other assets (long-term assets held for sale)	**1,190**	278
Accounts payable and other (current liabilities held for sale)	**(315)**	—
Net assets held for sale	**1,299**	278

DISPOSITIONS

Olympic Pipeline

On July 31, 2017, we completed the sale of our interest in Olympic Pipeline for cash proceeds of approximately $203 million (US$160 million). A gain on disposal of $27 million (US$21 million) before tax was included in Other income/(expense) in the Consolidated Statements of Earnings. This interest was a part of our Liquids Pipelines segment.

Sandpiper Project

During the year ended December 31, 2017, we sold unused pipe related to the Sandpiper Project (Sandpiper) for cash proceeds of approximately $148 million (US$111 million). A gain on disposal of $83 million (US$63 million) before tax was included in Operating and administrative expense in the Consolidated Statements of Earnings. These assets were a part of our Liquids Pipelines segment.

Ozark Pipeline

In 2016, we classified the Ozark Pipeline assets as held for sale. On March 1, 2017, we completed the sale of the Ozark Pipeline assets to a subsidiary of MPLX LP for cash proceeds of approximately $294 million (US$220 million), including reimbursement of costs. A gain on disposal of $14 million (US$10 million) before tax was included in Operating and administrative expense in the Consolidated Statements of Earnings. These assets were a part of our Liquids Pipelines segment.

South Prairie Region

On December 1, 2016, we completed the sale of the South Prairie Region assets for cash proceeds of approximately $1.1 billion. A gain on disposal of $850 million before tax was included in Other income/(expense) in the Consolidated Statements of Earnings. These assets were a part of our Liquids Pipelines segment.

OTHER DISPOSITIONS

In December 2016, we sold other miscellaneous non-core assets for cash proceeds of approximately $286 million.

In August 2015, we sold our 77.8% controlling interest in the Frontier Pipeline Company, which holds pipeline assets located in the midwest United States, for gross proceeds of approximately $112 million (US$85 million). A gain on disposal of $70 million (US$53 million) before tax was included in Other income/(expense) in the Consolidated Statements of Earnings. This interest was a part of our Liquids Pipelines segment.

In May 2015, the Fund sold certain of its crude oil pipeline system assets for gross proceeds of approximately $26 million. A gain on disposal of $22 million before tax was included in Other income/(expense) in the Consolidated Statements of Earnings. These assets were a part of our Liquids Pipelines segment.

8. ACCOUNTS RECEIVABLE AND OTHER

December 31,	**2017**	2016
(millions of Canadian dollars)		
Trade receivables and unbilled revenues[1]	**5,325**	3,814
Other	**1,728**	1,164
	7,053	4,978

1 Net of allowance for doubtful accounts of $50 million and $46 million as at December 31, 2017 and 2016, respectively.

During 2017, in conjunction with its restructuring actions *(Note 19)*, EEP terminated a receivable purchase agreement with a special purpose entity wholly-owned by us.

9. INVENTORY

December 31,	**2017**	2016
(millions of Canadian dollars)		
Natural gas	**695**	594
Crude oil	**744**	634
Other commodities	**89**	5
	1,528	1,233

10. PROPERTY, PLANT AND EQUIPMENT

December 31,	Weighted Average Depreciation Rate	**2017**	2016
(millions of Canadian dollars)			
Pipeline	2.5%	**47,720**	34,474
Pumping equipment, buildings, tanks and other	2.9%	**16,610**	15,554
Land and right-of-way[1]	2.1%	**2,538**	2,067
Gas mains, services and other	2.1%	**17,026**	10,022
Compressors, meters and other operating equipment	2.1%	**5,774**	4,014
Processing and treating plants	3.1%	**1,440**	846
Storage	2.0%	**1,545**	—
Wind turbines, solar panels and other	3.3%	**4,804**	4,259
Power transmission	2.2%	**365**	378
Vehicles, office furniture, equipment and other buildings and improvements	6.5%	**390**	315
Under construction	—	**7,601**	6,966
Total property, plant and equipment[2]		**105,813**	78,895
Total accumulated depreciation		**(15,102)**	(14,611)
Property, plant and equipment, net		**90,711**	64,284

1 The measurement of weighted average depreciation rate excludes non-depreciable assets.
2 Certain assets were reclassified as held for sale as at December 31, 2017 (Note 7).

Depreciation expense for the years ended December 31, 2017, 2016 and 2015 was $2.9 billion, $2.0 billion and $1.9 billion, respectively.

IMPAIRMENT
Northern Gateway Project
On November 29, 2016, the Canadian Federal Government directed the NEB to dismiss our Northern Gateway Project application and the Certificates of Public Convenience and Necessity have been rescinded. In consultation with potential shippers and Aboriginal equity partners, we assessed this

decision and concluded that the project cannot proceed as envisioned. After taking into consideration the amount recoverable from potential shippers on Northern Gateway Project, we recognized an impairment of $373 million ($272 million after-tax), which is included in Impairment of property, plant and equipment in the Consolidated Statements of Earnings. This impairment loss is based on the full carrying value of the assets, which have an estimated fair value of nil, and are a part of our Liquids Pipelines segment.

Sandpiper Project
On September 1, 2016, we announced that EEP applied for the withdrawal of regulatory applications pending with the Minnesota Public Utilities Commission for Sandpiper. In connection with this announcement and other factors, we evaluated Sandpiper for impairment. As a result, we recognized an impairment loss of $992 million ($81 million after-tax attributable to us) for the year ended December 31, 2016, which is included in Impairment of property, plant and equipment in the Consolidated Statements of Earnings. Sandpiper is a part of our Liquids Pipelines segment. The estimated remaining fair value of Sandpiper was based on the estimated price that would be received to sell unused pipe, land and other related equipment in its current condition, considering the current market conditions for sale of these assets at the time. The valuation considered a range of potential selling prices from various alternatives that could be used to dispose of these assets. The estimated fair value, with the exception of $3 million in land, was reclassified into Deferred amounts and other assets in the Consolidated Statements of Financial Position as at December 31, 2016. During 2017, we disposed of substantially all of the remaining Sandpiper assets *(Note 7)*.

Other
For the year ended December 31, 2016, we recorded impairment charges of $11 million related to EEP's non-core trucking assets and related facilities, which are a part of our Gas Transmission and Midstream segment.

For the year ended December 31, 2015, we recorded impairment charges of $96 million, of which $80 million related to EEP's Berthold rail facility, included within the Liquids Pipelines segment, due to contracts that were not yet renewed beyond 2016. The remaining $16 million in impairment charges relate to EEP's non-core Louisiana propylene pipeline asset, included within the Gas Transmission and Midstream segment, following finalization of a contract restructuring with a primary customer.

Impairment charges were based on the amount by which the carrying values of the assets exceeded fair value, determined using expected discounted future cash flows, and such charges are included in Impairment of property, plant and equipment on the Consolidated Statements of Earnings.

11. VARIABLE INTEREST ENTITIES

CONSOLIDATED VARIABLE INTEREST ENTITIES
Enbridge Energy Partners, L.P.
EEP is a publicly-traded Delaware limited partnership and is considered a VIE as its limited partners do not have substantive kick-out rights or participating rights. Through our wholly-owned subsidiary, Enbridge Energy Company, Inc. (EECI), we have the power to direct EEP's activities and have a significant impact on EEP's economic performance. Along with an economic interest held through an indirect common interest and general partner interest through EECI, and through our 100% ownership of EECI, we are the primary beneficiary of EEP. As at December 31, 2017 and 2016, our economic interest in EEP was 34.6% and 35.3% respectively. The public owns the remaining interests in EEP.

Enbridge Income Fund
The Fund is an unincorporated open-ended trust established by a trust indenture under the laws of the Province of Alberta and is considered a VIE by virtue of its capital structure. We are the primary beneficiary of the Fund through our combined 82.5% economic interest held indirectly through a common investment in ENF, a direct common interest in the Fund, a preferred unit investment in ECT, a direct common interest in Enbridge Income Partners GP Inc., and a direct common interest in EIPLP. As at

December 31, 2016, our combined economic interest was 86.9%. As at December 31, 2017 and 2016, our direct common interest in the Fund was 29.4% and 43.2%, respectively. We also serve in the capacity of Manager of ENF and the Fund Group.

Enbridge Commercial Trust
We have the ability to appoint the majority of the trustees to ECT's Board of Trustees, resulting in a lack of decision making ability for the holders of the common trust units of ECT. As a result, ECT is considered to be a VIE and although we do not have a common equity interest in ECT, we are considered to be the primary beneficiary of ECT. We also serve in the capacity of Manager of ECT, as part of the Fund Group.

Enbridge Income Partners LP
EIPLP, formed in 2002, is involved in the generation, transportation and storage of energy through interests in its Liquids Pipelines business, including the Canadian Mainline, the Regional Oil Sands System, a 50.0% interest in the Alliance Pipeline, which transports natural gas, and its renewable and alternative power generation facilities. EIPLP is a partnership between an indirect wholly-owned subsidiary of Enbridge and ECT. EIPLP is considered a VIE as its limited partners lack substantive kick-out rights and participating rights. Through a majority ownership of EIPLP's General Partner, 100% ownership of Enbridge Management Services Inc. (a service provider for EIPLP), and 53.1% of direct common interest in EIPLP, we have the power to direct the activities that most significantly impact EIPLP's economic performance and have the obligation to absorb losses and the right to receive residual returns that are potentially significant to EIPLP, making us the primary beneficiary of EIPLP. As at December 31, 2017 and 2016, our economic interest in EIPLP was 73.5% and 79.1%, respectively.

Green Power and Transmission
Through various subsidiaries, we have a majority ownership interest in Magic Valley, Wildcat, Keechi Wind Project (Keechi), and New Creek wind farms. These wind farms are considered VIEs as they do not have sufficient equity at risk and are partially financed by tax equity investors. We are the primary beneficiary of these VIEs by virtue of our voting rights, our power to direct the activities that most significantly impact the economic performance of the wind farms, and our obligation to absorb losses.

Enbridge Holdings (DakTex) L.L.C.
Enbridge Holdings (DakTex) L.L.C. (DakTex) is owned 75% by a wholly-owned subsidiary of Enbridge and 25% by EEP, through which we have an effective 27.6% interest in the equity investment, Bakken Pipeline System *(Note 12)*. EEP is the primary beneficiary because it has the power to direct DakTex's activities that most significantly impact its economic performance. We consolidate EEP and by extension also consolidate DakTex.

Spectra Energy Partners, LP
We acquired a 75% ownership in SEP through the Merger Transaction. SEP is a natural gas and crude oil infrastructure master limited partnership and is considered a VIE as its limited partners do not have substantive kick-out rights or participating rights. We are the primary beneficiary of SEP because we have the power to direct SEP's activities that most significantly impact its economic performance.

Valley Crossing Pipeline, LLC
Valley Crossing Pipeline, LLC (Valley Crossing), a wholly-owned subsidiary of Enbridge, is constructing a natural gas pipeline to transport natural gas within Texas. Valley Crossing is considered a VIE due to insufficient equity at risk to finance its activities. We are the primary beneficiary of Valley Crossing because we have the power to direct Valley Crossing's activities that most significantly impact its economic performance.

Other Limited Partnerships
By virtue of a lack of substantive kick-out rights and participating rights, substantially all limited partnerships wholly-owned by us and/or our subsidiaries are considered VIEs. As these entities are 100% owned and directed by us with no third parties having the ability to direct any of the significant activities, we are considered the primary beneficiary.

The following table includes assets to be used to settle liabilities of our consolidated VIEs and liabilities of our consolidated VIEs for which creditors do not have recourse to our general credit as the primary beneficiary. These assets and liabilities are included in the Consolidated Statements of Financial Position.

December 31,	**2017**	2016
(millions of Canadian dollars)		
Assets		
Cash and cash equivalents	**368**	314
Accounts receivable and other	**2,132**	781
Accounts receivable from affiliates	**3**	3
Inventory	**220**	53
	2,723	1,151
Property, plant and equipment, net	**68,685**	45,720
Long-term investments	**6,258**	954
Restricted long-term investments	**206**	83
Deferred amounts and other assets	**2,921**	2,227
Intangible assets, net	**296**	488
Goodwill	**29**	29
Deferred income taxes	**145**	231
	81,263	50,883
Liabilities		
Short-term borrowings	**485**	—
Accounts payable and other	**2,859**	1,446
Accounts payable to affiliates	**131**	105
Interest payable	**312**	204
Environmental liabilities	**35**	140
Current portion of long-term debt	**2,129**	342
	5,951	2,237
Long-term debt	**31,469**	20,176
Other long-term liabilities	**4,301**	1,207
Deferred income taxes	**3,010**	1,753
	44,731	25,373
Net assets before noncontrolling interests	**36,532**	25,510

We do not have an obligation to provide financial support to any of the consolidated VIEs, with the exception of EIPLP. We are required, when called on by ENF, to backstop equity funding required by EIPLP to undertake the growth program embedded in the assets it acquired in the Canadian Restructuring Plan.

UNCONSOLIDATED VARIABLE INTEREST ENTITIES

Sabal Trail Transmission, LLC

SEP owns a 50% interest in Sabal Trail, a joint venture that operates a pipeline originating in Alabama that transports natural gas to Florida. On July 3, 2017, we discontinued the consolidation of Sabal Trail and accounted for our interest under the equity method. Sabal Trail is a VIE due to insufficient equity at risk to finance its activities. We are not the primary beneficiary because the power to direct Sabal Trail's activities that most significantly impact its economic performance is shared.

Nexus Gas Transmission, LLC

SEP owns a 50% equity investment in Nexus, a joint venture that is constructing a natural gas pipeline from Ohio to Michigan and continuing on to Ontario, Canada. Nexus is a VIE due to insufficient equity at risk to finance its activities. We are not the primary beneficiary because the power to direct Nexus' activities that most significantly impact its economic performance is shared.

PennEast Pipeline Company, LLC

SEP owned a 10% equity investment in PennEast, which was increased to 20% in June 2017. PennEast is constructing a natural gas pipeline from northeastern Pennsylvania to New Jersey. PennEast is a VIE due to insufficient equity at risk to finance its activities. We are not the primary beneficiary since we do not have the power to direct PennEast's activities that most significantly impact its economic performance.

We currently hold several equity investments in limited partnerships that are assessed to be VIEs due to limited partners not having substantive kick-out rights or participating rights. We have determined that we do not have the power to direct the activities of the VIEs that most significantly impact the VIEs' economic performance. Specifically, the power to direct the activities of a majority of these VIEs is shared amongst the partners. Each partner has representatives that make up an executive committee who makes significant decisions for the VIE and none of the partners may make major decisions unilaterally.

The carrying amount of our interest in VIEs that are unconsolidated and our estimated maximum exposure to loss as at December 31, 2017 and 2016 is presented below.

December 31, 2017	Carrying Amount of Investment in VIE	Enbridge's Maximum Exposure to Loss
(millions of Canadian dollars)		
Aux Sable Liquid Products L.P.[1]	**300**	**361**
Eolien Maritime France SAS[2]	**69**	**754**
Hohe See Offshore Wind Project[3]	**763**	**2,484**
Illinois Extension Pipeline Company, L.L.C.[4]	**686**	**686**
Nexus Gas Transmission, LLC[5]	**834**	**1,678**
PennEast Pipeline Company, LLC[5]	**69**	**345**
Rampion Offshore Wind Limited[6]	**555**	**679**
Sabal Trail Transmissions, LLC[5]	**2,355**	**2,529**
Vector Pipeline L.P.[7]	**169**	**278**
Other[4]	**21**	**21**
	5,821	**9,815**

December 31, 2016	Carrying Amount of Investment in VIE	Enbridge's Maximum Exposure to Loss
(millions of Canadian dollars)		
Aux Sable Liquid Products L.P.	158	223
Eddystone Rail Company, LLC[8]	19	25
Eolien Maritime France SAS	58	686
Illinois Extension Pipeline Company, L.L.C.	759	759
Rampion Offshore Wind Limited	345	457
Vector Pipeline L.P.	159	289
Other	17	17
	1,515	2,456

1 At December 31, 2017, the maximum exposure to loss includes a guarantee by us for our respective share of the VIE's borrowing on a bank credit facility.
2 At December 31, 2017, the maximum exposure to loss includes the portion of our parental guarantee that has been committed in project construction contracts in which we would be liable for in the event of default by the VIE and an outstanding affiliate loan receivable for $163 million held by us.
3 At December 31, 2017, the maximum exposure to loss includes the portion of our parental guarantee that has been committed in project construction contracts in which we would be liable for in the event of default by the VIE.
4 At December 31, 2017, the maximum exposure to loss is limited to our equity investment as these companies are in operation and self-sustaining.
5 At December 31, 2017 the maximum exposure to loss is limited to our equity investment and the remaining expected contributions for each joint venture.
6 At December 31, 2017, the maximum exposure to loss includes the portion of our parental guarantee that has been committed in project construction contracts in which we would be liable for in the event of default by the VIE.
7 At December 31, 2017 the maximum exposure to loss includes the carrying value of an outstanding loan issued by us.
8 As at December 31, 2017, Eddystone Rail Company, LLC is a 100% owned subsidiary and therefore is no longer an unconsolidated VIE.

We do not have an obligation to and did not provide any additional financial support to the VIEs during the years ended December 31, 2017 and 2016.

12. LONG-TERM INVESTMENTS

December 31,	Ownership Interest	2017	2016
(millions of Canadian dollars)			
EQUITY INVESTMENTS			
Liquids Pipelines			
Bakken Pipeline System[1]	27.6%	**1,938**	—
Eddystone Rail Company, LLC	100.0%	**—**	19
Seaway Crude Pipeline System	50.0%	**2,882**	3,129
Illinois Extension Pipeline Company, L.L.C.[2]	65.0%	**686**	759
Other	30.0% - 43.8%	**87**	70
Gas Transmission and Midstream			
Alliance Pipeline[3]	50.0%	**375**	411
Aux Sable	42.7% - 50.0%	**300**	324
DCP Midstream, LLC[4]	50.0%	**2,143**	—
Gulfstream Natural Gas System, L.L.C.[4]	50.0%	**1,205**	—
Nexus Gas Transmission, LLC[4]	50.0%	**834**	—
Offshore - various joint ventures	22.0% - 74.3%	**389**	435
PennEast Pipeline Company LLC[4]	20.0%	**69**	—
Sabal Trail Transmission, LLC[5]	50.0%	**2,355**	—
Southeast Supply Header L.L.C.[4]	50.0%	**486**	—
Steckman Ridge LP[4]	49.5%	**221**	—
Texas Express Pipeline	35.0%	**430**	484
Vector Pipeline L.P.	60.0%	**169**	159
Other[4]	33.3% - 50.0%	**34**	4
Gas Distribution			
Noverco Common Shares	38.9%	**—**	—
Other[4]	50.0%	**15**	—
Green Power and Transmission			
Eolien Maritime France SAS[6]	50.0%	**69**	58
Hohe See Offshore Wind Project[7]	50.0%	**763**	—
Rampion Offshore Wind Project	24.9%	**555**	345
Other	19.0% - 50.0%	**95**	100
Eliminations and Other			
Other	19.0% - 42.7%	**26**	15
OTHER LONG-TERM INVESTMENTS			
Gas Distribution			
Noverco Preferred Shares		**371**	355
Green Power and Transmission			
Emerging Technologies and Other		**80**	90
Eliminations and Other			
Other		**67**	79
		16,644	6,836

1 On February 15, 2017, EEP acquired an effective 27.6% interest in the Dakota Access and Energy Transfer Crude Oil Pipelines (collectively, the Bakken Pipeline System) for a purchase price of $2 billion (US$1.5 billion). The Bakken Pipeline System was placed into service on June 1, 2017. For details regarding our funding arrangement, refer to Note 19 - Noncontrolling Interests.

2 Owns the Southern Access Extension Project.

3 Certain assets of the Alliance Pipeline are pledged as collateral to Alliance Pipeline lenders.

4 On February 27, 2017, we acquired Spectra Energy's interests in DCP Midstream, Gulfstream Natural Gas System, L.L.C, Nexus, PennEast, Southeast Supply Header L.L.C., Steckman Ridge LP and other equity investments as part of the Merger Transaction (Note 7).

5 On February 27, 2017, we acquired Spectra Energy's consolidated interest in Sabal Trail as part of the Merger Transaction (Note 7). *On July 3, 2017, Sabal Trail was placed into service and the assets, liabilities, and noncontrolling interests were deconsolidated as at the in-service date.*

6 On May 19, 2016, we acquired a 50% equity interest in Eolien Maritime France SAS.

7 On February 8, 2017, we acquired an effective 50% interest in EnBW Hohe See GmbH & Co. KG.

Equity investments include the unamortized excess of the purchase price over the underlying net book value of the investees' assets at the purchase date. As at December 31, 2017, this comprised of $2.0 billion in Goodwill and $643 million in amortizable assets. As at December 31, 2016, this comprised of $859 million in Goodwill and $687 million in amortizable assets.

For the years ended December 31, 2017, 2016 and 2015, dividends received from equity investments were $1.4 billion, $825 million and $719 million, respectively.

Summarized combined financial information of our interest in unconsolidated equity investments (presented at 100%) is as follows:

	Year Ended December 31,								
	2017			2016			2015		
	Seaway	**Other**	**Total**	Seaway	Other	Total	Seaway	Other	Total
(millions of Canadian dollars)									
Operating revenues	**959**	**15,254**	**16,213**	938	3,164	4,102	833	3,054	3,887
Operating expenses	**286**	**12,911**	**13,197**	293	3,051	3,344	263	2,210	2,473
Earnings	**672**	**2,056**	**2,728**	643	(2)	641	566	512	1,078
Earnings attributable to controlling interests	**336**	**926**	**1,262**	322	147	469	283	207	490

	December 31, 2017			December 31, 2016		
	Seaway	**Other**	**Total**	Seaway	Other	Total
(millions of Canadian dollars)						
Current assets	**106**	**3,432**	**3,538**	86	842	928
Non-current assets	**3,329**	**41,697**	**45,026**	3,651	12,264	15,915
Current liabilities	**143**	**3,311**	**3,454**	172	831	1,003
Non-current liabilities	**13**	**13,582**	**13,595**	13	5,121	5,134
Noncontrolling interests	**—**	**3,191**	**3,191**	—	—	—

Eddystone Rail Company, LLC
On October 19, 2017, we sold all assets related to Eddystone Rail Company, LLC (Eddystone Rail) in exchange for the remaining 25% interest of the joint venture. As a result, Eddystone Rail is now 100% owned and carried at nil value.

During the year ended December 31, 2016, we recorded an investment impairment of $184 million related to our 75% joint venture interest in Eddystone Rail at the time, which is held through Enbridge Rail (Philadelphia) L.L.C., a wholly-owned subsidiary. Eddystone Rail is a rail-to-barge transloading facility located in the greater Philadelphia, Pennsylvania area that delivers Bakken and other light sweet crude oil to Philadelphia area refineries. Due to a significant decrease in price spreads between Bakken crude oil and West Africa/Brent crude oil and increased competition in the region, demand for Eddystone Rail services dropped significantly, which led to the completion of an impairment test. The impairment charge is presented within Income from equity investments on the Consolidated Statements of Earnings. The investment in Eddystone Rail is a part of our Liquids Pipelines segment.

The impairment charge was based on the amount by which the carrying value of the asset exceeded fair value, determined using an adjusted net worth approach. Our estimate of fair value required us to use significant unobservable inputs representative of a Level 3 fair value measurement, including assumptions related to the future performance of Eddystone Rail.

Aux Sable
During the year ended December 31, 2016, Aux Sable recorded an asset impairment charge of $37 million related to certain underutilized assets at Aux Sable US' NGL extraction and fractionation plant.

Sabal Trail Transmission, LLC
On July 3, 2017, Sabal Trail was placed into service. In accordance with the Sabal Trail LLC Agreement, upon the in-service date, the power to direct Sabal Trail's activities become shared with its members. We are no longer the primary beneficiary and deconsolidated the assets, liabilities and noncontrolling interests related to Sabal Trail as at the in-service date.

At deconsolidation, our 50% interest in Sabal Trail was recorded at its fair value of $2.3 billion (US$1.9 billion), which approximated its carrying value as a long-term equity investment. As a result, there was no gain or loss recognized for the year ended December 31, 2017 related to the remeasurement of the retained equity interest to its fair value. The fair value was determined using the income approach which is based on the present value of the future cash flows.

Noverco Inc.
As at December 31, 2017 and 2016, we owned an equity interest in Noverco through ownership of 38.9% of its common shares and an investment in preferred shares. The preferred shares are entitled to a cumulative preferred dividend based on the average yield of Government of Canada bonds maturing in 10 years plus a margin of 4.38%.

As at December 31, 2017 and 2016, Noverco owned an approximate 1.9% and 3.4% reciprocal shareholding in our common shares, respectively. Through secondary offerings, Noverco purchased 1.2 million common shares in February 2016. Shares purchased and sold in this transaction were treated as treasury stock on the Consolidated Statements of Changes in Equity.

As a result of Noverco's reciprocal shareholding in our common shares, as at December 31, 2017 and 2016, we had an indirect pro-rata interest of 0.7% and 1.3%, respectively, in our own shares. Both the equity investment in Noverco and shareholders' equity have been reduced by the reciprocal shareholding of $102 million as at December 31, 2017 and 2016. Noverco records dividends paid from us as dividend income and we eliminate these dividends from our equity earnings of Noverco. We record our pro-rata share of dividends paid by us to Noverco as a reduction of dividends paid and an increase in our investment in Noverco.

13. RESTRICTED LONG-TERM INVESTMENTS

Effective January 1, 2015, we began collecting and setting aside funds to cover future pipeline abandonment costs for all NEB regulated pipelines as a result of the NEB's regulatory requirements under LMCI. The funds collected are held in trusts in accordance with the NEB decision. The funds collected from shippers are reported within Transportation and other services revenues on the Consolidated Statements of Earnings and Restricted long-term investments on the Consolidated Statements of Financial Position. Concurrently, we reflect the future abandonment cost as an increase to Operating and administrative expense on the Consolidated Statements of Earnings and Other long-term liabilities on the Consolidated Statements of Financial Position.

We routinely invest excess cash and various restricted balances in securities such as commercial paper, bankers acceptances, corporate debt securities, Canadian equity securities, treasury bills and money market securities in the United States and Canada.

As at December 31, 2017 and 2016, we had restricted long-term investments held in trust and classified as held for sale and carried at fair value of $267 million and $90 million, respectively. We had estimated future abandonment costs related to LMCI of $151 million and $97 million as at December 31, 2017 and 2016, respectively.

14. INTANGIBLE ASSETS

The following table provides the weighted average amortization rate, gross carrying value, accumulated amortization and net carrying value for each of our major classes of intangible assets:

December 31, 2017[1]	Weighted Average Amortization Rate	Cost	Accumulated Amortization	Net
(millions of Canadian dollars)				
Customer relationships	3.5%	**967**	**41**	**926**
Power purchase agreements	3.5%	**99**	**17**	**82**
Project agreement[2]	4.0%	**150**	**3**	**147**
Software	11.3%	**1,760**	**714**	**1,046**
Other intangible assets[3]	4.4%	**1,162**	**96**	**1,066**
		4,138	**871**	**3,267**

1 Certain assets were reclassified as held for sale as at December 31, 2017 (Note 7).
2 Represents a project agreement acquired from the Merger Transaction (Note 7).
3 The measurement of weighted average amortization rate excludes non-depreciable intangible assets.

December 31, 2016	Weighted Average Amortization Rate	Cost	Accumulated Amortization	Net
(millions of Canadian dollars)				
Customer relationships	3.0%	251	4	247
Natural gas supply opportunities	3.2%	435	127	308
Power purchase agreements	3.2%	100	14	86
Software	11.8%	1,388	607	781
Other intangible assets	4.8%	213	62	151
		2,387	814	1,573

For the years ended December 31, 2017, 2016 and 2015, our amortization expense related to intangible assets totaled $280 million, $177 million and $158 million, respectively. The following table presents our forecast of amortization expense associated with existing intangible assets for the years indicated as follows in millions of Canadian dollars:

2018	2019	2020	2021	2022
264	240	217	197	179

15. GOODWILL

	Liquids Pipelines	Gas Transmission & Midstream	Gas Distribution	Green Power and Transmission	Energy Services	Eliminations and Other	Consolidated
(millions of Canadian dollars)							
Gross Cost							
Balance at January 1, 2016	60	458	7	—	2	13	540
Foreign exchange and other	(1)	(1)	—	—	—	—	(2)
Balance at December 31, 2016	59	457	7	—	2	13	538
Acquired in Merger Transaction *(Note 7)*	**8,070**	**22,914**	**5,672**	**—**	**—**	**—**	**36,656**
Sabal Trail deconsolidation *(Note 12)*	**—**	**(966)**					**(966)**
Disposition	**(29)**	**—**	**—**	**—**	**—**	**—**	**(29)**
Foreign exchange and other	**(314)**	**(866)**	**—**	**—**	**—**	**—**	**(1,180)**
Balance at December 31, 2017	**7,786**	**21,539**	**5,679**	**—**	**2**	**13**	**35,019**
Accumulated Impairment							
Balance at January 1, 2016	—	(440)	(7)	—	—	(13)	(460)
Impairment	—	—	—	—	—	—	—
Balance at December 31, 2016	—	(440)	(7)	—	—	(13)	(460)
Impairment	**—**	**(102)**	**—**	**—**	**—**	**—**	**(102)**
Balance at December 31, 2017	**—**	**(542)**	**(7)**	**—**	**—**	**(13)**	**(562)**
Carrying Value							
Balance at December 31, 2016	59	17	—	—	2	—	78
Balance at December 31, 2017	**7,786**	**20,997**	**5,672**	**—**	**2**	**—**	**34,457**

ACQUISITION AND DISPOSITION

In 2017, we recognized $36.7 billion of goodwill on the Merger Transaction and derecognized $29 million of goodwill on the disposition of Olympic Pipeline.

IMPAIRMENT

Gas Transmission and Midstream

US Midstream

During the year ended December 31, 2017, we recorded a goodwill impairment charge of $102 million related to certain assets in our Gas Transmission and Midstream segment classified as held for sale *(Note 7)*. Goodwill was allocated to certain disposal groups qualifying as a business based on a relative fair value approach. In connection with the write-down of the carrying values of the assets held for sale to its fair value less costs to sell, the related goodwill was impaired. The fair value of these assets were estimated using the discounted cash flow method, which was negatively impacted by prolonged decline in commodity prices and deteriorating business performance. We also performed goodwill impairment testing on the associated gas midstream reporting unit resulting in no additional impairment charge.

The estimate of the gas midstream reporting unit's fair value required the use of significant unobservable inputs representative of a Level 3 fair value measurement, including assumptions related to the future performance of the reporting unit.

Enbridge Energy Partners, L.P.
During the year ended December 31, 2015, we recorded a goodwill impairment loss of $440 million ($167 million after-tax attributable to us) related to EEP's natural gas and NGL businesses, which EEP held directly and indirectly through its partially-owned subsidiary, MEP. Due to a prolonged decline in commodity prices, reduction in producers' expected drilling programs negatively impacted forecasted cash flows from EEP's natural gas and NGL systems. This change in circumstance led to the completion of an impairment test, resulting in a full impairment of goodwill on EEP's natural gas and NGL businesses.

In performing the impairment assessment, EEP measured the fair value of its reporting units primarily by using a discounted cash flow analysis and it also considered overall market capitalization of its business, cash flow measurement data and other factors. EEP's estimate of fair value required it to use significant unobservable inputs representative of a Level 3 fair value measurement, including assumptions related to the future performance of its reporting units.

16. ACCOUNTS PAYABLE AND OTHER

December 31,	**2017**	2016
(millions of Canadian dollars)		
Trade payables and operating accrued liabilities	**5,135**	3,718
Construction payables and contractor holdbacks	**706**	712
Current derivative liabilities	**1,130**	1,941
Dividends payable	**1,169**	29
Other	**1,338**	895
	9,478	7,295

17. DEBT

December 31,	Weighted Average Interest Rate	Maturity	**2017**	2016
(millions of Canadian dollars)				
Enbridge Inc.				
United States dollar term notes[1]	4.1%	2022-2046	**5,889**	4,968
Medium-term notes	4.4%	2019-2064	**5,698**	4,498
Fixed-to-floating subordinated term notes[2,3]	5.6%	2077	**3,843**	1,007
Floating rate notes[4]		2019-2020	**2,254**	1,171
Commercial paper and credit facility draws[5]	2.3%	2019-2022	**2,729**	4,672
Other[6]			**3**	4
Enbridge (U.S.) Inc.				
Medium-term notes[7]			**—**	14
Commercial paper and credit facility draws[8]	2.1%	2019	**490**	126
Enbridge Energy Partners, L.P.				
Senior notes[9]	6.2%	2018-2045	**6,328**	6,781
Junior subordinated notes[10]		2067	**501**	537
Commercial paper and credit facility draws[11]	2.3%	2019-2022	**1,820**	2,226
Enbridge Gas Distribution Inc.				
Medium-term notes	4.5%	2020-2050	**3,695**	3,904
Debentures	9.9%	2024	**85**	85
Commercial paper and credit facility draws	1.4%	2019	**960**	351
Enbridge Income Fund				
Medium-term notes	4.3%	2018-2044	**1,750**	2,075
Commercial paper and credit facility draws	2.9%	2020	**755**	225
Enbridge Pipelines (Southern Lights) L.L.C.				
Senior notes[12]	4.0%	2040	**1,207**	1,342
Enbridge Pipelines Inc.				
Medium-term notes[13]	4.5%	2018-2046	**4,525**	4,525
Debentures	8.2%	2024	**200**	200
Commercial paper and credit facility draws[14]	1.5%	2019	**1,438**	1,032
Other[6]			**4**	4
Enbridge Southern Lights LP				
Senior notes	4.0%	2040	**315**	323
Midcoast Energy Partners, L.P.				
Senior notes[15]	4.1%	2019-2024	**501**	537
Commercial paper and credit facility draws[16]			**—**	564
Spectra Energy Capital[17]				
Senior notes[18]	5.3%	2018-2038	**1,665**	—
Spectra Energy Partners, LP[17]				
Senior secured notes[19]	6.1%	2020	**138**	—
Senior notes[20]	2.7%	2018-2045	**7,192**	—
Floating rate notes[21]		2020	**501**	—
Commercial paper and credit facility draws[22]	2.0%	2022	**2,824**	—
Union Gas Limited[17]				
Medium-term notes	4.2%	2018-2047	**3,490**	—
Senior debentures	8.7%	2018	**75**	—
Debentures	8.7%	2018-2025	**250**	—
Commercial paper and credit facility draws	1.3%	2021	**485**	—
Westcoast Energy Inc.[17]				
Senior secured notes	6.4%	2019	**66**	—
Medium-term notes	4.7%	2019-2041	**2,177**	—
Debentures	8.6%	2018-2026	**525**	—
Fair value adjustment - Spectra Energy acquisition			**1,114**	—
Other[23]			**(312)**	(226)
Total debt			**65,180**	40,945

Current maturities	**(2,871)**	(4,100)
Short-term borrowings[24]	**(1,444)**	(351)
Long-term debt	**60,865**	36,494

1 2017 - US$4,700 million; 2016 - US$3,700 million.

2 2017 - $1,650 million and US$1,750 million; 2016 - US$750 million. For the initial 10 years, the notes carry a fixed interest rate. Subsequently, the interest rate will be floating and set to equal the three-month Bankers' Acceptance Rate or London Interbank Offered Rate (LIBOR) plus a margin.

3 The notes would be converted automatically into Conversion Preference Shares in the event of bankruptcy and related events.
4 2017 - $750 million and US$1,200 million; 2016 - $500 million and US$500 million. Carries an interest rate equal to the three-month Bankers' Acceptance Rate plus a margin of 59 basis points or LIBOR plus a margin of 40 or 70 basis points.
5 2017 - $1,593 million and US$907 million; 2016 - $3,600 million and US$799 million.
6 Primarily capital lease obligations.
7 2016 - US$10 million.
8 2017 - US$391 million; 2016 - US$94 million.
9 2017 - US$5,050 million; 2016 - US$5,050 million.
10 2017 - US$400 million; 2016 - US$400 million. Carries an interest rate equal to the three-month LIBOR plus a margin of 379.75 basis points.
11 2017 - US$1,453 million; 2016 - US$1,658 million.
12 2017 - US$963 million; 2016 - US$1,000 million.
13 Included in medium-term notes is $100 million with a maturity date of 2112.
14 2017 - $1,080 million and US$286 million; 2016 - $750 million and US$210 million.
15 2017 - US$400 million; 2016 - US$400 million.
16 2016 - US$420 million.
17 Debt acquired on February 27, 2017 in conjunction with the Merger Transaction (Note 7).
18 2017 - US$1,329 million.
19 2017 - US$110 million.
20 2017 - US$5,740 million.
21 2017 - US$400 million. Carries an interest rate equal to the three-month LIBOR plus a margin of 70 basis points.
22 2017 - US$2,254 million.
23 Primarily debt discount and debt issue costs.
24 Weighted average interest rate - 1.4%; 2016 - 0.8%.

SECURED DEBT

Senior secured notes, totaling $206 million as at December 31, 2017, includes project financings for M&N Canada and Express-Platte System. Ownership interests in M&N Canada and certain of its accounts, revenues, business contracts and other assets are pledged as collateral. Express-Platte System notes payable are secured by the assignment of the Express-Platte System transportation receivables and by the Canadian portion of the Express-Platte pipeline system assets.

CREDIT FACILITIES

The following table provides details of our committed credit facilities at December 31, 2017:

		2017		
December 31,	Maturity	Total Facilities	Draws[1]	Available
(millions of Canadian dollars)				
Enbridge Inc.[2]	2019-2022	**7,353**	**2,737**	**4,616**
Enbridge (U.S.) Inc.	2019	**3,590**	**490**	**3,100**
Enbridge Energy Partners, L.P.[3]	2019-2022	**3,289**	**1,820**	**1,469**
Enbridge Gas Distribution Inc.	2019	**1,016**	**972**	**44**
Enbridge Income Fund	2020	**1,500**	**766**	**734**
Enbridge Pipelines (Southern Lights) L.L.C.	2019	**25**	**—**	**25**
Enbridge Pipelines Inc.	2019	**3,000**	**1,438**	**1,562**
Enbridge Southern Lights LP	2019	**5**	**—**	**5**
Spectra Energy Partners, LP[4,5]	2022	**3,133**	**2,824**	**309**
Union Gas Limited[5]	2021	**700**	**485**	**215**
Westcoast Energy Inc.[5]	2021	**400**	**—**	**400**
Total committed credit facilities		**24,011**	**11,532**	**12,479**

1 Includes facility draws, letters of credit and commercial paper issuances that are back-stopped by the credit facility.
2 Includes $135 million, $157 million (US$125 million) and $150 million of commitments that expire in 2018, 2018 and 2020, respectively.
3 Includes $219 million (US$175 million) and $232 million (US$185 million) of commitments that expire in 2018 and 2020, respectively.
4 Includes $421 million (US$336 million) of commitments that expire in 2021.
5 Committed credit facilities acquired on February 27, 2017 in conjunction with the Merger Transaction (Note 7).

During the first quarter of 2017, Enbridge established a five-year, term credit facility for $239 million (¥20,000 million) with a syndicate of Japanese banks.

In addition to the committed credit facilities noted above, we have $792 million of uncommitted demand credit facilities, of which $518 million were unutilized as at December 31, 2017. As at December 31, 2016, we had $335 million of uncommitted credit facilities, of which $177 million were unutilized.

Credit facilities carry a weighted average standby fee of 0.2% per annum on the unused portion and draws bear interest at market rates. Certain credit facilities serve as a back-stop to the commercial paper programs and we have the option to extend such facilities, which are currently set to mature from 2019 to 2022.

As at December 31, 2017 and 2016, commercial paper and credit facility draws, net of short-term borrowings and non-revolving credit facilities that mature within one year of $10,055 million and $7,344 million, respectively, are supported by the availability of long-term committed credit facilities and therefore have been classified as long-term debt.

LONG-TERM DEBT ISSUANCES

The following are long-term debt issuances made during 2017 and 2016:

Company	Issue Date		Principal Amount
(millions of Canadian dollars unless otherwise stated)			
Enbridge Inc.			
	May 2017	Floating rate notes due May 2019[1]	750
	June 2017	3.19% medium-term notes due December 2022	450
	June 2017	3.20% medium-term notes due June 2027	450
	June 2017	4.57% medium-term notes due March 2044	300
	June 2017	Floating rate notes due June 2020[2]	US$500
	July 2017	2.90% senior notes due July 2022	US$700
	July 2017	3.70% senior notes due July 2027	US$700
	July 2017	Fixed-to-floating rate subordinated notes due July 2077[3]	US$1,000
	September 2017	Fixed-to-floating rate subordinated notes due September 2077[4]	1,000
	October 2017	Fixed-to-floating rate subordinated notes due September 2077[4]	650
	October 2017	Floating rate notes due January 2020[5]	US$700
	November 2016	4.25% medium-term notes due December 2026	US$750
	November 2016	5.50% medium-term notes due December 2046	US$750
	December 2016	Fixed-to-floating rate subordinated notes due January 2077[6]	US$750
Enbridge Gas Distribution Inc.			
	November 2017	3.51% medium-term notes due November 2047	300
	August 2016	2.50% medium-term notes due August 2026	300
Enbridge Pipelines Inc.			
	August 2016	3.00% medium-term notes due August 2026	400
	August 2016	4.13% medium-term notes due August 2046	400
Spectra Energy Partners, LP			
	June 2017	Floating rate notes due June 2020[7]	US$400
Union Gas Limited			
	November 2017	2.88% medium-term notes due November 2027	250
	November 2017	3.59% medium-term notes due November 2047	250

1 Carries an interest rate equal to the three-month Bankers' Acceptance Rate plus 59 basis points.

2 Carries an interest rate equal to the three-month LIBOR plus 70 basis points.

3 Matures in 60 years and are callable on or after year 10. For the initial 10 years, the notes carry a fixed interest rate of 5.5%. Subsequently, the interest rate will be set to equal the three-month LIBOR plus a margin of 342 basis points from year 10 to 30, and a margin of 417 basis points from year 30 to 60.

4 Matures in 60 years and are callable on or after year 10. For the initial 10 years, the notes carry a fixed interest rate of 5.4%. Subsequently, the interest rate will be set to equal the three-month Bankers' Acceptance Rate plus a margin of 325 basis points from year 10 to 30, and a margin of 400 basis points from year 30 to 60.

5 Carries an interest rate equal to the three-month LIBOR plus 40 basis points.

6 Matures in 60 years and are callable on or after year 10. For the initial 10 years, the notes carry a fixed interest rate of 6.0%. Subsequently, the interest rate will be set to equal the three-month LIBOR plus a margin of 389 basis points from year 10 to 30, and a margin of 464 basis points from year 30 to 60.

7 Carries an interest rate equal to the three-month LIBOR plus 70 basis points.

LONG-TERM DEBT REPAYMENTS

The following are long-term debt repayments during 2017 and 2016:

Company	Retirement/Repayment Date		Principal Amount
(millions of Canadian dollars unless otherwise stated)			
Enbridge Inc.			
	March 2017	Floating rate note	500
	April 2017	5.60% medium-term notes	US$400
	June 2017	Floating rate note	US$500
	May 2016	5.17% medium-term notes	400
	August 2016	5.00% medium-term notes	300
	October 2016	Floating rate note	US$350
Enbridge Energy Partners, L.P.			
	December 2016	5.88% senior notes	US$300
Enbridge Gas Distribution Inc.			
	April 2017	1.85% medium-term notes	300
	December 2017	5.16% medium-term notes	200
Enbridge Income Fund			
	June 2017	5.00% medium-term notes	100
	December 2017	2.92% medium-term notes	225
	November 2016	Floating rate note	330
Enbridge Pipelines (Southern Lights) L.L.C.			
	June and December 2017	3.98% medium-term note due June 2040	US$37
	June and December 2016	3.98% medium-term note due June 2040	US$30
Enbridge Southern Lights LP			
	June 2017	4.01% medium-term note due June 2040	7
	June and December 2016	4.01% medium-term note due June 2040	14
Spectra Energy Capitals, LLC			
	July and September 2017[1,3]	8.00% senior notes due 2019	US$500
	July 2017[2,3]	Senior notes carrying interest ranging from 3.3% to 7.5% due 2018 to 2038	US$761
Spectra Energy Partners, LP			
	September 2017	6.00% senior notes	US$400
	June and December 2017	7.39% subordinated secured notes	US$12
Union Gas Limited			
	November 2017	9.70% debentures	125
Westcoast Energy Inc.			
	May and November 2017	6.90% senior secured notes	26
	May and November 2017	4.34% senior secured notes	24

1 On July 7, 2017 and September 8, 2017, Enbridge and Spectra Energy Capital, LLC (Spectra Capital) completed a cash tender offer for and follow-up redemption of Spectra Capital's outstanding 8.0% senior unsecured notes due 2019. The aggregate principal amount tendered and redeemed was US$500 million. Spectra Capital paid the consenting note holders an aggregate cash consideration of US$581 million.

2 On July 13, 2017, pursuant to a cash tender offer, Spectra Capital purchased a portion of the principal amount of its outstanding senior unsecured notes carrying interest rates ranging from 3.3% to 7.5%, with maturities ranging from one to 21 years. The principal amount tendered and accepted was US$761 million. Spectra Capital paid the consenting note holders an aggregate cash consideration of US$857 million.

3 The loss on debt extinguishment of $50 million (US$38 million), net of the fair value adjustment recorded upon completion of the Merger Transaction, was reported within Interest expense in the Consolidated Statements of Earnings.

DEBT COVENANTS

Our credit facility agreements and term debt indentures include standard events of default and covenant provisions whereby accelerated repayment and/or termination of the agreements may result if we were to default on payment or violate certain covenants. As at December 31, 2017, we were in compliance with all debt covenants.

INTEREST EXPENSE

Year ended December 31,	**2017**	2016	2015
(millions of Canadian dollars)			
Debentures and term notes	**3,011**	1,714	1,805
Commercial paper and credit facility draws	**206**	197	172
Amortization of fair value adjustment - Spectra Energy acquisition	**(270)**	—	—
Capitalized	**(391)**	(321)	(353)
	2,556	1,590	1,624

18. ASSET RETIREMENT OBLIGATIONS

Our AROs relate mostly to the retirement of pipelines, renewable power generation assets, obligations related to right-of way agreements and contractual leases for land use.

A reconciliation of movements in our ARO liabilities is as follows:

December 31,	**2017**	2016
(millions of Canadian dollars)		
Obligations at beginning of year	**232**	198
Liabilities acquired	**546**	—
Liabilities incurred	**—**	2
Liabilities settled	**(22)**	(33)
Change in estimate	**18**	63
Foreign currency translation adjustment	**(12)**	(5)
Accretion expense	**31**	7
Obligations at end of year	**793**	232
Presented as follows:		
Accounts payable and other	**2**	2
Other long-term liabilities	**791**	230
	793	232

19. NONCONTROLLING INTERESTS

NONCONTROLLING INTERESTS

The following table provides additional information regarding Noncontrolling interests as presented in our Consolidated Statements of Financial Position:

December 31,	**2017**	2016
(millions of Canadian dollars)		
Enbridge Energy Management, L.L.C.[1]	**34**	36
Enbridge Energy Partners, L.P.[2]	**157**	(99)
Enbridge Gas Distribution Inc.[3]	**100**	100
Renewable energy assets[4]	**806**	516
Spectra Energy Partners, LP[5,8]	**5,385**	—
Union Gas Limited[6,8]	**110**	—
Westcoast Energy Inc.[7,8]	**1,005**	—
Other	**—**	24
	7,597	577

1 Represents the 88.3% of the listed shares of Enbridge Energy Management, L.L.C. (EEM) not held by us as at December 31, 2017 and 2016.
2 Represents the 68.2% and 80.2% interest in EEP held by public unitholders as well as interests of third parties in subsidiaries of EEP as at December 31, 2017 and 2016, respectively.
3 Represents the four million cumulative redeemable preferred shares held by third parties in EGD as at December 31, 2017 and 2016.
4 Represents the tax equity investors' interests in our Magic Valley, Wildcat, Keechi, New Creek and Chapman Ranch wind farms, which are accounted for using the HLBV method, with an additional 20.0% noncontrolling interest in each of the Magic Valley and Wildcat wind farms held by third parties as at December 31, 2017 and 2016.
5 Represents the 25.7% interest in SEP held by public unitholders as at December 31, 2017.
6 Represents the four million cumulative redeemable preferred shares held by third parties in Union Gas as at December 31, 2017.
7 Represents the 16.6 million cumulative redeemable preferred shares and 12 million cumulative first preferred shares as at December 31, 2017 held by third parties in Westcoast Energy Inc., and the 22.0% interest in Maritimes & Northeast Pipeline Limited Partnership held by third parties.
8 Represents noncontrolling interests resulting from the Merger Transaction (Note 7).

Enbridge Energy Partners, L.P.

United States Sponsored Vehicle Strategy

On April 28, 2017, we completed a strategic review of EEP and took the actions described below. As a result of these actions, we recorded an increase in Noncontrolling interests of $458 million, inclusive of foreign currency translation adjustments, and a decrease in Additional paid-in capital of $421 million, net of deferred income taxes of $253 million.

Acquisition of Midcoast Assets and Privatization of Midcoast Energy Partners, L.P.

On April 27, 2017, we completed our previously-announced merger through a wholly-owned subsidiary, through which we privatized MEP by acquiring all of the outstanding publicly-held common units of MEP for total consideration of approximately US$170 million.

On June 28, 2017, we acquired, through a wholly-owned subsidiary, all of EEP's interest in the Midcoast gas gathering and processing business for cash consideration of US$1.3 billion plus existing indebtedness of MEP of US$953 million.

As a result of the above transactions, 100% of the Midcoast gas gathering and processing business is now owned by us.

EEP Strategic Restructuring Actions
On April 27, 2017, EEP redeemed all of its outstanding Series 1 Preferred Units held by us at face value of US$1.2 billion through the issuance of 64.3 million Class A common units to us. We also irrevocably waived all of our rights associated with our ownership of 66.1 million Class D units and 1,000 Incentive Distribution Units of EEP, in exchange for the issuance of 1,000 Class F units. The Class F units are entitled to (i) 13% of all distributions in excess of US$0.295 per EEP unit, but equal to or less than US$0.35 per EEP unit, and (ii) 23% of all distributions in excess of US$0.35 per EEP unit. The irrevocable waiver was effective with respect to distributions declared with a record date after April 27, 2017. In connection with these strategic restructuring actions, EEP reduced its quarterly distribution from US$0.583 per unit to US$0.35 per unit. Further, in conjunction with the restructuring actions, EEP terminated a receivable purchase agreement with a special purpose entity wholly-owned by us.

Finalization of Bakken Pipeline System Joint Funding Agreement
On April 27, 2017, we entered into a joint funding arrangement with EEP. Pursuant to this joint funding arrangement, we own 75% and EEP owns 25% of the combined 27.6% effective interest in the Bakken Pipeline System. Under this arrangement, EEP retains a five-year option to acquire an additional 20% interest in the Bakken Pipeline System. Upon the execution of the joint funding arrangement, EEP repaid the outstanding balance on its US$1.5 billion credit agreement with us, which it had drawn upon to fund the initial purchase.

Drop Down of Interest to Enbridge Energy Partners, L.P.
On January 2, 2015, we transferred our 66.7% interest in the United States segment of the Alberta Clipper pipeline, held through a wholly-owned subsidiary, to EEP for aggregate consideration of $1.1 billion (US$1 billion), consisting of approximately $814 million (US$694 million) of Class E equity units issued to us by EEP and the repayment of approximately $359 million (US$306 million) of indebtedness owed to us. Prior to the transfer, EEP owned the remaining 33.3% interest in the United States segment of the Alberta Clipper pipeline. As a result of this transfer, we recorded a decrease in Noncontrolling interests of $304 million and increases in Additional paid-in capital and Deferred income tax liabilities of $218 million and $86 million, respectively.

Other
The EEP partnership agreement does not permit capital deficits to accumulate in the capital accounts of any limited partner and thus requires that such capital account deficits be "cured" by additional allocations from the positive capital accounts of the other limited partners and the General Partner, generally on a pro-rata basis. Further, as outlined in the EEP partnership agreement, when a limited partner's capital accounts have positive capital balances, such limited partner must allocate its earnings to the General Partner of EEP to reimburse them for previous curing allocations. As a result, earnings attributable to noncontrolling interests in the Consolidated Statements of Earnings for the years ended December 31, 2017 and 2016 were lower by $73 million and higher by $816 million, respectively, due to these reallocations.

On March 13, 2015, EEP completed a public common unit issuance. We participated only to the extent to maintain our 2% general partner interest. The common unit issuance resulted in contributions of $366 million (US$289 million) from noncontrolling interest holders.

REDEEMABLE NONCONTROLLING INTERESTS

The following table presents additional information regarding Redeemable noncontrolling interests as presented in our Consolidated Statements of Financial Position:

Year ended December 31,	**2017**	2016	2015
(millions of Canadian dollars)			
Balance at beginning of year	**3,392**	2,141	2,249
Earnings/(loss) attributable to redeemable noncontrolling interests	**175**	268	(3)
Other comprehensive income/(loss), net of tax			
Change in unrealized loss on cash flow hedges	**(21)**	(17)	(7)
Other comprehensive loss from equity investees	**—**	—	(12)
Reclassification to earnings of loss on cash flow hedges	**57**	9	4
Foreign currency translation adjustments	**(6)**	(3)	18
Other comprehensive income/(loss), net of tax	**30**	(11)	3
Distributions to unitholders	**(247)**	(202)	(114)
Contributions from unitholders	**1,178**	591	670
Reversal of cumulative redemption value adjustment attributable to ECT preferred units	**—**	—	(541)
Net dilution loss	**(169)**	(81)	(482)
Redemption value adjustment	**(292)**	686	359
Balance at end of year	**4,067**	3,392	2,141

Redeemable noncontrolling interests in the Fund as at December 31, 2017, 2016 and 2015 represented 56.5%, 45.6% and 40.7%, respectively, of interests in the Fund's trust units that are held by third parties.

Common Share Issuances

During the years ended December 31, 2017, 2016 and 2015, the following occurred:

Year ended December 31,	**2017**	2016	2015
(millions of Canadian dollars)			
ENF issuance of common shares[1]:			
Gross proceeds from the public	**575**	575	700
Gross proceeds from us[2]	**143**	143	174
ENF purchase of Fund trust units[1,3]:			
Contributions from redeemable noncontrolling interest holders, net of share issue costs	**552**	551	670
Dilution gain/(loss) for redeemable noncontrolling interests	**5**	(4)	(355)
Dilution gain/(loss) in Additional paid-in capital	**(5)**	4	355
ECT purchase of EIPLP Class A units[1,4]:			
Proceeds used by ECT to purchase EIPLP Class A units	**718**	718	874
Dilution loss for redeemable noncontrolling interests	**(123)**	(103)	(132)
Dilution gain in Additional paid-in capital	**123**	103	132
ENF purchase of Fund trust units[5]:			
Contributions from redeemable noncontrolling interest holders	**51**	40	—
Dilution gain/(loss) for redeemable noncontrolling interests	**(5)**	(4)	—
Dilution gain/(loss) in Additional paid-in capital	**5**	4	—

1 These transactions occurred in December 2017, April 2016 and November 2015.

2 Concurrent with the public offerings, we subscribed for ENF common shares on a private placement basis to maintain our 19.9% ownership interest in ENF.

3 ENF used the proceeds from the common share issuances to purchase additional trust units of the Fund. We did not participate in these offerings, resulting in increases in redeemable noncontrolling interests (2017 - 53.6% to 56.5%; 2016 - 40.7% to 45.6%; 2015 - 34.3% to 40.7%).

4 The Fund used a portion of the proceeds from the trust unit issuances to purchase additional common units of ECT, and ECT used the proceeds to purchase additional Class A units of EIPLP, resulting in dilution losses for ECT. These dilution losses resulted in dilution losses for the Fund's equity investment in ECT and the above-noted dilution gains/(losses) for redeemable noncontrolling interests and Additional paid-in capital.

5 For the years ended December 31, 2017, 2016 and 2015, ENF used cash in respect of reinvested dividends and option cash payments from its Dividend Reinvestment Plan (DRIP) to purchase 1.6 million, 1.3 million and nil Fund trust units, respectively, on behalf of the public.

Further to the above, in April 2017, Enbridge and ENF completed the secondary public offering of ENF common shares for gross proceeds of $575 million (the Secondary Offering). To effect the Secondary Offering, we exchanged 21,657,617 Fund units we owned for an equivalent amount of ENF common shares. In order to maintain our 19.9% interest in ENF, we retained 4,309,867 of the common shares we received in the exchange, and sold the balance through the Secondary Offering. Upon closing of the Secondary Offering, our total economic interest in ENF decreased from 86.9% to 84.6% and redeemable noncontrolling interests increased from 45.6% to 53.7%. As a result of the Secondary Offering, we recorded a dilution loss for redeemable noncontrolling interests of $87 million and a dilution gain in Additional paid-in capital of $87 million.

Canadian Restructuring Plan
In September 2015, our unitholdings in the Fund increased upon closing of the Canadian Restructuring Plan *(Note 1)*, resulting in a decrease in redeemable noncontrolling interests.

Upon closing of the Canadian Restructuring Plan, ECT, an equity investment of the Fund, reclassified its Preferred Units from mezzanine equity to liabilities. Accordingly, ECT reduced the recorded redemption value of its Preferred Units to their aggregate par value, resulting in an increase to the Fund's equity investment in ECT. This resulted in an adjustment to redeemable noncontrolling interests of approximately $541 million.

Upon closing of the Canadian Restructuring Plan, EIPLP, an indirect equity investment of the Fund, issued Special Interest Rights to us which are entitled to Temporary Performance Distribution Rights (TPDR) distributions. TPDR distributions occur when the Fund distribution rate exceeds a payout target and are paid in the form of Class D units. The Class D unitholders receive a distribution each month equal to the per unit amount paid on Class C units of EIPLP, but to be paid in kind in additional Class D units. The issuances of TPDR and additional Class D units resulted in a dilution gain for the Fund's indirect equity investment in EIPLP, a dilution gain for redeemable noncontrolling interests of $41 million, $30 million and $5 million for the years ended December 31, 2017, 2016 and 2015, respectively, with offsetting dilution losses in Additional paid-in capital.

20. SHARE CAPITAL

Our authorized share capital consists of an unlimited number of common shares with no par value and an unlimited number of preference shares.

COMMON SHARES

	2017		2016		2015	
December 31,	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
(millions of Canadian dollars; number of shares in millions)						
Balance at beginning of year	**943**	**10,492**	868	7,391	852	6,669
Common shares issued[1]	**33**	**1,500**	56	2,241	—	—
Common shares issued in Merger Transaction *(Note 7)*	**691**	**37,429**	—	—	—	—
Dividend Reinvestment and Share Purchase Plan	**25**	**1,226**	16	795	12	646
Shares issued on exercise of stock options	**3**	**90**	3	65	4	76
Balance at end of year	**1,695**	**50,737**	943	10,492	868	7,391

1 Gross proceeds of $1.5 billion, $2.3 billion and nil for the years ended December 31, 2017, 2016 and 2015, respectively; net issuance costs of nil*, $59 million and nil for the years ended December 31, 2017, 2016 and 2015, respectively.*

PREFERENCE SHARES

December 31,	**2017** Number of Shares	**2017** Amount	2016 Number of Shares	2016 Amount	2015 Number of Shares	2015 Amount
(millions of Canadian dollars; number of shares in millions)						
Preference Shares, Series A	**5**	**125**	5	125	5	125
Preference Shares, Series B	**18**	**457**	20	500	20	500
Preference Shares, Series C	**2**	**43**	—	—	—	—
Preference Shares, Series D	**18**	**450**	18	450	18	450
Preference Shares, Series F	**20**	**500**	20	500	20	500
Preference Shares, Series H	**14**	**350**	14	350	14	350
Preference Shares, Series J	**8**	**199**	8	199	8	199
Preference Shares, Series L	**16**	**411**	16	411	16	411
Preference Shares, Series N	**18**	**450**	18	450	18	450
Preference Shares, Series P	**16**	**400**	16	400	16	400
Preference Shares, Series R	**16**	**400**	16	400	16	400
Preference Shares, Series 1	**16**	**411**	16	411	16	411
Preference Shares, Series 3	**24**	**600**	24	600	24	600
Preference Shares, Series 5	**8**	**206**	8	206	8	206
Preference Shares, Series 7	**10**	**250**	10	250	10	250
Preference Shares, Series 9	**11**	**275**	11	275	11	275
Preference Shares, Series 11	**20**	**500**	20	500	20	500
Preference Shares, Series 13	**14**	**350**	14	350	14	350
Preference Shares, Series 15	**11**	**275**	11	275	11	275
Preference Shares, Series 17	**30**	**750**	30	750	—	—
Preference Shares, Series 19	**20**	**500**	—	—	—	—
Issuance costs		**(155)**		(147)		(137)
Balance at end of year		**7,747**		7,255		6,515

Characteristics of the preference shares are as follows:

	Dividend Rate	Dividend[1]	Per Share Base Redemption Value[2]	Redemption and Conversion Option Date[2,3]	Right to Convert Into[3,4]
(Canadian dollars unless otherwise stated)					
Preference Shares, Series A	5.50%	$1.37500	$25	—	—
Preference Shares, Series B[5]	3.42%	$0.85360	$25	June 1, 2022	Series C
Preference Shares, Series C[5]	3-month treasury bill plus 2.400%	—	$25	June 1, 2022	Series B
Preference Shares, Series D[6]	4.00%	$1.00000	$25	March 1, 2018	Series E
Preference Shares, Series F	4.00%	$1.00000	$25	June 1, 2018	Series G
Preference Shares, Series H	4.00%	$1.00000	$25	September 1, 2018	Series I
Preference Shares, Series J[7]	4.89%	US$1.22160	US$25	June 1, 2022	Series K
Preference Shares, Series L[7]	4.96%	US$1.23972	US$25	September 1, 2022	Series M
Preference Shares, Series N	4.00%	$1.00000	$25	December 1, 2018	Series O
Preference Shares, Series P	4.00%	$1.00000	$25	March 1, 2019	Series Q
Preference Shares, Series R	4.00%	$1.00000	$25	June 1, 2019	Series S
Preference Shares, Series 1	4.00%	US$1.00000	US$25	June 1, 2018	Series 2
Preference Shares, Series 3	4.00%	$1.00000	$25	September 1, 2019	Series 4
Preference Shares, Series 5	4.40%	US$1.10000	US$25	March 1, 2019	Series 6
Preference Shares, Series 7	4.40%	$1.10000	$25	March 1, 2019	Series 8
Preference Shares, Series 9	4.40%	$1.10000	$25	December 1, 2019	Series 10
Preference Shares, Series 11	4.40%	$1.10000	$25	March 1, 2020	Series 12
Preference Shares, Series 13	4.40%	$1.10000	$25	June 1, 2020	Series 14
Preference Shares, Series 15	4.40%	$1.10000	$25	September 1, 2020	Series 16
Preference Shares, Series 17	5.15%	$1.28750	$25	March 1, 2022	Series 18
Preference Shares, Series 19	4.90%	$1.22500	$25	March 1, 2023	Series 20

1 The holder is entitled to receive a fixed, cumulative, quarterly preferential dividend, as declared by the Board of Directors. With the exception of Series A and Series C Preference Shares, such fixed dividend rate resets every five years beginning on the initial redemption and conversion option date. The Series 17 and Series 19 Preference Shares contain a feature where the fixed dividend rate, when reset every five years, will not be less than 5.15% and 4.90%, respectively. No other series of Preference Shares has this feature.

2 Series A Preference Shares may be redeemed any time at our option. For all other series of Preference Shares, we, may at our option, redeem all or a portion of the outstanding Preference Shares for the Base Redemption Value per share plus all accrued and unpaid dividends on the Redemption Option Date and on every fifth anniversary thereafter.

3 The holder will have the right, subject to certain conditions, to convert their shares into Cumulative Redeemable Preference Shares of a specified series on a one-for-one basis on the Conversion Option Date and every fifth anniversary thereafter at an ascribed issue price equal to the Base Redemption Value.

4 With the exception of Series A Preference Shares, after the redemption and conversion option dates, holders may elect to receive quarterly floating rate cumulative dividends per share at a rate equal to: $25 x (number of days in quarter/365) x 90 day Government of Canada treasury bill rate + 2.4% (Series C), 2.4% (Series E), 2.5% (Series G), 2.1% (Series I), 2.7% (Series O), 2.5% (Series Q), 2.5% (Series S), 2.4% (Series 4), 2.6% (Series 8), 2.7% (Series 10), 2.6% (Series 12), 2.7% (Series 14), 2.7% (Series 16), 4.1% (Series 18) or 3.2% (Series 20); or US$25 x (number of days in quarter/365) x three-month United States Government treasury bill rate + 3.1% (Series K), 3.2% (Series M), 3.1% (Series 2) or 2.8% (Series 6).

5 On June 1, 2017, 1,730,188 of Series B fixed rate Preference Shares were converted to Series C floating rate Preference Shares based upon preference share holder elections under the terms of the Series B Preference Shares. The quarterly dividend amount for the Series B Preference Shares was decreased to $0.21340 from $0.25000 on June 1, 2017, due to the reset of the annual dividend rate on every fifth anniversary of the date of issuance of the Series B Preference Shares. The quarterly dividend amount for the Series C Preference Shares was set at $0.18600 on June 1, 2017, $0.19571 on September 1, 2017 and $0.20342 on December 1, 2017, due to reset on a quarterly basis following the issuance thereof.

6 On January 30, 2018, we announced that we do not intend to exercise our right to redeem our Series D Preference Shares on March 1, 2018. As a result, until February 14, 2018, the holders of such shares had the right to convert all or part of their Series D fixed rate Preference Shares on a one-for-one basis into Series E floating rate Preference Shares. As of February 14, 2018, less than the 1,000,000 Series D Preference Shares required to give effect to conversions into Series E Preference Shares were tendered for conversion. As a result, none of our outstanding Series D Preference Shares will be converted into Series E Preference Shares on March 1, 2018. However, on March 1, 2018, the quarterly dividend amount for the Series D Preference Shares will be increased to $0.27875 from $0.25000, due to the reset of the annual dividend rate on every fifth anniversary of the date of issuance of the Series D Preference Shares.

7 No Series J or Series L Preference Shares were converted on the June 1, 2017 and September 1, 2017 conversion option dates, respectively. However, the quarterly dividend amounts for the Series J and Series L Preference Shares were increased to US$0.30540 from US$0.25000 on June 1, 2017, and to US$0.30993 from US$0.25000 on September 1, 2017, respectively, due to the reset of the annual dividend rate on every fifth anniversary of the date of issuance of the Series J and Serles L Preference Shares.

DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN
Under the DRIP, registered shareholders may reinvest dividends in our common shares and make additional optional cash payments to purchase common shares, free of brokerage or other charges. Participants in our DRIP receive a 2% discount on the purchase of common shares with reinvested dividends. For the years ended December 31, 2017 and 2016, total dividends paid were $3.5 billion and $1.9 billion, respectively, of which $2.3 billion and $1.2 billion, respectively, were paid in cash and reflected in financing activities. The remaining $1.2 billion and $795 million, respectively, of dividends paid were reinvested pursuant to the DRIP and resulted in the issuance of common shares rather than a cash payment. In addition to amounts paid in cash and reflected in financing activities for the year ended December 31, 2017, were $414 million in dividends declared to Spectra Energy shareholders prior to the Merger Transaction that were paid after the Merger Transaction.

SHAREHOLDER RIGHTS PLAN
The Shareholder Rights Plan is designed to encourage the fair treatment of shareholders in connection with any takeover offer for us. Rights issued under the plan become exercisable when a person and any related parties acquires or announces its intention to acquire 20% or more of our outstanding common shares without complying with certain provisions set out in the plan or without approval of our Board of Directors. Should such an acquisition occur, each rights holder, other than the acquiring person and related parties, will have the right to purchase our common shares at a 50% discount to the market price at that time.

21. STOCK OPTION AND STOCK UNIT PLANS

We maintain four long-term incentive compensation plans: the ISO Plan, the Performance Stock Options (PSO) Plan, the Performance Stock Units (PSU) Plan and the RSU Plan. A maximum of 60 million common shares were reserved for issuance under the 2002 ISO Plan, of which 50 million have been issued to date. A further 71 million common shares have been reserved for issuance under the 2007 ISO and PSO Plans, of which 16 million have been issued to date. The PSU and RSU Plans grant notional units as if a unit was one Enbridge common share and are payable in cash.

Prior to the Merger Transaction, Spectra Energy had a long-term incentive plan providing for the granting of stock options, restricted and unrestricted stock awards and units, and other equity-based awards. Upon closing of the Merger Transaction, Enbridge replaced existing Spectra Energy share-based payment awards with awards that will be settled in shares of Enbridge, with Spectra Energy's cash-settled phantom awards included in the fair value of the net assets acquired (Note 7).

Total stock-based compensation expense recorded for the years ended December 31, 2017, 2016 and 2015 was $165 million, $130 million and $97 million, respectively. Disclosure of activity and assumptions for material stock-based compensation plans are included below.

INCENTIVE STOCK OPTIONS

Key employees are granted ISOs to purchase common shares at the market price on the grant date. ISOs vest in equal annual installments over a four-year period and expire 10 years after the issue date.

December 31, 2017	Number	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life *(years)*	Aggregate Intrinsic Value
(options in thousands; intrinsic value in millions of Canadian dollars)				
Options outstanding at beginning of year	**32,909**	**42.51**		
Options granted	**5,995**	**55.72**		
Options exercised[1]	**(3,350)**	**32.65**		
Options cancelled or expired	**(1,188)**	**53.23**		
Options outstanding at end of year	**34,366**	**45.41**	**6.1**	**271**
Options vested at end of year[2]	**20,403**	**40.89**	**4.7**	**228**

1 The total intrinsic value of ISOs exercised during the years ended December 31, 2017, 2016 and 2015 was $62 million, $123 million and $126 million, respectively, and cash received on exercise was $17 million, $37 million and $43 million, respectively.

2 The total fair value of ISOs vested during the years ended December 31, 2017, 2016 and 2015 was $44 million, $36 million and $34 million, respectively.

Weighted average assumptions used to determine the fair value of ISOs granted using the Black-Scholes-Merton option pricing model are as follows:

Year ended December 31,	**2017**	2016	2015
Fair value per option *(Canadian dollars)*[1]	**6.00**	7.37	6.48
Valuation assumptions			
Expected option term *(years)*[2]	**5**	5	5
Expected volatility[3]	**20.4%**	25.1%	19.9%
Expected dividend yield[4]	**4.2%**	4.4%	3.2%
Risk-free interest rate[5]	**1.2%**	0.8%	0.9%

1 Options granted to United States employees are based on NYSE prices. The option value and assumptions shown are based on a weighted average of the United States and the Canadian options. The fair values per option for the years ended December 31, 2017, 2016 and 2015 were $5.66, $7.01 and $6.22, respectively, for Canadian employees and US$5.72, US$6.60 and US$6.16, respectively, for United States employees.

2 The expected option term is six years based on historical exercise practice and three years for retirement eligible employees.

3 Expected volatility is determined with reference to historic daily share price volatility and consideration of the implied volatility observable in call option values near the grant date.

4 The expected dividend yield is the current annual dividend at the grant date divided by the current stock price.

5 The risk-free interest rate is based on the Government of Canada's Canadian Bond Yields and the United States Treasury Bond Yields.

Compensation expense recorded for the years ended December 31, 2017, 2016 and 2015 for ISOs was $40 million, $43 million and $35 million, respectively. As at December 31, 2017, unrecognized compensation expense related to non-vested stock-based compensation arrangements granted under the ISO Plan was $47 million. The expense is expected to be fully recognized over a weighted average period of approximately two years.

RESTRICTED STOCK UNITS
We have a RSU Plan where cash awards are paid to certain of our non-executive employees following a 35-month maturity period. RSU holders receive cash equal to our weighted average share price for 20 days prior to the maturity of the grant multiplied by the units outstanding on the maturity date.

December 31, 2017	Number	Weighted Average Remaining Contractual Life *(years)*	Aggregate Intrinsic Value
(units in thousands; intrinsic value in millions of Canadian dollars)			
Units outstanding at beginning of year	**1,854**		
Units granted	**741**		
Units cancelled	**(186)**		
Units matured[1]	**(839)**		
Dividend reinvestment	**123**		
Units outstanding at end of year	**1,693**	**1.4**	**83**

1 The total amount paid during the years ended December 31, 2017, 2016 and 2015 for RSUs was $39 million, $56 million and $45 million, respectively.

Compensation expense recorded for the years ended December 31, 2017, 2016 and 2015 for RSUs was $46 million, $51 million and $47 million, respectively. As at December 31, 2017, unrecognized compensation expense related to non-vested units granted under the RSU Plan was $48 million. The expense is expected to be fully recognized over a weighted average period of approximately one year.

22. COMPONENTS OF ACCUMULATED OTHER COMPREHENSIVE INCOME/(LOSS)

Changes in AOCI attributable to our common shareholders for the years ended December 31, 2017, 2016 and 2015 are as follows:

	Cash Flow Hedges	Net Investment Hedges	Cumulative Translation Adjustment	Equity Investees	Pension and OPEB Adjustment	Total
(millions of Canadian dollars)						
Balance at January 1, 2017	**(746)**	**(629)**	**2,700**	**37**	**(304)**	**1,058**
Other comprehensive income/(loss) retained in AOCI	**1**	**478**	**(2,623)**	**(11)**	**18**	**(2,137)**
Other comprehensive (income)/loss reclassified to earnings						
Interest rate contracts[1]	**207**	**—**	**—**	**—**	**—**	**207**
Commodity contracts[2]	**(7)**	**—**	**—**	**—**	**—**	**(7)**
Foreign exchange contracts[3]	**(6)**	**—**	**—**	**—**	**—**	**(6)**
Other contracts[4]	**(6)**	**—**	**—**	**—**	**—**	**(6)**
Amortization of pension and OPEB actuarial loss and prior service costs[5]	**—**	**—**	**—**	**—**	**41**	**41**
	189	**478**	**(2,623)**	**(11)**	**59**	**(1,908)**
Tax impact						
Income tax on amounts retained in AOCI	**(16)**	**12**	**—**	**(16)**	**(10)**	**(30)**
Income tax on amounts reclassified to earnings	**(71)**	**—**	**—**	**—**	**(22)**	**(93)**
	(87)	**12**	**—**	**(16)**	**(32)**	**(123)**
Balance at December 31, 2017	**(644)**	**(139)**	**77**	**10**	**(277)**	**(973)**

	Cash Flow Hedges	Net Investment Hedges	Cumulative Translation Adjustment	Equity Investees	Pension and OPEB Adjustment	Total
(millions of Canadian dollars)						
Balance at January 1, 2016	(688)	(795)	3,365	37	(287)	1,632
Other comprehensive income/(loss) retained in AOCI	(216)	171	(665)	(5)	(45)	(760)
Other comprehensive (income)/loss reclassified to earnings						
Interest rate contracts[1]	147	—	—	—	—	147
Commodity contracts[2]	(11)	—	—	—	—	(11)
Foreign exchange contracts[3]	1	—	—	—	—	1
Other contracts[4]	(18)	—	—	—	—	(18)
Amortization of pension and OPEB actuarial loss and prior service costs[5]	—	—	—	—	21	21
	(97)	171	(665)	(5)	(24)	(620)
Tax impact						
Income tax on amounts retained in AOCI	91	(5)	—	5	11	102
Income tax on amounts reclassified to earnings	(52)	—	—	—	(4)	(56)
	39	(5)	—	5	7	46
Balance at December 31, 2016	(746)	(629)	2,700	37	(304)	1,058

	Cash Flow Hedges	Net Investment Hedges	Cumulative Translation Adjustment	Equity Investees	Pension and OPEB Adjustment	Total
(millions of Canadian dollars)						
Balance at January 1, 2015	(488)	108	309	(5)	(359)	(435)
Other comprehensive income/(loss) retained in AOCI	73	(952)	3,056	47	65	2,289
Other comprehensive (income)/loss reclassified to earnings						
Interest rate contracts[1]	(34)	—	—	—	—	(34)
Commodity contracts[2]	(11)	—	—	—	—	(11)
Foreign exchange contracts[3]	7	—	—	—	—	7
Other contracts[4]	26	—	—	—	—	26
Amortization of pension and OPEB actuarial loss and prior service costs[5]	—	—	—	—	32	32
Other comprehensive income reclassified to earnings of derecognized cash flow hedges	(338)	—	—	—	—	(338)
	(277)	(952)	3,056	47	97	1,971
Tax impact						
Income tax on amounts retained in AOCI	(29)	49	—	(5)	(14)	1
Income tax on amounts reclassified to earnings	15	—	—	—	(11)	4
Income tax on amounts reclassified to earnings of derecognized cash flow hedges	91	—	—	—	—	91
	77	49	—	(5)	(25)	96
Balance at December 31, 2015	(688)	(795)	3,365	37	(287)	1,632

1 Reported within Interest expense in the Consolidated Statements of Earnings.
2 Reported within Commodity costs in the Consolidated Statements of Earnings.
3 Reported within Other income/(expense) in the Consolidated Statements of Earnings.
4 Reported within Operating and administrative expense in the Consolidated Statements of Earnings.
5 These components are included in the computation of net benefit costs and are reported within Operating and administrative expense in the Consolidated Statements of Earnings.

23. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

MARKET RISK
Our earnings, cash flows and OCI are subject to movements in foreign exchange rates, interest rates, commodity prices and our share price (collectively, market risk). Formal risk management policies, processes and systems have been designed to mitigate these risks.

The following summarizes the types of market risks to which we are exposed and the risk management instruments used to mitigate them. We use a combination of qualifying and non-qualifying derivative instruments to manage the risks noted below.

Foreign Exchange Risk
We generate certain revenues, incur expenses, and hold a number of investments and subsidiaries that are denominated in currencies other than Canadian dollars. As a result, our earnings, cash flows and OCI are exposed to fluctuations resulting from foreign exchange rate variability.

We employ financial derivative instruments to hedge foreign currency denominated earnings exposure. A combination of qualifying and non-qualifying derivative instruments are used to hedge anticipated foreign currency denominated revenues and expenses, and to manage variability in cash flows. We hedge certain net investments in United States dollar denominated investments and subsidiaries using foreign currency derivatives and United States dollar denominated debt.

Interest Rate Risk
Our earnings and cash flows are exposed to short-term interest rate variability due to the regular repricing of our variable rate debt, primarily commercial paper. Pay fixed-receive floating interest rate swaps are used to hedge against the effect of future interest rate movements. We have implemented a program to significantly mitigate the impact of short-term interest rate volatility on interest expense via execution of floating to fixed interest rate swaps with an average swap rate of 2.6%.

As a result of the Merger Transaction, we are exposed to changes in the fair value of fixed rate debt that arise as a result of the changes in market interest rates. Pay floating-receive fixed interest rate swaps are used to hedge against future changes to the fair value of fixed rate debt. We have assumed a program within our subsidiaries to mitigate the impact of fluctuations in the fair value of fixed rate debt via execution of fixed to floating interest rate swaps with an average swap rate of 2.2%.

Our earnings and cash flows are also exposed to variability in longer term interest rates ahead of anticipated fixed rate term debt issuances. Forward starting interest rate swaps are used to hedge against the effect of future interest rate movements. We have assumed a program within some of our subsidiaries to mitigate our exposure to long-term interest rate variability on select forecast term debt issuances via execution of floating to fixed interest rate swaps with an average swap rate of 3.1%.

We also monitor our debt portfolio mix of fixed and variable rate debt instruments to maintain a consolidated portfolio of debt within the Board of Directors approved policy limit of a maximum of 25% floating rate debt as a percentage of total debt outstanding. Effective January 1, 2018, the Board of Directors approved a policy limit increase of a maximum of 30% floating rate debt as a percentage of total debt outstanding. We primarily use qualifying derivative instruments to manage interest rate risk.

Commodity Price Risk
Our earnings and cash flows are exposed to changes in commodity prices as a result of our ownership interests in certain assets and investments, as well as through the activities of our energy services subsidiaries. These commodities include natural gas, crude oil, power and NGL. We employ financial and physical derivative instruments to fix a portion of the variable price exposures that arise from physical transactions involving these commodities. We use primarily non-qualifying derivative instruments to manage commodity price risk.

Emission Allowance Price Risk
Emission allowance price risk is the risk of gain or loss due to changes in the market price of emission allowances that our gas distribution business is required to purchase for itself and most of its customers to meet GHG compliance obligations under the Ontario Cap and Trade framework. Similar to the gas supply procurement framework, the OEB's framework for emission allowance procurement allows recovery of fluctuations in emission allowance prices in customer rates, subject to OEB approval.

Equity Price Risk
Equity price risk is the risk of earnings fluctuations due to changes in our share price. We have exposure to our own common share price through the issuance of various forms of stock-based compensation, which affect earnings through revaluation of the outstanding units every period. We use equity derivatives to manage the earnings volatility derived from one form of stock-based compensation, restricted share units. We use a combination of qualifying and non-qualifying derivative instruments to manage equity price risk.

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

We generally have a policy of entering into individual International Swaps and Derivatives Association, Inc. agreements, or other similar derivative agreements, with the majority of our financial derivative counterparties. These agreements provide for the net settlement of derivative instruments outstanding with specific counterparties in the event of bankruptcy or other significant credit events, and reduces our credit risk exposure on financial derivative asset positions outstanding with the counterparties in those circumstances. The following table summarizes the maximum potential settlement in the event of these specific circumstances. All amounts are presented gross in the Consolidated Statements of Financial Position.

December 31, 2017	Derivative Instruments Used as Cash Flow Hedges	Derivative Instruments Used as Net Investment Hedges	Derivative Instruments Used as Fair Value Hedges	Non-Qualifying Derivative Instruments	Total Gross Derivative Instruments as Presented	Amounts Available for Offset	Total Net Derivative Instruments
(millions of Canadian dollars)							
Accounts receivable and other							
Foreign exchange contracts	**1**	**4**	**—**	**138**	**143**	**(83)**	**60**
Interest rate contracts	**6**	**—**	**2**	**—**	**8**	**(3)**	**5**
Commodity contracts	**2**	**—**	**—**	**143**	**145**	**(64)**	**81**
	9	**4**	**2**	**281**	**296**	**(150)**	**146**
Deferred amounts and other assets							
Foreign exchange contracts	**1**	**1**	**—**	**143**	**145**	**(125)**	**20**
Interest rate contracts	**7**	**—**	**6**	**—**	**13**	**(2)**	**11**
Commodity contracts	**17**	**—**	**—**	**6**	**23**	**(19)**	**4**
	25	**1**	**6**	**149**	**181**	**(146)**	**35**
Accounts payable and other							
Foreign exchange contracts	**(5)**	**(42)**	**—**	**(312)**	**(359)**	**83**	**(276)**
Interest rate contracts	**(140)**	**—**	**(6)**	**(183)**	**(329)**	**3**	**(326)**
Commodity contracts	**—**	**—**	**—**	**(439)**	**(439)**	**64**	**(375)**
Other contracts	**(1)**	**—**	**—**	**(2)**	**(3)**	**—**	**(3)**
	(146)	**(42)**	**(6)**	**(936)**	**(1,130)**	**150**	**(980)**
Other long-term liabilities							
Foreign exchange contracts	**(4)**	**(9)**	**—**	**(1,299)**	**(1,312)**	**125**	**(1,187)**
Interest rate contracts	**(38)**	**—**	**(2)**	**—**	**(40)**	**2**	**(38)**
Commodity contracts	**—**	**—**	**—**	**(186)**	**(186)**	**19**	**(167)**
Other contracts	**(1)**	**—**	**—**	**—**	**(1)**	**—**	**(1)**
	(43)	**(9)**	**(2)**	**(1,485)**	**(1,539)**	**146**	**(1,393)**
Total net derivative asset/(liability)							
Foreign exchange contracts	**(7)**	**(46)**	**—**	**(1,330)**	**(1,383)**	**—**	**(1,383)**
Interest rate contracts	**(165)**	**—**	**—**	**(183)**	**(348)**	**—**	**(348)**
Commodity contracts	**19**	**—**	**—**	**(476)**	**(457)**	**—**	**(457)**
Other contracts	**(2)**	**—**	**—**	**(2)**	**(4)**	**—**	**(4)**
	(155)	**(46)**	**—**	**(1,991)**	**(2,192)**	**—**	**(2,192)**

December 31, 2016	Derivative Instruments Used as Cash Flow Hedges	Derivative Instruments Used as Net Investment Hedges	Non-Qualifying Derivative Instruments	Total Gross Derivative Instruments as Presented	Amounts Available for Offset	Total Net Derivative Instruments
(millions of Canadian dollars)						
Accounts receivable and other						
Foreign exchange contracts	101	3	5	109	(103)	6
Interest rate contracts	3	—	—	3	(3)	—
Commodity contracts	9	—	232	241	(125)	116
	113	3	237	353	(231)	122
Deferred amounts and other assets						
Foreign exchange contracts	1	3	69	73	(72)	1
Interest rate contracts	8	—	—	8	(6)	2
Commodity contracts	7	—	61	68	(22)	46
Other contracts	1	—	1	2	—	2
	17	3	131	151	(100)	51
Accounts payable and other						
Foreign exchange contracts	—	(268)	(727)	(995)	103	(892)
Interest rate contracts	(452)	—	(131)	(583)	3	(580)
Commodity contracts	—	—	(359)	(359)	125	(234)
Other contracts	(1)	—	(3)	(4)	—	(4)
	(453)	(268)	(1,220)	(1,941)	231	(1,710)
Other long-term liabilities						
Foreign exchange contracts	—	(68)	(1,961)	(2,029)	72	(1,957)
Interest rate contracts	(268)	—	(205)	(473)	6	(467)
Commodity contracts	—	—	(211)	(211)	22	(189)
	(268)	(68)	(2,377)	(2,713)	100	(2,613)
Total net derivative asset/(liability)						
Foreign exchange contracts	102	(330)	(2,614)	(2,842)	—	(2,842)
Interest rate contracts	(709)	—	(336)	(1,045)	—	(1,045)
Commodity contracts	16	—	(277)	(261)	—	(261)
Other contracts	—	—	(2)	(2)	—	(2)
	(591)	(330)	(3,229)	(4,150)	—	(4,150)

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

	2017						2016
As at December 31,	2018	2019	2020	2021	2022	Thereafter	Total
Foreign exchange contracts - United States dollar forwards - purchase *(millions of United States dollars)*	**755**	**2**	**2**	**—**	**—**	**—**	997
Foreign exchange contracts - United States dollar forwards - sell *(millions of United States dollars)*	**4,478**	**3,246**	**3,258**	**1,689**	**1,676**	**1,820**	13,591
Foreign exchange contracts - British pound (GBP) forwards - purchase *(millions of GBP)*	**18**	**—**	**—**	**—**	**—**	**—**	97
Foreign exchange contracts - GBP forwards - sell *(millions of GBP)*	**—**	**89**	**25**	**27**	**28**	**149**	285
Foreign exchange contracts - Euro forwards - purchase *(millions of Euro)*	**280**	**375**	**—**	**—**	**—**	**—**	—
Foreign exchange contracts - Euro forwards - sell *(millions of Euro)*	**—**	**—**	**35**	**169**	**169**	**889**	—
Foreign exchange contracts - Japanese yen forwards - purchase *(millions of yen)*	**—**	**32,662**	**—**	**—**	**20,000**	**—**	32,662
Interest rate contracts - short-term pay fixed rate *(millions of Canadian dollars)*	**4,950**	**1,585**	**215**	**95**	**91**	**202**	14,008
Interest rate contracts - long-term receive fixed rate *(millions of Canadian dollars)*	**1,522**	**1,018**	**822**	**433**	**349**	**52**	—
Interest rate contracts - long-term pay fixed rate *(millions of Canadian dollars)*	**4,007**	**957**	**438**	**—**	**—**	**—**	7,509
Equity contracts *(millions of Canadian dollars)*	**45**	**37**	**8**	**—**	**—**	**—**	88
Commodity contracts - natural gas *(billions of cubic feet)*	**(59)**	**(69)**	**(20)**	**(10)**	**(1)**	**—**	(161)
Commodity contracts - crude oil *(millions of barrels)*	**(3)**	**—**	**—**	**—**	**—**	**—**	(20)
Commodity contracts - NGL *(millions of barrels)*	**(12)**	**—**	**—**	**—**	**—**	**—**	(14)
Commodity contracts - power *(megawatt per hour (MW/H))*	**42**	**51**	**55**	**(3)**	**(43)**	**(43)** [1]	(4) [2]

1 As at December 31, 2017, thereafter includes an average net purchase/(sell) of power of (43) MW/H for 2023 through 2025.
2 As at December 31, 2016, the average net purchase/(sell) of power was (4) MW/H for 2017 through 2025 with a high of 40 MW/H and a low of (43) MW/H.

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

The following table presents the effect of cash flow hedges and net investment hedges on our consolidated earnings and consolidated comprehensive income, before the effect of income taxes:

	2017	2016	2015
(millions of Canadian dollars)			
Amount of unrealized gain/(loss) recognized in OCI			
Cash flow hedges			
Foreign exchange contracts	**(5)**	(19)	77
Interest rate contracts	**6**	(90)	(275)
Commodity contracts	**11**	14	9
Other contracts	**1**	39	(47)
Net investment hedges			
Foreign exchange contracts	**284**	22	(248)
	297	(34)	(484)
Amount of (gain)/loss reclassified from AOCI to earnings *(effective portion)*			
Foreign exchange contracts[1]	**(104)**	2	9
Interest rate contracts[2,3]	**388**	145	128
Commodity contracts[4]	**(9)**	(12)	(46)
Other contracts[5]	**8**	(29)	28
	283	106	119
De-designation of qualifying hedges in connection with the Canadian Restructuring Plan			
Interest rate contracts[2]	**—**	—	338
	—	—	338
Amount of (gain)/loss reclassified from AOCI to earnings *(ineffective portion and amount excluded from effectiveness testing)*			
Interest rate contracts[2, 3]	**(4)**	61	21
Commodity contracts[4]	—	—	5
	(4)	61	26

1 Reported within Transportation and other services revenues and Other income/(expense) in the Consolidated Statements of Earnings.
2 Reported within Interest expense in the Consolidated Statements of Earnings.
3 For the year ended December 31, 2017, includes settlements of $296 million loss related to the termination of long-term interest rate swaps as not highly probable to issue long-term debt.
4 Reported within Transportation and other services revenues, Commodity sales revenues, Commodity costs and Operating and administrative expense in the Consolidated Statements of Earnings.
5 Reported within Operating and administrative expense in the Consolidated Statements of Earnings.

We estimate that a loss of $38 million from AOCI related to cash flow hedges will be reclassified to earnings in the next 12 months. Actual amounts reclassified to earnings depend on the foreign exchange rates, interest rates and commodity prices in effect when derivative contracts that are currently outstanding mature. For all forecasted transactions, the maximum term over which we are hedging exposures to the variability of cash flows is 36 months as at December 31, 2017.

Fair Value Derivatives

For interest rate derivative instruments that are designated and qualify as fair value hedges, the gain or loss on the derivative as well as the offsetting loss or gain on the hedged item attributable to the hedged risk is included in Interest expense in the Consolidated Statements of Earnings. During the years ended December 31, 2017 and 2016, we recognized an unrealized loss of $10 million and nil, respectively, on the derivative and an unrealized gain of $11 million and nil, respectively, on the hedged item in earnings. During the years ended December 31, 2017 and 2016, we recognized a realized gain of $2 million and nil, respectively, on the derivative and a realized loss of $2 million and nil, respectively, on the hedged item in earnings. The difference in the amounts, if any, represents hedge ineffectiveness.

Non-Qualifying Derivatives
The following table presents the unrealized gains and losses associated with changes in the fair value of our non-qualifying derivatives:

Year ended December 31,	**2017**	2016	2015
(millions of Canadian dollars)			
Foreign exchange contracts[1]	**1,284**	935	(2,187)
Interest rate contracts[2]	**157**	73	(363)
Commodity contracts[3]	**(199)**	(508)	199
Other contracts[4]	**—**	9	(22)
Total unrealized derivative fair value gain/(loss), net	**1,242**	509	(2,373)

1 For the respective annual periods, reported within Transportation and other services revenues (2017 - $800 million gain; 2016 - $497 million gain; 2015 - $1,383 million loss) and Other income/(expense) (2017 - $484 million gain; 2016 - $438 million gain; 2015 - $804 million loss) in the Consolidated Statements of Earnings.
2 Reported as an (increase)/decrease within Interest expense in the Consolidated Statements of Earnings.
3 For the respective annual periods, reported within Transportation and other services revenues (2017 - $104 million loss; 2016 - $52 million loss; 2015 - $328 million gain), Commodity sales (2017 - $90 million gain 2016 - $474 million loss; 2015 - $226 million loss), Commodity costs (2017 - $223 million loss; 2016 - $38 million gain; 2015 - $99 million gain) and Operating and administrative expense (2017 - $38 million gain; 2016 - $20 million loss; 2015 - $2 million loss) in the Consolidated Statements of Earnings.
4 Reported within Operating and administrative expense in the Consolidated Statements of Earnings.

LIQUIDITY RISK
Liquidity risk is the risk that we will not be able to meet our financial obligations, including commitments and guarantees, as they become due. In order to mitigate this risk, we forecast cash requirements over a 12 month rolling time period to determine whether sufficient funds will be available and maintain substantial capacity under our committed bank lines of credit to address any contingencies. Our primary sources of liquidity and capital resources are funds generated from operations, the issuance of commercial paper and draws under committed credit facilities and long-term debt, which includes debentures and medium-term notes. We also maintain current shelf prospectuses with securities regulators which enables, subject to market conditions, ready access to either the Canadian or United States public capital markets. In addition, we maintain sufficient liquidity through committed credit facilities with a diversified group of banks and institutions which, if necessary, enables us to fund all anticipated requirements for approximately one year without accessing the capital markets. We are in compliance with all the terms and conditions of our committed credit facility agreements and term debt indentures as at December 31, 2017. As a result, all credit facilities are available to us and the banks are obligated to fund and have been funding us under the terms of the facilities.

CREDIT RISK
Entering into derivative instruments may result in exposure to credit risk from the possibility that a counterparty will default on its contractual obligations. In order to mitigate this risk, we enter into risk management transactions primarily with institutions that possess investment grade credit ratings. Credit risk relating to derivative counterparties is mitigated by credit exposure limits and contractual requirements, netting arrangements, and ongoing monitoring of counterparty credit exposure using external credit rating services and other analytical tools.

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

December 31,	**2017**	2016
(millions of Canadian dollars)		
Canadian financial institutions	**82**	39
United States financial institutions	**19**	179
European financial institutions	**145**	106
Asian financial institutions	**2**	1
Other[1]	**137**	162
	385	487

1 Other is comprised of commodity clearing house and physical natural gas and crude oil counterparties.

As at December 31, 2017, we provided letters of credit totaling nil in lieu of providing cash collateral to our counterparties pursuant to the terms of the relevant ISDA agreements. We held no cash collateral on derivative asset exposures as at December 31, 2017 and December 31, 2016.

Gross derivative balances have been presented without the effects of collateral posted. Derivative assets are adjusted for non-performance risk of our counterparties using their credit default swap spread rates, and are reflected at fair value. For derivative liabilities, our non-performance risk is considered in the valuation.

Credit risk also arises from trade and other long-term receivables, and is mitigated through credit exposure limits and contractual requirements, assessment of credit ratings and netting arrangements. Within EGD and Union Gas, credit risk is mitigated by the utilities' large and diversified customer base and the ability to recover an estimate for doubtful accounts through the ratemaking process. We actively monitor the financial strength of large industrial customers and, in select cases, have obtained additional security to minimize the risk of default on receivables. Generally, we classify and provide for receivables older than 20 days as past due. The maximum exposure to credit risk related to non-derivative financial assets is their carrying value.

FAIR VALUE MEASUREMENTS

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

FAIR VALUE OF FINANCIAL INSTRUMENTS

We categorize our derivative instruments measured at fair value into one of three different levels depending on the observability of the inputs employed in the measurement.

Level 1

Level 1 includes derivatives measured at fair value based on unadjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date. An active market for a derivative is considered to be a market where transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Our Level 1 instruments consist primarily of exchange-traded derivatives used to mitigate the risk of crude oil price fluctuations.

Level 2

Level 2 includes derivative valuations determined using directly or indirectly observable inputs other than quoted prices included within Level 1. Derivatives in this category are valued using models or other industry standard valuation techniques derived from observable market data. Such valuation techniques

include inputs such as quoted forward prices, time value, volatility factors and broker quotes that can be observed or corroborated in the market for the entire duration of the derivative. Derivatives valued using Level 2 inputs include non-exchange traded derivatives such as over-the-counter foreign exchange forward and cross currency swap contracts, interest rate swaps, physical forward commodity contracts, as well as commodity swaps and options for which observable inputs can be obtained.

We have also categorized the fair value of our held to maturity preferred share investment and long-term debt as Level 2. The fair value of our held to maturity preferred share investment is primarily based on the yield of certain Government of Canada bonds. The fair value of our long-term debt is based on quoted market prices for instruments of similar yield, credit risk and tenor.

Level 3
Level 3 includes derivative valuations based on inputs which are less observable, unavailable or where the observable data does not support a significant portion of the derivatives' fair value. Generally, Level 3 derivatives are longer dated transactions, occur in less active markets, occur at locations where pricing information is not available or have no binding broker quote to support Level 2 classification. We have developed methodologies, benchmarked against industry standards, to determine fair value for these derivatives based on extrapolation of observable future prices and rates. Derivatives valued using Level 3 inputs primarily include long-dated derivative power contracts and NGL and natural gas contracts, basis swaps, commodity swaps, power and energy swaps, as well as options. We do not have any other financial instruments categorized in Level 3.

We use the most observable inputs available to estimate the fair value of our derivatives. When possible, we estimate the fair value of our derivatives based on quoted market prices. If quoted market prices are not available, we use estimates from third party brokers. For non-exchange traded derivatives classified in Levels 2 and 3, we use standard valuation techniques to calculate the estimated fair value. These methods include discounted cash flows for forwards and swaps and Black-Scholes-Merton pricing models for options. Depending on the type of derivative and nature of the underlying risk, we use observable market prices (interest, foreign exchange, commodity and share price) and volatility as primary inputs to these valuation techniques. Finally, we consider our own credit default swap spread as well as the credit default swap spreads associated with our counterparties in our estimation of fair value.

We have categorized our derivative assets and liabilities measured at fair value as follows:

December 31, 2017	Level 1	Level 2	Level 3	Total Gross Derivative Instruments
(millions of Canadian dollars)				
Financial assets				
Current derivative assets				
Foreign exchange contracts	—	143	—	143
Interest rate contracts	—	8	—	8
Commodity contracts	1	30	114	145
	1	181	114	296
Long-term derivative assets				
Foreign exchange contracts	—	145	—	145
Interest rate contracts	—	13	—	13
Commodity contracts	—	2	21	23
	—	160	21	181
Financial liabilities				
Current derivative liabilities				
Foreign exchange contracts	—	(359)	—	(359)
Interest rate contracts	—	(329)	—	(329)
Commodity contracts	(13)	(87)	(339)	(439)
Other contracts	—	(3)	—	(3)
	(13)	(778)	(339)	(1,130)
Long-term derivative liabilities				
Foreign exchange contracts	—	(1,312)	—	(1,312)
Interest rate contracts	—	(40)	—	(40)
Commodity contracts	—	(3)	(183)	(186)
Other contracts	—	(1)	—	(1)
	—	(1,356)	(183)	(1,539)
Total net financial asset/(liability)				
Foreign exchange contracts	—	(1,383)	—	(1,383)
Interest rate contracts	—	(348)	—	(348)
Commodity contracts	(12)	(58)	(387)	(457)
Other contracts	—	(4)	—	(4)
	(12)	(1,793)	(387)	(2,192)

December 31, 2016	Level 1	Level 2	Level 3	Total Gross Derivative Instruments
(millions of Canadian dollars)				
Financial assets				
Current derivative assets				
Foreign exchange contracts	—	109	—	109
Interest rate contracts	—	3	—	3
Commodity contracts	2	86	153	241
	2	198	153	353
Long-term derivative assets				
Foreign exchange contracts	—	73	—	73
Interest rate contracts	—	8	—	8
Commodity contracts	—	43	25	68
Other contracts	—	2	—	2
	—	126	25	151
Financial liabilities				
Current derivative liabilities				
Foreign exchange contracts	—	(995)	—	(995)
Interest rate contracts	—	(583)	—	(583)
Commodity contracts	(12)	(75)	(272)	(359)
Other contracts	—	(4)	—	(4)
	(12)	(1,657)	(272)	(1,941)
Long-term derivative liabilities				
Foreign exchange contracts	—	(2,029)	—	(2,029)
Interest rate contracts	—	(473)	—	(473)
Commodity contracts	—	(10)	(201)	(211)
	—	(2,512)	(201)	(2,713)
Total net financial asset/(liability)				
Foreign exchange contracts	—	(2,842)	—	(2,842)
Interest rate contracts	—	(1,045)	—	(1,045)
Commodity contracts	(10)	44	(295)	(261)
Other contracts	—	(2)	—	(2)
	(10)	(3,845)	(295)	(4,150)

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

December 31, 2017	Fair Value	Unobservable Input	Minimum Price/Volatility	Maximum Price/Volatility	Weighted Average Price/Volatility	Unit of Measurement
(fair value in millions of Canadian dollars)						
Commodity contracts - financial[1]						
Natural gas	**(1)**	**Forward gas price**	**2.67**	**5.52**	**3.38**	**$/mmbtu[3]**
Crude	**(4)**	**Forward crude price**	**43.76**	**65.60**	**51.03**	**$/barrel**
NGL	**(12)**	**Forward NGL price**	**0.30**	**1.83**	**1.32**	**$/gallon**
Power	**(110)**	**Forward power price**	**15.39**	**71.41**	**50.72**	**$/MW/H**
Commodity contracts - physical[1]						
Natural gas	**(114)**	**Forward gas price**	**2.51**	**7.57**	**2.93**	**$/mmbtu[3]**
Crude	**(148)**	**Forward crude price**	**34.38**	**80.56**	**69.01**	**$/barrel**
NGL	**3**	**Forward NGL price**	**0.28**	**1.94**	**0.93**	**$/gallon**
Commodity options[2]						
Crude	**(1)**	**Option volatility**	**15%**	**24%**	**22%**	
Power	**—**	**Option volatility**	**29%**	**55%**	**35%**	
	(387)					

1 Financial and physical forward commodity contracts are valued using a market approach valuation technique.
2 Commodity options contracts are valued using an option model valuation technique.
3 One million British thermal units (mmbtu).

If adjusted, the significant unobservable inputs disclosed in the table above would have a direct impact on the fair value of our Level 3 derivative instruments. The significant unobservable inputs used in the fair value measurement of Level 3 derivative instruments include forward commodity prices and, for option contracts, price volatility. Changes in forward commodity prices could result in significantly different fair values for our Level 3 derivatives. Changes in price volatility would change the value of the option contracts. Generally, a change in the estimate of forward commodity prices is unrelated to a change in the estimate of price volatility.

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

Year ended December 31,	**2017**	2016
(millions of Canadian dollars)		
Level 3 net derivative asset/(liability) at beginning of period	**(295)**	54
Total gain/(loss)		
Included in earnings[1]	**(184)**	(113)
Included in OCI	**4**	3
Settlements	**88**	(239)
Level 3 net derivative liability at end of period	**(387)**	(295)

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

Our policy is to recognize transfers as at the last day of the reporting period. There were no transfers between levels as at December 31, 2017 or 2016.

FAIR VALUE OF OTHER FINANCIAL INSTRUMENTS

Our other long-term investments in other entities with no actively quoted prices are recorded at cost. The carrying value of other long-term investments recognized at cost totaled $99 million and $110 million as at December 31, 2017 and 2016, respectively.

We have Restricted long-term investments held in trust totaling $267 million and $90 million as at December 31, 2017 and 2016, respectively, which are recognized at fair value.

We have a held to maturity preferred share investment carried at its amortized cost of $371 million and $355 million as at December 31, 2017 and 2016, respectively. These preferred shares are entitled to a cumulative preferred dividend based on the yield of 10-year Government of Canada bonds plus a margin of 4.38%. The fair value of this preferred share investment approximates its face value of $580 million as at December 31, 2017 and 2016.

As at December 31, 2017 and 2016, our long-term debt had a carrying value of $64.0 billion and $40.8 billion, respectively, before debt issuance costs and a fair value of $67.4 billion and $43.9 billion, respectively. We also have noncurrent notes receivable carried at book value recorded in Deferred amounts and other assets in the Consolidated Statements of Financial Position. As at December 31, 2017 and 2016, the noncurrent notes receivable had a carrying value of $89 million and nil, and a fair value of $89 million and nil, respectively.

NET INVESTMENT HEDGES

We have designated a portion of our United States dollar denominated debt, as well as a portfolio of foreign exchange forward contracts, as a hedge of our net investment in United States dollar denominated investments and subsidiaries.

During the years ended December 31, 2017 and 2016, we recognized an unrealized foreign exchange gain on the translation of United States dollar denominated debt of $367 million and $121 million, respectively, and an unrealized gain on the change in fair value of our outstanding foreign exchange

forward contracts of $286 million and $21 million, respectively, in OCI. During the years ended December 31, 2017 and 2016, we recognized a realized loss of $198 million and a realized gain of $3 million, respectively, in OCI associated with the settlement of foreign exchange forward contracts and also recognized a realized gain of $23 million and $26 million, respectively, in OCI associated with the settlement of United States dollar denominated debt that had matured during the period. There was no ineffectiveness during the years ended December 31, 2017 and 2016.

24. INCOME TAXES

INCOME TAX RATE RECONCILIATION

Year ended December 31,	**2017**	2016	2015
(millions of Canadian dollars)			
Earnings before income taxes	**569**	2,451	11
Canadian federal statutory income tax rate	**15%**	15%	15%
Expected federal taxes at statutory rate	**85**	368	2
Increase/(decrease) resulting from:			
Provincial and state income taxes[1]	**133**	34	(204)
Foreign and other statutory rate differentials	**(601)**	(56)	310
Impact of United States tax reform[2]	**(2,045)**	—	—
Effects of rate-regulated accounting	**(189)**	(116)	(52)
Foreign allowable interest deductions	**(124)**	(107)	(84)
Part VI.1 tax, net of federal Part I deduction	**68**	56	55
Goodwill write-down[3]	**15**	—	—
Intercompany sale of investment[4]	**—**	6	23
Non-taxable portion of gain on sale of investment to unrelated party[5]	**—**	(61)	—
Valuation allowance[6]	**(17)**	22	154
Intercorporate investment in EIPLP[7]	**77**	—	—
Noncontrolling interests	**(80)**	(15)	(28)
Other[8]	**(19)**	11	(6)
Income tax (recovery)/expense	**(2,697)**	142	170
Effective income tax rate	**(474.0)%**	5.8%	1,545.5%

1 The change in provincial and state income taxes from 2016 to 2017 reflects the increase in earnings from the Canadian operations and the impact of the United States tax reform on state income tax expense.

2 The amount was due to the enactment of the "Tax Cuts and Jobs Act" by the United States on December 22, 2017, which included a reduction in the federal corporate income tax rate from 35% to 21% effective for taxation years beginning after December 31, 2017.

3 The amount relates to the federal component of the tax effect a goodwill write-down pursuant to ASU 2017-04.

4 In November 2016 and September 2015, certain assets were sold to entities under common control. The intercompany gains realized on these transfers were eliminated. However, because these transactions involved the sale of partnership units, tax consequences have been recognized in earnings.

5 The amount in 2016 represents the federal component of the non-taxable portion of the gain on the sale of the South Prairie Region assets to unrelated party.

6 The decrease from 2015 to 2016 is due to the federal component of the tax effect of a valuation allowance on the deferred tax assets related to an outside basis temporary difference that, in 2015, was no longer more likely than not to be realized.

7 There was a change in assertion regarding the manner of recovery of the intercorporate investment in EIPLP such that deferred tax related to outside basis temporary differences was required to be recorded.

8 2015 included $17 million recovery related to the federal component of the tax effect of adjustments related to prior periods.

COMPONENTS OF PRETAX EARNINGS AND INCOME TAXES

Year ended December 31,	**2017**	2016	2015
(millions of Canadian dollars)			
Earnings/(loss) before income taxes			
Canada	**2,200**	2,034	(1,365)
United States	**(2,431)**	(333)	808
Other	**800**	750	568
	569	2,451	11
Current income taxes			
Canada	**129**	74	157
United States	**46**	21	3
Other	**5**	4	3
	180	99	163
Deferred income taxes			
Canada	**299**	188	(558)
United States	**(3,160)**	(151)	565
Other	**(16)**	6	—
	(2,877)	43	7
Income tax (recovery)/expense	**(2,697)**	142	170

COMPONENTS OF DEFERRED INCOME TAXES

Deferred tax assets and liabilities are recognized for the future tax consequences of differences between carrying amounts of assets and liabilities and their respective tax bases. Major components of deferred income tax assets and liabilities are as follows:

December 31,	**2017**	2016
(millions of Canadian dollars)		
Deferred income tax liabilities		
Property, plant and equipment	**(4,089)**	(3,867)
Investments	**(6,596)**	(2,938)
Regulatory assets	**(977)**	(439)
Other	**(50)**	(47)
Total deferred income tax liabilities	**(11,712)**	(7,291)
Deferred income tax assets		
Financial instruments	**697**	1,215
Pension and OPEB plans	**258**	219
Loss carryforwards	**1,781**	1,189
Other	**1,057**	374
Total deferred income tax assets	**3,793**	2,997
Less valuation allowance	**(286)**	(572)
Total deferred income tax assets, net	**3,507**	2,425
Net deferred income tax liabilities	**(8,205)**	(4,866)
Presented as follows:		
Total deferred income tax assets	**1,090**	1,170
Total deferred income tax liabilities	**(9,295)**	(6,036)
Net deferred income tax liabilities	**(8,205)**	(4,866)

A valuation allowance has been established for certain loss and credit carryforwards, and outside basis temporary differences on investments that reduce deferred income tax assets to an amount that will more likely than not be realized.

As at December 31, 2017 and 2016, we recognized the benefit of unused tax loss carryforwards of $3.8 billion and $2.5 billion, respectively, in Canada which expire in 2025 and beyond.

As at December 31, 2017 and 2016, we recognized the benefit of unused tax loss carryforwards of $2.1 billion and $1.3 billion, respectively, in the United States which expire in 2021 and beyond.

As at December 31, 2017 and 2016, we recognized the benefit of unused capital loss carryforwards of $143 million and nil, respectively, in Canada which can be carried forward indefinitely.

As at December 31, 2017 and 2016, we recognized the benefit of unused capital loss carryforwards of $20 million and nil, respectively, in the United States which will expire in 2021.

We have not provided for deferred income taxes on the difference between the carrying value of substantially all of our foreign subsidiaries and their corresponding tax basis as the earnings of those subsidiaries are intended to be permanently reinvested in their operations. As such these investments are not anticipated to give rise to income taxes in the foreseeable future. The difference between the carrying values of the investments and their tax bases is largely a result of unremitted earnings and currency translation adjustments. The unremitted earnings and currency translation adjustment for which no deferred taxes have been recognized in respect of foreign subsidiaries were $2.1 billion and $4.1 billion for the period December 31, 2017 and 2016, respectively. If such earnings are remitted, in the form of dividends or otherwise, we may be subject to income taxes and foreign withholding taxes. The determination of the amount of unrecognized deferred income tax liabilities on such amounts is not practicable.

Enbridge and one or more of our subsidiaries are subject to taxation in Canada, the United States and other foreign jurisdictions. The material jurisdictions in which we are subject to potential examinations include the United States (Federal) and Canada (Federal, Alberta and Ontario). We are open to examination by Canadian tax authorities for the 2009 to 2017 tax years and by United States tax authorities for the 2014 to 2017 tax years. We are currently under examination for income tax matters in Canada for the 2013 to 2016 tax years. We are not currently under examination for income tax matters in any other material jurisdiction where we are subject to income tax.

United States Tax Reform
On December 22, 2017, the United States enacted the TCJA. The changes in the TCJA are effective for taxation years beginning after December 31, 2017. While the changes are broad and complex, the most significant change is the reduction in the corporate federal income tax rate from 35% to 21%. We are also impacted by a one-time deemed repatriation or “toll” tax on undistributed earnings and profits of United States controlled foreign affiliates, including Canadian subsidiaries.

We have made reasonable estimates for the measurement and accounting of certain effects of the TCJA in accordance with SEC Staff Accounting Bulletin No.118 (SAB 118). We recorded a provisional $34 million increase to our 2017 current income tax provision related to the toll tax, payable over eight years. We recorded a provisional $2.0 billion decrease to our 2017 deferred income tax provision related to the reduction in the corporate federal income tax rate. The accounting for these provisional items decreased our accumulated deferred income tax liability by $3.1 billion and increased our regulatory liability by $1.1 billion. We have also adjusted our valuation allowance for certain deferred tax assets existing at December 31, 2016 for the reduction in the corporate federal income tax rate by $0.2 billion. We have recognized these provisional tax impacts and included these amounts in our consolidated financial statements for the year ended December 31, 2017. The ultimate impact may differ from these provisional amounts, possibly materially, due to, among other things, additional analysis, changes in interpretations and assumptions we have made, additional regulatory guidance that may be issued, and actions we may take as a result of the TCJA. The accounting is expected to be complete when the 2017 US corporate income tax return is filed in 2018.

As provided for under SAB 118, we have not recorded the impact for certain items under the TCJA for which we have not yet been able to gather, prepare and analyze the necessary information in reasonable detail to complete the ASC 740 accounting. For these items, the current and deferred taxes were

recognized and measured based on the provisions of the tax laws that were in effect immediately prior to the TCJA being enacted. These certain items include but are not limited to the computation of state income taxes as there is uncertainty on conformity to the federal tax system following the TCJA, global intangible low taxed income, and base erosion and anti-abuse tax. The determination of the impact of the income tax effects of these items will require additional analysis of historical records and further interpretation of the TCJA from yet to be issued United States Treasury regulations which will require more time, information and resources than currently available to us.

UNRECOGNIZED TAX BENEFITS

Year ended December 31,	**2017**	2016
(millions of Canadian dollars)		
Unrecognized tax benefits at beginning of year	**84**	65
Gross increases for tax positions of current year	**15**	27
Gross increases for tax positions of prior year	**65**	—
Change in translation of foreign currency	**(2)**	(2)
Lapses of statute of limitations	**(8)**	(6)
Settlements	**(4)**	—
Unrecognized tax benefits at end of year	**150**	84

The unrecognized tax benefits as at December 31, 2017, if recognized, would impact our effective income tax rate. We do not anticipate further adjustments to the unrecognized tax benefits during the next 12 months that would have a material impact on our consolidated financial statements.

We recognize accrued interest and penalties related to unrecognized tax benefits as a component of income taxes. Income taxes for the years ended December 31, 2017 and 2016 included $3 million and $1 million recoveries, respectively, of interest and penalties. As at December 31, 2017 and 2016, interest and penalties of $8 million and $6 million, respectively, have been accrued.

25. PENSION AND OTHER POSTRETIREMENT BENEFITS

PENSION PLANS

We maintain registered and non-registered, contributory and non-contributory pension plans which provide defined benefit and/or defined contribution pension benefits covering substantially all employees. The Canadian Plans provide Company funded defined benefit and/or defined contribution pension benefits to our Canadian employees. The United States Plans provide Company funded defined benefit pension benefits to our United States employees. We also maintain supplemental pension plans that provide pension benefits in excess of the basic plans for certain employees.

Defined Benefit Plans

Benefits payable from the defined benefit plans are based on each plan participant's years of service and final average remuneration. These benefits are partially inflation-indexed after a plan participant's retirement. Our contributions are made in accordance with independent actuarial valuations and are invested primarily in publicly-traded equity and fixed income securities.

Defined Contribution Plans

Contributions are generally based on each plan participant's age, years of service and current eligible remuneration. For defined contribution plans, benefit costs equal amounts required to be contributed by us.

Benefit Obligation, Plan Assets and Funded Status
The following table details the changes in the projected benefit obligation, the fair value of plan assets and the recorded asset or liability for our defined benefit pension plans:

	Canada		United States	
December 31,	**2017**	2016	**2017**	2016
(millions of Canadian dollars)				
Change in projected benefit obligation				
Projected benefit obligation at beginning of year	**2,270**	2,064	**508**	487
Service cost	**156**	129	**48**	26
Interest cost	**116**	73	**35**	16
Actuarial loss	**145**	97	**57**	15
Benefits paid	**(165)**	(87)	**(42)**	(21)
Foreign currency exchange rate changes	**—**	—	**(63)**	(14)
Acquired in Merger Transaction	**1,505**	—	**811**	—
Plan settlements	**—**	—	**(59)**	—
Other	**6**	(6)	**(16)**	(1)
Projected benefit obligation at end of year[1]	**4,033**	2,270	**1,279**	508
Change in plan assets				
Fair value of plan assets at beginning of year	**2,019**	1,886	**361**	343
Actual return on plan assets	**308**	146	**113**	22
Employer contributions	**161**	74	**57**	28
Benefits paid	**(165)**	(87)	**(42)**	(21)
Foreign currency exchange rate changes	**—**	—	**(51)**	(10)
Acquired in Merger Transaction	**1,290**	—	**731**	—
Plan settlements	**—**	—	**(59)**	—
Other	**6**	—	**(13)**	(1)
Fair value of plan assets at end of year[2]	**3,619**	2,019	**1,097**	361
Underfunded status at end of year	**(414)**	(251)	**(182)**	(147)
Presented as follows:				
Deferred amounts and other assets	**38**	5	**—**	—
Accounts payable and other	**(60)**	—	**(3)**	—
Other long-term liabilities	**(392)**	(256)	**(179)**	(147)
	(414)	(251)	**(182)**	(147)

1 The accumulated benefit obligation for our Canadian pension plans was $3.7 billion and $978 million as at December 31, 2017 and 2016, respectively. The accumulated benefit obligation for our United States pension plans was $$1.2 billion and $462 million as at December 31, 2017 and 2016, respectively.

2 Assets in the amount of $9 million (2016 - $8 million) and $40 million (2016 - $44 million), related to our Canadian and United States non-registered supplemental pension plan obligations, are held in grantor trusts that, in accordance with federal tax regulations, are not restricted from creditors. These assets are committed for the future settlement of benefit obligations included in the underfunded status as at the end of the year, however they are excluded from plan assets for accounting purposes.

Certain of our pension plans have accumulated benefit obligations in excess of the fair value of plan assets. For these plans, the projected benefit obligations, accumulated benefit obligations and the fair value of plan assets were as follows:

	Canada		United States	
December 31,	**2017**	2016	**2017**	2016
(millions of Canadian dollars)				
Projected benefit obligations	**1,444**	2,188	**1,280**	508
Accumulated benefit obligations	**1,306**	978	**1,217**	462
Fair value of plan assets	**1,131**	1,927	**1,098**	361

Amount Recognized in Accumulated Other Comprehensive Income
The amounts of pre-tax AOCI relating to our pension plans are as follows:

	Canada		United States	
December 31,	**2017**	2016	**2017**	2016
(millions of Canadian dollars)				
Net actuarial gain	**334**	310	**112**	121
Total amount recognized in AOCI	**334**	310	**112**	121

Net Benefit Costs Recognized
The components of net benefit cost and other amounts recognized in pre-tax OCI related to our pension plans are as follows:

	Canada			United States		
Year ended December 31,	**2017**	2016	2015	**2017**	2016	2015
(millions of Canadian dollars)						
Service cost	**156**	129	137	**48**	26	30
Interest cost	**116**	73	81	**35**	16	17
Expected return on plan assets	**(201)**	(127)	(120)	**(57)**	(21)	(22)
Amortization of actuarial loss	**29**	32	39	**10**	3	10
Net defined benefit costs	**100**	107	137	**36**	24	35
Defined contribution benefit costs	**11**	3	3	**15**	—	—
Net benefit cost recognized in Earnings	**111**	110	140	**51**	24	35
Amount recognized in OCI:						
Net actuarial (gain)/loss arising during the year	**38**	28	(58)	**—**	16	(19)
Amortization of net actuarial gain	**(14)**	(14)	(20)	**(9)**	(6)	(10)
Total amount recognized in OCI	**24**	14	(78)	**(9)**	10	(29)
Total amount recognized in Comprehensive income	**135**	124	62	**42**	34	6

We estimate that approximately $25 million related to the Canadian pension plans and $4 million related to the United States pension plans as at December 31, 2017 will be reclassified from AOCI into earnings in the next 12 months.

Actuarial Assumptions
The weighted average assumptions made in the measurement of the projected benefit obligations and net benefit cost of our pension plans are as follows:

	Canada			United States		
	2017	2016	2015	**2017**	2016	2015
Projected benefit obligations						
Discount rate	**3.6%**	4.0%	4.2%	**3.5%**	4.0%	4.1%
Rate of salary increase	**3.2%**	3.7%	3.6%	**3.1%**	3.3%	3.3%
Net benefit cost						
Discount rate	**4.0%**	4.2%	4.0%	**4.0%**	4.1%	3.7%
Rate of return on plan assets	**6.5%**	6.5%	4.4%	**7.2%**	7.2%	7.1%
Rate of salary increase	**3.7%**	3.6%	2.5%	**3.3%**	3.2%	4.0%

The overall expected rate of return is based on the asset allocation targets with estimates for returns on equity and debt securities based on long-term expectations.

OTHER POSTRETIREMENT BENEFITS
OPEB primarily includes supplemental health and dental, health spending accounts and life insurance coverage for qualifying retired employees on a non-contributory basis.

The following table details the changes in the accumulated postretirement benefit obligation, the fair value of plan assets and the recorded asset or liability for our OPEB plans:

	Canada		United States	
December 31,	**2017**	2016	**2017**	2016
(millions of Canadian dollars)				
Change in accumulated postretirement benefit obligation				
Accumulated postretirement benefit obligation at beginning of year	**179**	173	**133**	135
Service cost	**7**	4	**5**	4
Interest cost	**10**	6	**10**	5
Participant contributions	**—**	—	**4**	1
Actuarial (gain)/loss	**(8)**	2	**(34)**	10
Benefits paid	**(10)**	(6)	**(19)**	(6)
Foreign currency exchange rate changes	**—**	—	**(17)**	(4)
Acquired in Merger Transaction	**146**	—	**254**	—
Other	**(3)**	—	**1**	(12)
Accumulated postretirement benefit obligation at end of year	**321**	179	**337**	133
Change in plan assets				
Fair value of plan assets at beginning of year	**—**	—	**115**	115
Actual return on plan assets	**—**	—	**21**	5
Employer contributions	**10**	6	**1**	3
Participant contributions	**—**	—	**4**	1
Benefits paid	**(10)**	(6)	**(19)**	(6)
Foreign currency exchange rate changes	**—**	—	**(11)**	(3)
Acquired in Merger Transaction	**—**	—	**102**	—
Fair value of plan assets at end of year	**—**	—	**213**	115
Underfunded status at end of year	**(321)**	(179)	**(124)**	(18)
Presented as follows:				
Deferred amounts and other assets	**—**	—	**7**	4
Accounts payable and other	**(12)**	(7)	**(7)**	—
Other long-term liabilities	**(309)**	(172)	**(124)**	(22)
	(321)	(179)	**(124)**	(18)

Amount Recognized in Accumulated Other Comprehensive Income
The amounts of pre-tax AOCI relating to our OPEB plans are as follows:

	Canada		United States	
December 31,	**2017**	2016	**2017**	2016
(millions of Canadian dollars)				
Net actuarial gain/(loss)	**17**	25	**(15)**	29
Prior service cost	**(2)**	2	**(11)**	(15)
Total amount recognized in AOCI	**15**	27	**(26)**	14

Net Benefit Costs Recognized
The components of net benefit cost and other amounts recognized in pre-tax OCI related to our OPEB plans are as follows:

	Canada			United States		
Year ended December 31,	**2017**	2016	2015	**2017**	2016	2015
(millions of Canadian dollars)						
Service cost	**7**	4	3	**5**	4	5
Interest cost	**10**	6	7	**10**	5	4
Expected return on plan assets	**—**	—	—	**(10)**	(6)	(6)
Amortization of actuarial loss and prior service cost	**1**	—	1	**—**	—	—
Net OPEB cost recognized in Earnings	**18**	10	11	**5**	3	3
Amount recognized in OCI:						
Net actuarial (gain)/loss arising during the year	**(8)**	2	2	**(42)**	12	16
Amortization of net actuarial (gain)/loss	**(1)**	(1)	(1)	**1**	(1)	—
Prior service cost	**(3)**	—	—	**1**	(12)	(7)
Total amount recognized in OCI	**(12)**	1	1	**(40)**	(1)	9
Total amount recognized in Comprehensive income	**6**	11	12	**(35)**	2	12

We estimate that approximately nil related to the Canadian OPEB plans and $2 million related to the United States OPEB plans as at December 31, 2017 will be reclassified from AOCI into earnings in the next 12 months.

Actuarial Assumptions
The weighted average assumptions made in the measurement of the accumulated postretirement benefit obligations and net benefit cost of our OPEB plans are as follows:

	Canada			United States		
	2017	2016	2015	**2017**	2016	2015
Accumulated postretirement benefit obligations						
Discount rate	**3.6%**	4.0%	4.2%	**3.5%**	3.6%	4.2%
Net OPEB cost						
Discount rate	**4.0%**	4.2%	4.0%	**4.0%**	3.8%	3.9%
Rate of return on plan assets				**6.0%**	6.0%	6.0%

The overall expected rate of return is based on the asset allocation targets with estimates for returns on equity and debt securities based on long-term expectations.

Assumed Health Care Cost Trend Rates
The assumed rates for the next year used to measure the expected cost of benefits are as follows:

	Canada		United States	
	2017	2016	**2017**	2016
Health care cost trend rate assumed for next year	**5.5%**	5.4%	**7.4%**	6.9%
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	**4.4%**	4.5%	**4.5%**	4.5%
Year that the rate reaches the ultimate trend rate	**2034**	2034	**2037**	2037

A 1% change in the assumed health care cost trend rate would have the following effects for the year ended and as at December 31, 2017:

	Canada		United States	
	1% Increase	1% Decrease	1% Increase	1% Decrease
(millions of Canadian dollars)				
Effect on total service and interest costs	**2**	**(1)**	**1**	**(1)**
Effect on accumulated postretirement benefit obligation	**28**	**(23)**	**20**	**(17)**

PLAN ASSETS

We manage the investment risk of our pension funds by setting a long-term asset mix policy for each plan after consideration of: (i) the nature of pension plan liabilities; (ii) the investment horizon of the plan; (iii) the going concern and solvency funded status and cash flow requirements of the plan; (iv) our operating environment and financial situation and our ability to withstand fluctuations in pension contributions; and (v) the future economic and capital markets outlook with respect to investment returns, volatility of returns and correlation between assets.

The asset allocation targets and major categories of plan assets are as follows:

	Canada			United States		
	Target	December 31,		**Target**	December 31,	
Asset Category	**Allocation**	**2017**	2016	**Allocation**	**2017**	2016
Equity securities	**40.0 - 70.0%**	**52.0%**	47.0%	**52.5 - 70.0%**	**47.1%**	55.4%
Fixed income securities	**27.5 - 60.0%**	**34.2%**	39.0%	**27.5 - 30.0%**	**47.7%**	33.0%
Other	**0.0 - 20.0%**	**13.8%**	14.0%	**0.0 - 20.0%**	**5.2%**	11.6%

The following tables summarize the fair value of plan assets for our pension and OPEB plans recorded at each fair value hierarchy level.

Pension

	Canada				United States			
	Level 1[1]	Level 2[2]	Level 3[3]	Total	Level 1[1]	Level 2[2]	Level 3[3]	Total
(millions of Canadian dollars)								
December 31, 2017								
Cash and cash equivalents	**169**	**—**	**—**	**169**	**2**	**—**	**—**	**2**
Equity securities								
Canada	**842**	**425**	**—**	**1,267**	**—**	**—**	**—**	**—**
United States	**427**	**—**	**—**	**427**	**343**	**—**	**—**	**343**
Global	**189**	**—**	**—**	**189**	**122**	**52**	**—**	**174**
Fixed income securities								
Government	**933**	**—**	**—**	**933**	**—**	**—**	**—**	**—**
Corporate	**301**	**3**	**—**	**304**	**522**	**1**	**—**	**523**
Infrastructure and real estate[4]	**—**	**—**	**340**	**340**	**—**	**—**	**56**	**56**
Forward currency contracts	**—**	**(10)**	**—**	**(10)**	**—**	**(1)**	**—**	**(1)**
Total pension plan assets at fair value	**2,861**	**418**	**340**	**3,619**	**989**	**52**	**56**	**1,097**
December 31, 2016								
Cash and cash equivalents	156	—	—	156	3	—	—	3
Equity securities								
United States	219	—	—	219	54	—	—	54
Canada	425	—	—	425	—	—	—	—
Global	165	140	—	305	116	30	—	146
Fixed income securities								
Government	351	—	—	351	—	—	—	—
Corporate	277	3	—	280	116	—	—	116
Infrastructure and real estate[4]	—	—	281	281	—	—	40	40
Forward currency contracts	—	2	—	2	—	2	—	2
Total pension plan assets at fair value	1,593	145	281	2,019	289	32	40	361

OPEB

	Canada				United States			
	Level 1[1]	Level 2[2]	Level 3[3]	Total	Level 1[1]	Level 2[2]	Level 3[3]	Total
(millions of Canadian dollars)								
December 31, 2017								
Cash and cash equivalents	**—**	**—**	**—**	**—**	**1**	**—**	**—**	**1**
Equity securities								
United States	**—**	**—**	**—**	**—**	**80**	**—**	**—**	**80**
Global	**—**	**—**	**—**	**—**	**36**	**—**	**—**	**36**
Fixed income securities								
Government	**—**	**—**	**—**	**—**	**96**	**—**	**—**	**96**
Total OPEB plan assets at fair value	**—**	**—**	**—**	**—**	**213**	**—**	**—**	**213**
December 31, 2016								
Cash and cash equivalents	—	—	—	—	1	—	—	1
Equity securities								
United States	—	—	—	—	35	—	—	35
Global	—	—	—	—	34	—	—	34
Fixed income securities								
Government	—	—	—	—	45	—	—	45
Total OPEB plan assets at fair value	—	—	—	—	115	—	—	115

1 Level 1 assets include assets with quoted prices in active markets for identical assets.
2 Level 2 assets include assets with significant observable inputs.
3 Level 3 assets include assets with significant unobservable inputs.
4 The fair values of the infrastructure and real estate investments are established through the use of valuation models.

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

	Canada		United States	
December 31,	**2017**	2016	**2017**	2016
(millions of Canadian dollars)				
Balance at beginning of year	**281**	248	**40**	49
Unrealized and realized gains	**26**	20	**5**	2
Purchases and settlements, net	**33**	13	**11**	(11)
Balance at end of year	**340**	281	**56**	40

EXPECTED BENEFIT PAYMENTS AND EMPLOYER CONTRIBUTIONS

Year ended December 31,	2018	2019	2020	2021	2022	2023-2027
(millions of Canadian dollars)						
Pension						
Canada	158	165	172	180	187	1,036
United States	82	81	85	83	92	453
OPEB						
Canada	12	12	13	13	14	43
United States	25	25	25	25	24	110

In 2018, we expect to contribute approximately $126 million and $36 million to the Canadian and United States pension plans, respectively, and $12 million and $7 million to the Canadian and United States OPEB plans, respectively.

RETIREMENT SAVINGS PLANS

In addition to the retirement plans discussed above, we also have defined contribution employee savings plans available to both Canadian and United States employees. Employees may participate in a matching contribution where we match a certain percentage of before-tax employee contributions of up to 5.0% of eligible pay per pay period for Canadian employees and up to 6.0% of eligible pay per pay period for United States employees. For the years ended December 31, 2017, 2016 and 2015, we expensed pre-tax employer matching contributions of $14 million, nil and nil for Canadian employees and $31 million, $13 million and $15 million for United States employees, respectively.

26. CHANGES IN OPERATING ASSETS AND LIABILITIES

Year ended December 31,	**2017**	2016	2015
(millions of Canadian dollars)			
Restricted Cash	**15**	—	—
Accounts receivable and other	**(783)**	(437)	698
Accounts receivable from affiliates	**24**	(7)	82
Inventory	**(289)**	(371)	(315)
Deferred amounts and other assets	**(138)**	(183)	364
Accounts payable and other	**286**	396	(1,472)
Accounts payable to affiliates	**(62)**	71	(26)
Interest payable	**124**	20	31
Other long-term liabilities	**509**	153	(7)
	(314)	(358)	(645)

27. RELATED PARTY TRANSACTIONS

Related party transactions are conducted in the normal course of business and unless otherwise noted, are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

SERVICE AGREEMENTS
Vector Pipeline L.P. (Vector), a joint venture, contracts our services to operate the pipeline. Amounts for these services, which are charged at cost in accordance with service agreements, were $14 million for the year ended December 31, 2017 and $7 million for each of the years ended December 31, 2016 and 2015.

TRANSPORTATION AGREEMENTS
Certain wholly-owned subsidiaries within the Liquids Pipelines, Gas Transmission and Midstream, Gas Distribution and Energy Services segments have committed and uncommitted transportation arrangements with several joint venture affiliates that are accounted for using the equity method. Total amounts charged to us for transportation services for the years ended December 31, 2017, 2016 and 2015 were $417 million, $357 million and $332 million, respectively.

LEASE AGREEMENTS
A wholly-owned subsidiary within the Liquids Pipelines segment has a lease arrangement with a joint venture affiliate. During the years ended December 31, 2017, 2016 and 2015, expenses related to the lease arrangement totaled $304 million, $287 million and $151 million, respectively, and were recorded to Operating and administrative expense in the Consolidated Statements of Earnings.

AFFILIATE REVENUES AND PURCHASES
Certain wholly-owned subsidiaries within the Gas Distribution and Energy Services segments made natural gas and NGL purchases of $142 million, $98 million and $228 million from several joint venture affiliates during the years ended December 31, 2017, 2016 and 2015, respectively.

Natural gas sales of $60 million, $49 million and $5 million were made by certain wholly-owned subsidiaries within the Energy Services segment to several joint venture affiliates during the years ended December 31, 2017, 2016 and 2015, respectively.

DCP Midstream processes certain of our pipeline customers' gas to meet gas quality specifications in order to be transported on our system. DCP Midstream processes the gas and sells the NGLs that are extracted from the gas. A portion of the proceeds from those sales are retained by DCP Midstream and the balance is remitted to us. We received proceeds of $47 million (US$36 million) during the year ended December 31, 2017 from DCP Midstream related to those sales.

In addition to the above, we recorded other revenues from DCP Midstream and its affiliates related to the transportation and storage of natural gas of $4 million (US$3 million) during the year ended December 31, 2017.

In the ordinary course of business, we are reimbursed by joint venture partners for operating and maintenance expenses for certain projects. We received reimbursements from Spectra Energy joint ventures of $10 million (US$8 million) during the year ended December 31, 2017.

RECOVERIES OF COSTS
We provide certain administrative and other services to certain operating entities acquired through the Merger Transaction, and recorded recoveries of costs from these affiliates of $88 million (US$68 million) for the year ended December 31, 2017. Cost recoveries are recorded as a reduction to Operating and administrative expense in the Consolidated Statements of Earnings.

LONG-TERM NOTES RECEIVABLE FROM AFFILIATES
As at December 31, 2017, amounts receivable from affiliates include a series of loans to Vector and other affiliates totaling $109 million and $167 million, respectively ($130 million and $140 million, respectively as at December 31, 2016), which require quarterly interest payments at annual interest rates ranging from 4% to 12%. These amounts are included in Deferred amounts and other assets in the Consolidated Statements of Financial position.

28. COMMITMENTS AND CONTINGENCIES

COMMITMENTS
At December 31, 2017, we have commitments as detailed below.

	Total	Less than 1 year	2 years	3 years	4 years	5 years	Thereafter
(millions of Canadian dollars)							
Annual debt maturities[1,2]	62,927	2,831	6,273	6,722	2,505	8,839	35,757
Interest obligations[2,3]	42,083	2,485	2,298	2,117	1,941	1,853	31,389
Purchase of services, pipe and other materials, including transportation[4,5]	14,396	4,144	2,455	1,496	1,255	1,163	3,883
Operating leases	746	91	86	80	74	78	337
Capital leases	35	9	8	2	2	2	12
Maintenance agreements	322	38	32	17	15	15	205
Land lease commitments	405	15	16	16	16	16	326
Total	120,914	9,613	11,168	10,450	5,808	11,966	71,909

1 Includes debentures, term notes, commercial paper and credit facility draws based on the facility's maturity date and excludes short-term borrowings, debt discount, debt issue costs and capital lease obligations. We have the ability under certain debt facilities to call and repay the obligations prior to scheduled maturities. Therefore, the actual timing of future cash repayments could be materially different than presented above.
2 Excludes the debt issuance of US$800 million senior notes that occurred subsequent to December 31, 2017 (Note 30).
3 Includes debentures and term notes bearing interest at fixed, floating and fixed-to-floating rates.
4 Includes capital and operating commitments.
5 Consists primarily of gas transportation and storage contracts (EGD), firm capacity payments and gas purchase commitments (Spectra Energy), transportation, service and product purchase obligations (MEP), and power commitments (EEP).

Total rental expense for operating leases included in Operating and administrative expense were $118 million, $85 million and $72 million for the years ended December 31, 2017, 2016 and 2015, respectively.

ENVIRONMENTAL
We are subject to various federal, state and local laws relating to the protection of the environment. These laws and regulations can change from time to time, imposing new obligations on us.

Environmental risk is inherent to liquid hydrocarbon and natural gas pipeline operations, and Enbridge and our affiliates are, at times, subject to environmental remediation at various contaminated sites. We manage this environmental risk through appropriate environmental policies and practices to minimize any impact our operations may have on the environment. To the extent that we are unable to recover payment for environmental liabilities from insurance or other potentially responsible parties, we will be responsible for payment of liabilities arising from environmental incidents associated with the operating activities of our liquids and natural gas businesses.

Lakehead System Lines 6A and 6B Crude Oil Releases
Line 6B Crude Oil Release
On July 26, 2010, a release of crude oil on Line 6B of EEP's Lakehead System was reported near Marshall, Michigan. Further, on September 9, 2010, a release of crude oil from Line 6A of EEP's Lakehead System was reported in an industrial area of Romeoville, Illinois.

As at December 31, 2017, EEP's total cost estimate for the Line 6B crude oil release remains at US$1.2 billion ($195 million after-tax attributable to us) including those costs that were considered probable and that could be reasonably estimated as at December 31, 2017. As at December 31, 2017, EEP's remaining estimated liability is approximately US$62 million.

Insurance
EEP is included in the comprehensive insurance program that is maintained by Enbridge for its subsidiaries and affiliates. As at December 31, 2017, EEP has recorded total insurance recoveries of US$547 million ($80 million after-tax attributable to us) for the Line 6B crude oil release out of the US$650 million applicable limit. Of the remaining US$103 million coverage limit, US$85 million was the subject matter of a lawsuit against one particular insurer. In March 2015, we reached an agreement with that insurer to submit the US$85 million claim to binding arbitration. On May 2, 2017, the arbitration panel issued a decision that was not favorable to us. As a result, EEP will not receive any additional insurance recoveries in connection with the Line 6B crude oil release.

Legal and Regulatory Proceedings
A number of United States governmental agencies and regulators initiated investigations into the Line 6B crude oil release. As at December 31, 2017, there are no claims pending against Enbridge, EEP or their affiliates in United States state courts in connection with the Line 6B crude oil release.

We have accrued a provision for future legal costs and probable losses associated with the Line 6B crude oil release as described above in this note.

Line 6B Fines and Penalties
As at December 31, 2017, EEP's total estimated costs related to the Line 6B crude oil release include US$69 million in paid fines and penalties, which includes fines and penalties paid to the United States Department of Justice (DOJ) as discussed below.

Consent Decree
On May 23, 2017, the United States District Court for the Western District of Michigan, Southern Division, approved the Consent Decree. The Consent Decree is EEP's signed settlement agreement with the United States Environmental Protection Agency (EPA) and the DOJ regarding the Lines 6A and 6B crude oil releases. On June 15, 2017, we made a total payment of US$68 million as required by the Consent Decree, which reflects US$61 million for the civil penalty for the Line 6B release, US$1 million for the Line 6A release, and US$6 million for past removal costs and interest.

AUX SABLE
Notice of Violation
In September 2014, Aux Sable US received a Notice and Finding of Violation (NFOV) from the United States EPA for alleged violations of the Clean Air Act related to the Leak Detection and Repair program, and related provisions of the Clean Air Act permit for Aux Sable's Channahon, Illinois facility. As part of the ongoing process of responding to the September 2014 NFOV, Aux Sable discovered what it believed to be an exceedance of currently permitted limits for Volatile Organic Material. In April 2015, a second NFOV from the EPA was received in connection with this potential exceedance. Aux Sable engaged in discussions with the EPA to evaluate the impacts and ultimate resolution of these issues, including with respect to a draft Consent Decree, and those discussions are continuing. The Consent Decree, when finalized, is not expected to have a material impact.

On October 14, 2016, an amended claim was filed against Aux Sable by a counterparty to an NGL supply agreement. On January 5, 2017, Aux Sable filed a Statement of Defence with respect to this claim. While the final outcome of this action cannot be predicted with certainty, at this time management believes that the ultimate resolution of this action will not have a material impact on the our consolidated financial position or results of operations.

TAX MATTERS
We maintain tax liabilities related to uncertain tax positions. While fully supportable in our view, these tax positions, if challenged by tax authorities, may not be fully sustained on review.

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

29. GUARANTEES

In the normal course of conducting business, we enter into agreements which indemnify third parties and affiliates. Examples include indemnifying counterparties pursuant to sale agreements for assets or businesses in matters such as breaches of representations, warranties or covenants, loss or damages to property, environmental liabilities, changes in laws, valuation differences, and litigation and contingent liabilities. We may indemnify the purchaser for certain tax liabilities incurred while we owned the assets or for a misrepresentation related to taxes that result in a loss to the purchaser. Similarly, we may indemnify the purchaser of assets for certain tax liabilities related to those assets.

As discussed below, these contracts include financial guarantees, stand-by letters of credit, debt guarantees, surety bonds and indemnifications. We enter into these arrangements to facilitate commercial transactions with third parties by enhancing the value of the transactions to the third parties. To varying degrees, these guarantees involve elements of performance and credit risk, which are not included on our Consolidated Statements of Financial Position. The possibility of having to perform under these guarantees and indemnifications is largely dependent upon future operations of various subsidiaries, investees and other third parties, or the occurrence of certain future events.

We cannot reasonably estimate the maximum potential amounts that could become payable to third parties and affiliates under these agreements; however, historically, we have not made any significant payments under indemnification provisions. While these agreements may specify a maximum potential exposure, or a specified duration to the indemnification obligation, there are circumstances where the amount and duration are unlimited. The indemnifications and guarantees have not had, and are not reasonably likely to have, a material effect on our financial condition, changes in financial condition, earnings, liquidity, capital expenditures or capital resources.

We have agreed to indemnify EEP from and against substantially all liabilities, including liabilities relating to environmental matters, arising from operations prior to the transfer of our pipeline operations to EEP in 1991. This indemnification does not apply to amounts that EEP would be able to recover in its tariff rates if not recovered through insurance or to any liabilities relating to a change in laws after December 27, 1991.

We have also agreed to indemnify EEM for any tax liability related to EEM’s formation, management of EEP and ownership of i-units of EEP. We have not made any significant payment under these tax indemnifications. We do not believe there is a material exposure at this time.

We have agreed to indemnify the Fund Group for certain liabilities relating to environmental matters arising from operations prior to the transfer of certain assets and interests to the Fund Group in 2012 and prior to the transfer of certain assets and interests to the Fund Group as part of the Canadian Restructuring Plan. We have also agreed to pay defined payments to the Fund Group on their investment in Southern Lights Pipeline in the event shippers do not elect to extend their current contracts post June 2025.

In connection with Spectra Energy's spin-off from Duke Energy in 2007, certain guarantees that were previously issued by Spectra Energy were assigned to, or replaced by, Duke Energy as guarantor in 2006. For any remaining guarantees of other Duke Energy obligations, Duke Energy has indemnified Spectra Energy against any losses incurred under these guarantee arrangements. The maximum potential amount of future payments we could have been required to make under these performance guarantees as at December 31, 2017 was approximately US$406 million, which has been indemnified by Duke Energy as discussed above. One of these outstanding performance guarantees, which has a maximum potential future payment of US$201 million, expires in 2028. The remaining guarantees have no contractual expirations.

Spectra Energy has also issued joint and several guarantees to some of the Duke/Fluor Daniel (D/FD) project owners, guaranteeing the performance of D/FD under its engineering, procurement and construction contracts and other contractual commitments in place at the time of Spectra Energy's spin-off from Duke Energy. D/FD is one of the entities transferred to Duke Energy in connection with Spectra Energy's spin-off. Substantially all of these guarantees have no contractual expiration and no stated maximum amount of future payments that we could be required to make. Fluor Enterprises Inc., as 50% owner in D/FD, issued similar joint and several guarantees to the same D/FD project owners.

In connection with Spectra Energy's 50% ownership in DCP Midstream, Spectra Energy has agreed to guarantee their portion of the obligations of the joint venture under a US$424 million term loan agreement of which US$350 million is outstanding as at December 31, 2017. If DCP Midstream fails to meet its obligations under the credit agreement, Spectra Energy's maximum potential total future payments to lenders under the guarantee based on the amounts outstanding as at December 31, 2017 would be US$175 million. The guarantee will terminate upon the payment of all obligations under the credit agreement, which expires in December 2019.

SEP has issued performance guarantees to a third party and an affiliate on behalf of an equity method investee. These guarantees were issued to enable the equity method investee to enter into long-term transportation contracts with the third party. While the likelihood is remote, the maximum potential amount of future payments that could be required to be made as at December 31, 2017 is US$90 million. These performance guarantees expire in 2032.

Westcoast Energy Inc., a 100%-owned subsidiary, has issued performance guarantees to third parties guaranteeing the performance of unconsolidated entities, such as equity method investees, and of entities previously sold by Westcoast Energy Inc. to third parties. Those guarantees require Westcoast Energy Inc. to make payment to the guaranteed third party upon the failure of such unconsolidated or sold entity to make payment under some of its contractual obligations, such as debt agreements, purchase contracts and leases.

30. SUBSEQUENT EVENTS

On January 9, 2018, Texas Eastern Transmission, LP, a wholly-owned operating subsidiary of SEP, completed an offering of US$800 million of senior notes, which consisted of two US$400 million tranches with fixed interest rates of 3.50% and 4.15% which mature in 2028 and 2048, respectively.

On January 22, 2018, Enbridge and SEP announced the execution of a definitive agreement, resulting in us converting all of our incentive distribution rights (IDRs) and general partner economic interests in SEP into 172.5 million newly issued SEP common units. As part of the transaction, all of the IDRs have been eliminated. We now hold a non-economic general partner interest in SEP and own approximately 403 million of SEP common units, representing approximately 83% of SEP's outstanding common units.

31. QUARTERLY FINANCIAL DATA

	Q1	Q2	Q3	Q4	Total
(unaudited; millions of Canadian dollars, except per share amounts)					
2017[1]					
Operating revenues	**11,146**	**11,116**	**9,227**	**12,889**	**44,378**
Operating income/(loss)	**1,358**	**1,684**	**1,490**	**(2,961)**	**1,571**
Earnings	**945**	**1,241**	**1,015**	**65**	**3,266**
Earnings attributable to controlling interests	**721**	**1,000**	**847**	**291**	**2,859**
Earnings attributable to common shareholders	**638**	**919**	**765**	**207**	**2,529**
Earnings per common share					
Basic	**0.54**	**0.56**	**0.47**	**0.13**	**1.66**
Diluted	**0.54**	**0.56**	**0.47**	**0.12**	**1.65**
2016					
Operating revenues	8,795	7,939	8,488	9,338	34,560
Operating income/(loss)	1,674	794	(216)	329	2,581
Earnings/(loss)	1,347	352	(237)	847	2,309
Earnings/(loss) attributable to controlling interests	1,286	372	(30)	441	2,069
Earnings/(loss) attributable to common shareholders	1,213	301	(103)	365	1,776
Earnings/(loss) per common share					
Basic	1.38	0.33	(0.11)	0.39	1.95
Diluted	1.38	0.33	(0.11)	0.39	1.93

1 The 2017 quarterly financial data reflects the effect of the Merger Transaction closed on February 27, 2017 (Note 7).

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in reports filed with, or submitted to, securities regulatory authorities is recorded, processed, summarized and reported within the time periods specified under Canadian and United States securities law. As at December 31, 2017, an evaluation was carried out under the supervision of and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operations of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in reports that we file with or submits to the Securities and Exchange Commission (SEC) and the Canadian Securities Administrators is recorded, processed, summarized and reported within the time periods required.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in the rules of the SEC and the Canadian Securities Administrators. Our internal control over financial reporting is a process designed under the supervision and with the participation of executive and financial officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external reporting purposes in accordance with U.S. GAAP.

Our internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Our internal control over financial reporting may not prevent or detect all misstatements because of inherent limitations. Additionally, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with our policies and procedures.

Our management assessed the effectiveness of our internal control over financial reporting as at December 31, 2017, based on the framework established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, our management concluded that we maintained effective internal control over financial reporting as at December 31, 2017.

The effectiveness of our internal control over financial reporting as at December 31, 2017 has been audited by PricewaterhouseCoopers LLP, independent auditors appointed by our shareholders. As stated in their attestation report which appears in Item 8. *Financial Statements and Supplementary Data*, they

expressed an unqualified opinion on the effectiveness of our internal control over financial reporting as of December 31, 2017.

Changes in Internal Control Over Financial Reporting
During the three months ended December 31, 2017, there has been no material change in our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On February 13, 2018, Rebecca B. Roberts notified us that she would not stand for re-election as a director of Enbridge at our 2018 Annual Meeting of Shareholders to be held on May 9, 2018. Ms. Roberts has served on our Board since March 2015, prior to which she was a director of Enbridge Energy Company, Inc. and Enbridge Energy Management, L.L.C. Ms. Roberts will continue to serve on our Board through to the end of her term on May 9, 2018 and her decision not to stand for re-election was based on the demands on her time from other professional commitments, and not the result of any disagreement relating to our operations, policies or practices.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Reference to "Executive Officers" is included in Part I. Item 1. *Business* of this report. Other information in response to this item, including information on our directors, is incorporated by reference from our Proxy Statement to be filed with the SEC relating to our 2018 annual meeting of shareholders.

ITEM 11. EXECUTIVE COMPENSATION

Information in response to this item is incorporated by reference from our Proxy Statement to be filed with the SEC relating to our 2018 annual meeting of shareholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information in response to this item is incorporated by reference from our Proxy Statement to be filed with the SEC relating to our 2018 annual meeting of shareholders.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information in response to this item is incorporated by reference from our Proxy Statement to be filed with the SEC relating to our 2018 annual meeting of shareholders.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information in response to this item is incorporated by reference from our Proxy Statement to be filed with the SEC relating to our 2018 annual meeting of shareholders.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Consolidated Financial Statements, Supplemental Financial Data and Supplemental Schedules included in Part II of this annual report are as follows:

Enbridge Inc.:

Report of Independent Registered Public Accounting Firm
Consolidated Statements of Earnings
Consolidated Statements of Comprehensive Income
Consolidated Statements of Changes in Equity
Consolidated Statements of Cash Flows
Consolidated Statements of Financial Position
Notes to the Consolidated Financial Statements

All schedules are omitted because they are not required or because the required information is included in the Consolidated Financial Statements or Notes.

(b) Exhibits:

Reference is made to the “Index of Exhibits” following Item 16. *Form 10-K Summary*, which is hereby incorporated into this Item.

ITEM 16. FORM 10-K SUMMARY

None.

INDEX OF EXHIBITS

Each exhibit identified below is included as a part of this annual report. Exhibits included in this filing are designated by an asterisk ("*"); all exhibits not so designated are incorporated by reference to a prior filing as indicated. Exhibits designated with a "+" constitute a management contract or compensatory plan arrangement.

	Exhibit No.	Name of Exhibit
	2.1	Agreement and Plan of Merger, dated as of September 5, 2016, by and among Spectra Energy Corp, Enbridge Inc. and Sand Merger Sub, Inc. (incorporated by reference to Exhibit 2.1 to Enbridge's Registration Statement on Form F-4 filed September 23, 2017)
	2.2	Contribution Agreement dated as of June 18, 2015 among Enbridge Inc., IPL System Inc., Enbridge Income Fund Holdings Inc., Enbridge Income Fund, Enbridge Commercial Trust and Enbridge Income Partners LP (incorporated by reference to Exhibit 2.1 to Enbridge's Registration Statement on Form F-4 filed September 23, 2017)
	3.1	Articles of Continuance of the Corporation, dated December 15, 1987 (incorporated by reference to Exhibit 2.1(a) to Enbridge's Registration Statement on Form S-8 filed May 7, 2001)
	3.2	Certificate of Amendment, dated August 2, 1989, to the Articles of the Corporation (incorporated by reference to Exhibit 2.1(b) to Enbridge's Registration Statement on Form S-8 filed May 7, 2001)
	3.3	Articles of Amendment of the Corporation, dated April 30, 1992 (incorporated by reference to Exhibit 2.1(c) to Enbridge's Registration Statement on Form S-8 filed May 7, 2001)
	3.4	Articles of Amendment of the Corporation, dated July 2, 1992 (incorporated by reference to Exhibit 2.1(d) to Enbridge's Registration Statement on Form S-8 filed May 7, 2001)
	3.5	Articles of Amendment of the Corporation, dated August 6, 1992 (incorporated by reference to Exhibit 2.1(e) to Enbridge's Registration Statement on Form S-8 filed May 7, 2001)

	3.6	Articles of Arrangement of the Corporation dated December 18, 1992, attaching the Arrangement Agreement, dated December 15, 1992 (incorporated by reference to Exhibit 2.1(f) to Enbridge's Registration Statement on Form S-8 filed May 7, 2001)
	3.7	Certificate of Amendment of the Corporation (notarial certified copy), dated December 18, 1992 (incorporated by reference to Exhibit 2.1(g) to Enbridge's Registration Statement on Form S-8 filed May 7, 2001)
	3.8	Articles of Amendment of the Corporation, dated May 5, 1994 (incorporated by reference to Exhibit 2.1(h) to Enbridge's Registration Statement on Form S-8 filed May 7, 2001)
	3.9	Certificate of Amendment, dated October 7, 1998 (incorporated by reference to Exhibit 2.1(i) to Enbridge's Registration Statement on Form S-8 filed May 7, 2001)
	3.10	Certificate of Amendment, dated November 24, 1998 (incorporated by reference to Exhibit 2.1(j) to Enbridge's Registration Statement on Form S-8 filed May 7, 2001)
	3.11	Certificate of Amendment, dated April 29, 1999 (incorporated by reference to Exhibit 2.1(k) to Enbridge's Registration Statement on Form S-8 filed May 7, 2001)
	3.12	Certificate of Amendment, dated May 5, 2005 (incorporated by reference to Exhibit 2.1(l) to Enbridge's Registration Statement on Form S-8 filed August 5, 2005)
	3.13	Certificate of Amendment, dated May 11, 2011 (incorporated by reference to Exhibit 3.13 to Enbridge's Registration Statement on Form F-4 filed September 23, 2017)
	3.14	Certificate of Amendment, dated September 28, 2011 (incorporated by reference to Exhibit 3.14 to Enbridge's Registration Statement on Form F-4 filed September 23, 2017)
	3.15	Certificate of Amendment, dated November 21, 2011 (incorporated by reference to Exhibit 3.15 to Enbridge's Registration Statement on Form F-4 filed September 23, 2017)
	3.16	Certificate of Amendment, dated January 16, 2012 (incorporated by reference to Exhibit 3.16 to Enbridge's Registration Statement on Form F-4 filed September 23, 2017)

	3.17	Certificate of Amendment, dated March 27, 2012 (incorporated by reference to Exhibit 3.17 to Enbridge's Registration Statement on Form F-4 filed September 23, 2017)
	3.18	Certificate of Amendment, dated April 16, 2012 (incorporated by reference to Exhibit 3.18 to Enbridge's Registration Statement on Form F-4 filed September 23, 2017)
	3.19	Certificate of Amendment, dated May 17, 2012 (incorporated by reference to Exhibit 3.19 to Enbridge's Registration Statement on Form F-4 filed September 23, 2017)
	3.20	Certificate of Amendment, dated July 12, 2012 (incorporated by reference to Exhibit 3.20 to Enbridge's Registration Statement on Form F-4 filed September 23, 2017)
	3.21	Certificate of Amendment, dated September 11, 2012 (incorporated by reference to Exhibit 3.21 to Enbridge's Registration Statement on Form F-4 filed September 23, 2017)
	3.22	Certificate of Amendment, dated December 3, 2012 (incorporated by reference to Exhibit 3.22 to Enbridge's Registration Statement on Form F-4 filed September 23, 2017)
	3.23	Certificate of Amendment, dated March 25, 2013 (incorporated by reference to Exhibit 3.23 to Enbridge's Registration Statement on Form F-4 filed September 23, 2017)
	3.24	Certificate of Amendment, dated June 4, 2013 (incorporated by reference to Exhibit 3.24 to Enbridge's Registration Statement on Form F-4 filed September 23, 2017)
	3.25	Certificate of Amendment, dated September 25, 2013 (incorporated by reference to Exhibit 3.25 to Enbridge's Registration Statement on Form F-4 filed September 23, 2017)
	3.26	Certificate of Amendment, dated December 10, 2013 (incorporated by reference to Exhibit 3.26 to Enbridge's Registration Statement on Form F-4 filed September 23, 2017)
	3.27	Certificate of Amendment, dated March 10, 2014 (incorporated by reference to Exhibit 3.27 to Enbridge's Registration Statement on Form F-4 filed September 23, 2017)
	3.28	Certificate of Amendment, dated May 20, 2014 (incorporated by reference to Exhibit 3.28 to Enbridge's Registration Statement on Form F-4 filed September 23, 2017)
	3.29	Certificate of Amendment, dated July 15, 2014 (incorporated by reference to Exhibit 3.29 to Enbridge's Registration Statement on Form F-4 filed September 23, 2017)
	3.30	Certificate of Amendment, dated September 19, 2014 (incorporated by reference to Exhibit 3.30 to Enbridge's Registration Statement on Form F-4 filed September 23, 2017)

	3.31	Certificate of Amendment, dated November 22, 2016 (incorporated by reference to Enbridge's Report of Foreign Issuer on Form 6-K filed December 1, 2016)
	3.32	Certificate of Amendment, dated December 15, 2016 (incorporated by reference to Enbridge's Report of Foreign Issuer on Form 6-K filed December 16, 2016)
	3.33	Certificate of Amendment, dated July 13, 2017 (incorporated by reference to Enbridge's Report of Foreign Issuer on Form 6-K filed July 13, 2017)
*	3.34	Certificate of Amendment, dated September 25, 2017
*	3.35	Certificate of Amendment, dated December 7, 2017
	3.36	Amended and Restated General By-Law No. 1 of Enbridge Inc. (incorporated by reference to Enbridge's Report of Foreign Issuer on Form 6-K filed February 27, 2017)
	3.37	By-Law No. 2 of Enbridge Inc. (incorporated by reference to Enbridge's Current Report on Form 6-K filed December 5, 2014)
	4.1	Form of Indenture between Enbridge Inc. and Deutsche Bank Trust Company Americas to be dated February 25, 2005 (incorporated by reference to Exhibit 7.3 to Enbridge's Registration Statement on Form F-10 filed February 4, 2005)
	4.2	First Supplemental Indenture between Enbridge Inc. and Deutsche Bank Trust Company Americas, dated March 1, 2012 (incorporated by reference to Exhibit 7.3 to Enbridge's Registration Statement on Form F-10 filed May 11, 2012)
	4.3	Second Supplemental Indenture between Enbridge Inc. and Deutsche Bank Trust Company Americas, dated December 19, 2016 (incorporated by reference to Enbridge's Report of Foreign Issuer on Form 6-K filed December 20, 2016)
	4.4	Third Supplemental Indenture between Enbridge Inc. and Deutsche Bank Trust Company Americas, dated July 14, 2017 (incorporated by reference to Enbridge's Report of Foreign Issuer on Form 6-K filed July 14, 2017)
	4.5	Shareholder Rights Plan Agreement dated as of November 9, 1995 and amended and restated as of May 1, 1996, February 24, 1999, May 3, 2002, May 5, 2005, May 7, 2008, May 11, 2011, May 7, 2014 and May 11, 2017 between Enbridge Inc. and CST Trust Company (incorporated by reference to Enbridge's Report of Foreign Issuer on Form 6-K filed May 12, 2017)
		Certain instruments defining the rights of holders of long-term debt securities of the Registrant and its subsidiaries are omitted pursuant to Item 601(b)(4)(iii) of Regulation S-K. The Registrant hereby undertakes to furnish to the SEC, upon request, copies of any such instruments.
*	10.1	Enbridge Pipelines Inc. Competitive Toll Settlement Dated July 1, 2011
*+	10.2	Form of Executive Employment Agreement (pre-2014)
*+	10.3	Form of Executive Employment Agreement (2014-2016)
*+	10.4	Form of Executive Employment Agreement (2017)
*+	10.5	Enbridge Inc. Performance Stock Option Plan (2007) (Canadian)
*+	10.6	Enbridge Inc. Performance Stock Option Plan (2007), as amended and restated (2011)

*+	10.7	Enbridge Inc. Performance Stock Option Plan (2007), as amended and restated (2011) and as further amended (2012)
*+	10.8	Enbridge Inc. Performance Stock Option Plan (2007), as amended and restated (2011) and as further amended (2012 and 2014)
*+	10.9	Enbridge Inc. Performance Stock Unit Plan (2007, revised effective November 2014)
*+	10.10	Enbridge Inc. Performance Stock Unit Plan (2007), as revised
*+	10.11	Enbridge Inc. Restricted Stock Unit Plan (2006), as revised
*+	10.12	Enbridge Inc. Incentive Stock Option Plan (2007)
*+	10.13	Enbridge Inc. Incentive Stock Option Plan (2007), as amended and restated (2011)
*+	10.14	Enbridge Inc. Incentive Stock Option Plan (2007), as amended and restated (2011 and 2014)
*+	10.15	Enbridge Inc. Incentive Stock Option Plan (2017), as revised
*+	10.16	Enbridge Inc. Directors' Compensation Plan, November 3, 2015, effective January 1, 2016
*+	10.17	Enbridge Inc. Short Term Incentive Plan (2007), as revised
*+	10.18	The Enbridge Supplemental Pension Plan, As Amended and Restated Effective January 1, 2005
*+	10.19	Amendment No. 1 and Amendment No. 2 to The Enbridge Supplemental Pension Plan, As Amended and Restated Effective January 1, 2005
*+	10.20	Enbridge Supplemental Pension Plan for United States Employees (As Amended and Restated Effective January 1, 2005)
*+	10.21	Amendment 1 and Amendment 2 to the Enbridge Supplemental Pension Plan for United States Employees (As Amended and Restated Effective January 1, 2005)
*+	10.22	Spectra Energy Corp Directors' Savings Plan, as amended and restated
*+	10.23	Spectra Energy Corp Executive Savings Plan, as amended and restated
*+	10.24	Spectra Energy Executive Cash Balance Plan, as amended and restated
*+	10.25	Omnibus Amendment, dated June 20, 2014, to Spectra Energy Corp Executive Savings Plan, Spectra Energy Corp Executive Cash Balance Plan and Spectra Energy Corp 2007 Long-Term Incentive Plan
*+	10.26	Form of Spectra Energy Corp Change in Control Agreement (As Amended and Restated)
*+	10.27	Form of Spectra Energy Corp Phantom Stock Award Agreement (2015) pursuant to the Spectra Energy Corp 2007 Long-Term Incentive Plan
*+	10.28	Form of Spectra Energy Corp Stock Option Agreement (Nonqualified Stock Options) (2016) pursuant to the Spectra Energy Corp 2007 Long-Term Incentive Plan
*+	10.29	Form of Spectra Energy Corp Performance Share Award Agreement (2016) pursuant to the Spectra Energy Corp 2007 Long-Term Incentive Plan
*+	10.30	Form of Spectra Energy Corp Phantom Stock Award Agreement (2016) pursuant to the Spectra Energy Corp 2007 Long-Term Incentive Plan (Cash-settled)
*+	10.31	Form of Spectra Energy Corp Phantom Stock Award Agreement (2016) pursuant to the Spectra Energy Corp 2007 Long-Term Incentive Plan (Stock-settled)
*+	10.32	Spectra Energy Corp 2007 Long-Term Incentive Plan (as amended and restated)
*+	10.33	Spectra Energy Corp Executive Short-Term Incentive Plan (as amended and restated)

*+	10.34	Form of Spectra Energy Corp Phantom Stock Award Agreement (2017) pursuant to the Spectra Energy Corp 2007 Long-Term Incentive Plan (Cash-settled)
*+	10.35	Form of Spectra Energy Corp Phantom Stock Award Agreement (2017) pursuant to the Spectra Energy Corp 2007 Long-Term Incentive Plan (Stock-settled)
*+	10.36	Second Amendment to the Spectra Energy Corp Executive Savings Plan (As Amended and Restated Effective May 1, 2012)
*+	10.37	Second Amendment to the Spectra Energy Corp Executive Cash Balance Plan (As Amended and Restated Effective May 1, 2012)
*	12.1	Computation of Ratio Earnings to Fixed Charges
*	21.1	Subsidiaries of the Registrant
*	23.1	Consent of PricewaterhouseCoopers LLP
	24.1	Powers of Attorney (included on the signature page of the Annual Report)
*	31.1	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*	31.2	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*	32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*	32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*	101.INS	XBRL Instance Document.
*	101.SCH	XBRL Taxonomy Extension Schema.
*	101.CAL	XBRL Taxonomy Extension Calculation Linkbase.
*	101.DEF	XBRL Taxonomy Extension Definition Linkbase.
*	101.LAB	XBRL Taxonomy Extension Label Linkbase.
*	101.PRE	XBRL Taxonomy Extension Presentation Linkbase.

SIGNATURES

POWER OF ATTORNEY

Each person whose signature appears below appoints Robert R. Rooney, John K. Whelen and Tyler W. Robinson, and each of them, any of whom may act without the joinder of the other, as their true and lawful attorneys-in-fact and agents, with full power of substitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report of the Company on Form 10-K, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or would do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his or her substitute and substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ENBRIDGE INC.
(Registrant)

Date: February 16, 2018 By: /s/ Al Monaco

Al Monaco
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on February 16, 2018 by the following persons on behalf of the registrant and in the capacities indicated.

/s/ Al Monaco
Al Monaco
President, Chief Executive Officer and Director
(Principal Executive Officer)

/s/ John K. Whelen
John K. Whelen
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

/s/ Allen C. Capps
Allen C. Capps
Vice President and Chief Accounting Officer
(Principal Accounting Officer)

/s/ Gregory L. Ebel
Gregory L. Ebel
Chairman of the Board of Directors

/s/ Pamela L. Carter
Pamela L. Carter
Director

/s/ Clarence P. Cazalot, Jr.
Clarence P. Cazalot, Jr.
Director

/s/ Marcel R. Coutu
Marcel R. Coutu
Director

/s/ J. Herb England
J. Herb England
Director

/s/ Charles W. Fischer
Charles W. Fischer
Director

/s/ V. Maureen Kempston Darkes
V. Maureen Kempston Darkes
Director

/s/ Michael McShane
Michael McShane
Director

/s/ Michael E.J. Phelps
Michael E.J. Phelps
Director

/s/ Rebecca B. Roberts
Rebecca B. Roberts
Director

/s/ Dan C. Tutcher
Dan C. Tutcher
Director

/s/ Cathy L. Williams
Cathy L. Williams
Director

Innovation, Science and Economic Development Canada
Corporations Canada

Innovation, Sciences et Développement économique Canada
Corporations Canada

EXHIBIT 3.34

Certificate of Amendment

Canada Business Corporations Act

Certificat de modification

Loi canadienne sur les sociétés par actions

Enbridge Inc.

Corporate name / Dénomination sociale

227602-0

Corporation number / Numéro de société

I HEREBY CERTIFY that the articles of the above-named corporation are amended under section 27 of the *Canada Business Corporations Act* as set out in the attached articles of amendment designating a series of shares.

JE CERTIFIE que les statuts de la société susmentionnée sont modifiés aux termes de l'article 27 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses modificatrices désignant une série d'actions.

Virginie Ethier

Director / Directeur

2017-09-25

Date of amendment (YYYY-MM-DD)
Date de modification (AAAA-MM-JJ)

Canada

Innovation, Science and Economic Development Canada
Corporations Canada

Innovation, Sciences et Développement économique Canada
Corporations Canada

EXHIBIT 3.34

Form 4
Articles of Amendment
Canada Business Corporations Act (CBCA) (s. 27 or 177)

Formulaire 4
Clauses modificatrices
Loi canadienne sur les sociétés par actions (LCSA) (art. 27 ou 177)

1 Corporate name
Dénomination sociale
Enbridge Inc.

2 Corporation number
Numéro de la société
227602-0

3 The articles are amended as follows
Les statuts sont modifiés de la façon suivante
See attached schedule / Voir l'annexe ci-jointe

4 Declaration: I certify that I am a director or an officer of the corporation.
Déclaration : J'atteste que je suis un administrateur ou un dirigeant de la société.

Original signed by / Original signé par
Tyler W. Robinson

Tyler W. Robinson
403-231-5935

Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding $5000 or to imprisonment for a term not exceeding six months or both (subsection 250 (1) of the CBCA).

Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 $ et d'un emprisonnement maximal de six mois, ou l'une de ces peines (paragraphe 250(1) de la LCSA).

You are providing information required by the CBCA. Note that both the CBCA and the Privacy Act allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Vous fournissez des renseignements exigés par la LCSA. Il est à noter que la LCSA et la Loi sur les renseignements personnels permettent que de tels renseignements soient divulgués au public. Ils seront stockés dans la banque de renseignements personnels numéro IC/PPU-049.

Canada

SCHEDULE "A" TO ARTICLES OF AMENDMENT OF ENBRIDGE INC.

The fortieth series of Preference Shares of the Corporation shall consist of an unlimited number of shares designated as Preference Shares, Series 2017-B (the "**Conversion Preference Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the Preference Shares as a class, the rights, privileges, restrictions and conditions attaching to the Conversion Preference Shares shall be as follows:

1. Interpretation

(a) In these Conversion Preference Share provisions, the following expressions have the meanings indicated:

(i) "**Automatic Conversion Event**" means an event giving rise to an automatic conversion of Subordinate Notes, without the consent of the holders of such notes and pursuant to the Indenture, into Conversion Preference Shares, being the occurrence of any one of the following: (i) the making by the Corporation of a general assignment for the benefit of its creditors or a proposal (or the filing of a notice of its intention to do so) under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada), (ii) any proceeding instituted by the Corporation seeking to adjudicate it a bankrupt or insolvent, or, where the Corporation is insolvent, seeking liquidation, winding-up, dissolution, reorganization, arrangement, adjustment, protection, relief or compromise of its debts under any law relating to bankruptcy or insolvency in Canada, or seeking the entry of an order for the appointment of a receiver, interim receiver, trustee or other similar official for the property and assets of the Corporation or any substantial part of its property and assets in circumstances where the Corporation is adjudged a bankrupt or insolvent, (iii) a receiver, interim receiver, trustee or other similar official is appointed over the property and assets of the Corporation or for any substantial part of its property and assets by a court of competent jurisdiction in circumstances where the Corporation is adjudged a bankrupt or insolvent under any law relating to bankruptcy or insolvency in Canada, or (iv) any proceeding is instituted against the Corporation seeking to adjudicate it a bankrupt or insolvent, or where the Corporation is insolvent, seeking liquidation, winding-up, dissolution, reorganization, arrangement, adjustment, protection, relief or compromise of its debts under any law relating to bankruptcy or insolvency in Canada, or seeking the entry of an order for the appointment of a receiver, interim receiver, trustee or other similar official for the property and assets of the Corporation or any substantial part of its property and assets in circumstances where the Corporation is adjudged a bankrupt or insolvent under any law relating to bankruptcy or insolvency in Canada, and either such proceeding has not been stayed or dismissed within 60 days of the institution of any such proceeding or the actions sought in such proceedings occur (including the entry of an order for relief against the Corporation or the appointment of a receiver, interim receiver, trustee, or other similar official for it or for any substantial part of its property and assets);

(ii) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating

rules and procedures of the System Operator in force from time to time and any successor system thereof;

(iii) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;

(iv) "**Book-Entry Shares**" means the Conversion Preference Shares held through the Book-Based System;

(v) "**business day**" means a day on which chartered banks are generally open for business in both Calgary, Alberta and Toronto, Ontario;

(vi) "**CDS**" means CDS Clearing and Depository Services Inc. or any successor thereof;

(vii) "**Common Shares**" means the common shares of the Corporation;

(viii) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Conversion Preference Shares;

(ix) "**Global Certificate**" means the global certificate representing outstanding Book-Entry Shares;

(x) "**Indenture**" means the Trust Indenture dated as of October 20, 1997, between the Corporation and Computershare Trust Company of Canada as trustee, as supplemented by the First Supplemental Indenture dated as of November 28, 2001, the Second Supplemental Indenture dated as of December 21, 2011, and as further supplemented by the Third Supplemental Indenture to be dated as of September 26, 2017;

(xi) "**junior shares**" means the Common Shares and any other shares of the Corporation that may rank junior to the Preference Shares in any respect;

(xii) "**Liquidation Distribution**" means the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs;

(xiii) "**Participants**" means the participants in the Book-Based System;

(xiv) "**Perpetual Preference Share Rate**" means the dividend rate payable on the Conversion Preference Shares from time to time, being the same rate as the interest rate that would have accrued on the Subordinate Notes at any such time had such notes not been automatically converted into Conversion Preference Shares upon an Automatic Conversion Event, and had remained outstanding;

(xv) "**Preference Shares**" means the preference shares of the Corporation;

(xvi) "**Quarterly Dividend Payment Date**" means, in respect of dividends payable for the period from and after September 27, 2027, March 27, June 27, September 27 and December 27 of each year during which any Conversion Preference Shares are issued and outstanding;

(xvii) "**Semi-Annual Dividend Payment Date**" means, in respect of dividends payable for the period from September 26, 2017 to but excluding September 27, 2027, March 27 and September 27 of each year during which any Conversion Preference Shares are issued and outstanding;

(xviii) "**Subordinate Notes**" means the 5.375% Fixed-to-Floating Rate Subordinated Notes Series 2017-B due 2077 of the Corporation; and

(xix) "**System Operator**" means CDS or its nominee or any successor thereof.

(b) The expressions "on a parity with", "ranking prior to", "ranking junior to" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation Distribution.

(c) If any day on which any dividend on the Conversion Preference Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a business day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a business day.

(d) All dollar amounts are in Canadian dollars.

2. Issue Price

The issue price of each whole Conversion Preference Share will be $1,000.

3. Dividends

(a) Holders of Conversion Preference Shares will be entitled to receive cumulative preferential cash dividends, if, as and when declared by the board of directors, subject to the *Canada Business Corporations Act*, at the Perpetual Preference Share Rate, payable on each Semi-Annual Dividend Payment Date or Quarterly Dividend Payment Date, as applicable, subject to applicable withholding tax as provided in paragraph 10.

(b) The dividends on Conversion Preference Shares will accrue (but not compound) on a daily basis. If, on any Dividend Payment Date, the dividends accrued to such date are not paid in full on all of the Conversion Preference Shares then issued and outstanding, such dividends, or the unpaid portion thereof, shall be paid on a subsequent date or dates determined by the board of directors on which the Corporation will have sufficient funds properly available, under the provisions of applicable law and under the provisions of any trust indenture governing bonds, debentures or other securities of the Corporation, for the payment of such dividends.

4. Purchase for Cancellation

The Corporation may, at any time, subject to the provisions of paragraph 8 and to the provisions of the *Canada Business Corporations Act*, purchase for cancellation (if obtainable), out of capital or otherwise, all or any part of the Conversion Preference Shares outstanding from time to time at any price by tender to all holders of record of Conversion Preference Shares or through the facilities of any stock exchange on which the Conversion Preference Shares are listed, or in any other manner,

provided that in the case of a purchase in any other manner the price for such Conversion Preference Shares so purchased for cancellation shall not exceed the highest price offered for a board lot of the Conversion Preference Shares on any stock exchange on which such shares are listed on the date of purchase for cancellation, plus the costs of purchase. If upon any tender to holders of Conversion Preference Shares under the provisions of this paragraph 4, more shares are offered than the Corporation is prepared to purchase, the shares so offered will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Conversion Preference Shares so offered by each of the holders of Conversion Preference Shares who offered shares to such tender. From and after the date of purchase of any Conversion Preference Shares under the provisions of this paragraph 4, the shares so purchased shall be cancelled.

5. Redemption

The Corporation may not redeem the Conversion Preference Shares or any of them prior to September 27, 2027. Subject to the provisions of paragraph 8 and to the provisions of the *Canada Business Corporations Act*, on or after September 27, 2027, the Corporation may redeem, on not more than 60 days and not less than 30 days prior notice, on any Semi-Annual Dividend Payment Date or Quarterly Dividend Payment Date, as applicable, all or any part of the then outstanding Conversion Preference Shares on payment of $1,000 cash per whole Conversion Preference Share, together with an amount equal to all accrued and unpaid dividends thereon (such price and amount being hereinafter referred to as the "**Redemption Price**"), which amount for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last Semi- Annual Dividend Payment Date or Quarterly Dividend Payment Date, as applicable, for which dividends thereon have been paid in full up to the date of such redemption. Subject as aforesaid, if only part of the then outstanding Conversion Preference Shares is at any time to be redeemed, the shares so to be redeemed shall be selected by lot or in such other equitable manner as the Corporation may determine or, if the directors so determine, may be redeemed pro rata disregarding fractions. For the purposes of subsection 191(4) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, the amount specified in respect of each whole Conversion Preference Share is $1,000.

6. Procedure on Redemption

Subject to the provisions of the *Canada Business Corporations Act*, in any case of redemption of Conversion Preference Shares under the provisions of the foregoing paragraph 5, the following provisions shall apply. The Corporation shall not more than 60 days and not less than 30 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Conversion Preference Shares to be redeemed a notice in writing of the intention of the Corporation to redeem such Conversion Preference Shares. Such notice shall be delivered by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder of Conversion Preference Shares at the last address of such holder as it appears on the books of the Corporation, or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation, provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the Redemption Price and the date on which redemption is to take place and, if part only of the shares held by the person to whom it is addressed is to be redeemed, the number thereof so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Conversion Preference Shares to be redeemed the Redemption Price on presentation and surrender at the registered office of the Corporation or any other place designated in such notice of the certificates for the Conversion Preference Shares called for redemption. Such payment shall be made by cheque of the Corporation payable in lawful money of the United States at par at any branch of the Corporation's bankers for

the time being in the United States. Such Conversion Preference Shares shall thereupon be redeemed and shall be cancelled. If a part only of the shares represented by any certificate be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date so specified for redemption, the Conversion Preference Shares called for redemption shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the Redemption Price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of such holders shall remain unaffected. The Corporation shall have the right any time after the mailing of notice of its intention to redeem any Conversion Preference Shares as aforesaid to deposit the Redemption Price of the shares so called for redemption, or of such of the said shares represented by certificates which have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, to a special account in any chartered bank or any trust company in the United States named in such notice, to be paid without interest to or to the order of the respective holders of such Conversion Preference Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing the same and upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Conversion Preference Shares in respect whereof such deposit shall have been made shall be cancelled and the rights of the holders thereof after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total Redemption Price so deposited against presentation and surrender of the said certificates held by them respectively.

7. Liquidation, Dissolution or Winding-up

In the event of a Liquidation Distribution, the holders of the Conversion Preference Shares, in accordance with the Preference Shares class provisions, shall be entitled to receive $1,000 per whole Conversion Preference Share together with an amount equal to all accrued and unpaid dividends thereon (less any tax required to be deducted and withheld by the Corporation), which amount for such purposes shall be calculated as if such dividends were accruing for the period from the expiration of the last Semi-Annual Dividend Payment Date or Quarterly Dividend Payment Date, as applicable, for which dividends thereon have been paid in full up to the date of such event, the whole before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the junior shares. Where any such amounts are not paid in full, the Conversion
Preference Shares shall participate rateably with all Preference Shares and all other shares, if any, which rank on a parity with the Preference Shares with respect to the return of capital or any other distribution of assets of the Corporation, in respect of any return of capital in accordance with the sums which would be payable on the Preference Shares and such other shares on such return of capital, if all sums so payable were paid in full in accordance with their terms. After payment to the holders of the Conversion Preference Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

8. Restrictions on Payment of Dividends and Reduction of Capital

So long as any of the Conversion Preference Shares are outstanding, the Corporation shall not:

(a) call for redemption, purchase, reduce stated capital maintained by the Corporation or otherwise pay off less than all of the Conversion Preference Shares and all other Preference Shares of the Corporation then outstanding ranking prior to or on parity with the Conversion Preference Shares with respect to payment of dividends;

(b) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Conversion Preference Shares) on the

Common Shares or any other shares of the Corporation ranking junior to the Conversion Preference Shares with respect to payment of dividends; or

(c) call for redemption of, purchase, reduce stated capital maintained by the Corporation or otherwise pay for any shares of the Corporation ranking junior to the Conversion Preference Shares with respect to repayment of capital or with respect to payment of dividends;

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Conversion Preference Shares and on all other Preference Shares then outstanding ranking prior to or on a parity with the Conversion Preference Shares with respect to payment of dividends then outstanding shall have been declared and paid or set apart for payment in full at the date of any such action referred to in the foregoing subparagraphs (a), (b) and (c).

9. Tax Election

The Corporation shall elect, in the manner and within the time provided under section 191.2 of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and take all other necessary action under such Act, such that no holder of the Conversion Preference Shares will be required to pay tax on dividends received on the Conversion Preference Shares under section 187.2 of Part IV.1 of such Act or any successor or replacement provisions of similar effect. Nothing in this paragraph 9 shall prevent the Corporation from entering into an agreement with a taxable Canadian corporation with which it is related to transfer all or a portion of the Corporation's liability for tax under section 191.1 of the Act to that taxable Canadian corporation in accordance with the provisions of section 191.3 of the Act.

10. Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non-cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Conversion Preference Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph 10. Holders of Conversion Preference Shares shall be responsible for all withholding taxes under Part XIII of the *Income Tax Act* (Canada), or any successor or replacement provision of similar effect, in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

11. Book-Based System

(a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph 11 and notwithstanding the provisions of paragraphs 1 through 10 of these share provisions, the Conversion Preference Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Conversion Preference Shares issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate for the Participants or issued to the System Operator in uncertificated form and, in either case, registered in the name of "CDS & Co." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book-Based System), and registrations of ownership, transfers, surrenders and conversions of Conversion Preference Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph 11, no beneficial holder of Conversion Preference Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.

(b) Notwithstanding the provisions of paragraphs 1 through 10, so long as the System Operator is the registered holder of the Conversion Preference Shares:

(i) the System Operator shall be considered the sole owner of the Conversion Preference Shares for the purposes of receiving notices or payments on or in respect of the Conversion Preference Shares or the delivery of Conversion Preference Shares and certificates, if any, therefor upon the exercise of rights of conversion; and

(ii) the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Conversion Preference Shares, the cash redemption price for the Conversion Preference Shares against delivery to the Corporation's account with the System Operator of such holders' Conversion Preference Shares.

(c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Conversion Preference Shares from the Book-Based System, then subparagraphs (a) and (b) of this paragraph 11 shall no longer be applicable to the Conversion Preference Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate, if applicable, to the transfer agent and registrar for the Conversion Preference Shares and registration instructions for re-registration of the Conversion Preference Shares, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.

(d) The provisions of paragraphs 1 through 10 and the exercise of rights of redemption and conversion, with respect to Conversion Preference Shares are subject to the provisions of this paragraph 11, and to the extent that there is any inconsistency or conflict between such provisions, the provisions of this paragraph 11 shall prevail.

12. Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Conversion Preference Shares, the Corporation may, at its option, make any payment due to registered holders of Conversion Preference Shares by way of a wire or electronic transfer of lawful money of the United States to such holders (less any tax required to be deducted by the Corporation). If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Conversion Preference Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Conversion Preference Shares provide the particulars of an account of such holder with a chartered bank in the United States to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Conversion Preference Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

13. Sanction by Holders of Conversion Preference Shares

The approval of the holders of the Conversion Preference Shares with respect to any and all matters referred to in these share provisions may be given in writing by all of the holders of the Conversion Preference Shares outstanding or by resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at a meeting of the holders of the Conversion Preference Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Conversion Preference Shares then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Conversion Preference Shares then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Conversion Preference Shares present in person or so represented by proxy, whether or not they hold a majority of all Conversion Preference Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Conversion Preference Shares. Notice of any such original meeting of the holders of the Conversion Preference Shares shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of

it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Conversion Preference Shares present in person or represented by proxy shall be entitled to one one-hundredth of a vote in respect of each dollar of the issue price for each of the Conversion Preference Shares held by such holder.

14. Fractional Shares

The Conversion Preference Shares may be issued in whole or in fractional shares. Each fractional Conversion Preference Share shall carry and be subject to the rights, privileges, restrictions and conditions of the Conversion Preference Shares in proportion to the applicable fraction.

15. Amendments

The provisions attaching to the Conversion Preference Shares may be deleted, varied, modified, amended or amplified by articles of amendment with such approval as may then be required by the *Canada Business Corporations Act* with any such approval to be given in accordance with paragraph 13 and with any required approvals of any stock exchanges on which the Conversion Preference Shares may be listed.

Innovation, Science and Economic Development Canada
Corporations Canada

Innovation, Sciences et Développement économique Canada
Corporations Canada

EXHIBIT 3.35

Certificate of Amendment

Canada Business Corporations Act

Certificat de modification

Loi canadienne sur les sociétés par actions

Enbridge Inc.

Corporate name / Dénomination sociale

227602-0

Corporation number / Numéro de société

I HEREBY CERTIFY that the articles of the above-named corporation are amended under section 27 of the *Canada Business Corporations Act* as set out in the attached articles of amendment designating a series of shares.

JE CERTIFIE que les statuts de la société susmentionnée sont modifiés aux termes de l'article 27 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses modificatrices désignant une série d'actions.

Virginie Ethier

Director / Directeur

2017-12-07

Date of amendment (YYYY-MM-DD)
Date de modification (AAAA-MM-JJ)

Canada

Innovation, Science and Economic Development Canada
Corporations Canada

Innovation, Sciences et Développement économique Canada
Corporations Canada

EXHIBIT 3.35

Form 4 Articles of Amendment

Canada Business Corporations Act (CBCA) (s. 27 or 177)

Formulaire 4 Clauses modificatrices

Loi canadienne sur les sociétés par actions (LCSA) (art. 27 ou 177)

1 Corporate name
Dénomination sociale

Enbridge Inc.

2 Corporation number
Numéro de la société

227602-0

3 The articles are amended as follows
Les statuts sont modifiés de la façon suivante

See attached schedule / Voir l'annexe ci-jointe

4 Declaration: I certify that I am a director or an officer of the corporation.
Déclaration : J'atteste que je suis un administrateur ou un dirigeant de la société.

Original signed by / Original signé par

Tyler W. Robinson

Tyler W. Robinson
403-231-5935

Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding $5000 or to imprisonment for a term not exceeding six months or both (subsection 250 (1) of the CBCA).

Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 $ et d'un emprisonnement maximal de six mois, ou l'une de ces peines (paragraphe 250(1) de la LCSA).

You are providing information required by the CBCA. Note that both the CBCA and the Privacy Act allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Vous fournissez des renseignements exigés par la LCSA. Il est à noter que la LCSA et la Loi sur les renseignements personnels permettent que de tels renseignements soient divulgués au public. Ils seront stockés dans la banque de renseignements personnels numéro IC/PPU-049.

Canada

SCHEDULE "A" TO ARTICLES OF AMENDMENT OF ENBRIDGE INC.

The forty-first series of Preference Shares of the Corporation shall consist of 20,000,000 shares designated as Cumulative Redeemable Minimum Rate Reset Preference Shares, Series 19 (the "**Series 19 Preference Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the Preference Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series 19 Preference Shares shall be as follows:

1. Interpretation

(a) In these Series 19 Preference Share provisions, the following expressions have the meanings indicated:

(i) "**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the annual rate of interest equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date and 3.17%, provided that, in any event, such rate shall not be less than 4.90%;

(ii) "**Bloomberg Screen GCAN5YR Page**" means the display designated as page "GCAN5YR <INDEX>" on the Bloomberg Financial L.P. service or its successor service (or such other page as may replace the GCAN5YR <INDEX> page on that service or its successor service) for purposes of displaying Government of Canada bond yields;

(iii) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;

(iv) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;

(v) "**Book-Entry Shares**" means the Series 19 Preference Shares held through the Book-Based System;

(vi) "**business day**" means a day on which chartered banks are generally open for business in both Calgary, Alberta and Toronto, Ontario;

(vii) "**CDS**" means CDS Clearing and Depository Services Inc. or any successor thereof;

(viii) "**Common Shares**" means the common shares of the Corporation;

(ix) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series 19 Preference Shares;

(x) "**Dividend Payment Date**" means the first day of March, June, September and December in each year;

(xi) "**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period;

(xii) "**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the annual rate of interest equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date and 3.17%;

(xiii) "**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period;

(xiv) "**Global Certificate**" means the global certificate representing outstanding Book-Entry Shares;

(xv) "**Government of Canada Yield**" on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and that appears on the Bloomberg Screen GCAN5YR Page on such date; provided that if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, then the Government of Canada Yield shall mean the arithmetic average of the yields quoted to the Corporation by two registered Canadian investment dealers selected by the Corporation as being the annual yield to maturity on such date, compounded semi-annually, that a non-callable Government of Canada bond would carry if issued, in Canadian dollars, at 100% of its principal amount on such date with a term to maturity of five years;

(xvi) "**Initial Fixed Rate Period**" means the period from and including the date of issue of the Series 19 Preference Shares to but excluding March 1, 2023;

(xvii) "**junior shares**" means the Common Shares and any other shares of the Corporation that may rank junior to the Preference Shares in any respect;

(xviii) "**Liquidation Distribution**" means the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs;

(xix) "**Participants**" means the participants in the Book-Based System;

(xx) "**Preference Shares**" means the preference shares of the Corporation;

(xxi) "**Pro Rated Dividend**" means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation Distribution, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from fixed for Liquidation Distribution, conversion or redemption to but excluding such date and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year;

(xxii) "**Quarter**" means a three-month period ending on a Dividend Payment Date;

(xxiii) "**Quarterly Commencement Date**" means the first day of March, June, September and December in each year, commencing March 1, 2023;

(xxiv) "**Quarterly Floating Rate Period**" means the period from and including a Quarterly Commencement Date to but excluding the next succeeding Quarterly Commencement Date;

(xxv) "**Series 19 Conversion Date**" means March 1, 2023, and March 1 in every fifth year thereafter;

(xxvi) "**Series 20 Preference Shares**" means the Cumulative Redeemable Preference Shares, Series 20 of the Corporation;

(xxvii) "**Subsequent Fixed Rate Period**" means, for the initial Subsequent Fixed Rate Period, the period from and including March 1, 2023 to but excluding March 1, 2028, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to but excluding March 1, in the fifth year thereafter;

(xxviii) "**System Operator**" means CDS or its nominee or any successor thereof; and

(xxix) "**T-Bill Rate**" means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate on three month Government of Canada treasury bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

(b) The expressions "on a parity with", "ranking prior to", "ranking junior to" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation Distribution.

(c) If any day on which any dividend on the Series 19 Preference Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a business day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a business day.

2. Dividends

(a) During the Initial Fixed Rate Period, the holders of the Series 19 Preference Shares shall be entitled to receive and the Corporation shall pay thereon, as and when declared by the board of directors, out of the monies of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of $1.225 per share, payable quarterly on each Dividend Payment Corporation). The first dividend, if declared, shall be payable on March 1, 2018, and, if the Series 19 Preference Shares are issued on December 11, 2017, shall be in the amount of $0.2685 per Series 19 Preference Share, and if the Series 19 Preference Shares are issued after December 11, 2017, will be an amount that is prorated to reflect the period of time for which the Series 19 Preference Shares are outstanding prior to March 1, 2018, with such amount being determined by multiplying $1.225 by the number of days in the period from and including the date of issue of the Series 19 Preference Shares to but excluding March 1, 2018, and dividing that product by 365.

(b) During each Subsequent Fixed Rate Period, the holders of the Series 19 Preference Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the monies of the Corporation properly applicable to

the payment of dividends, fixed cumulative preferential cash dividends, payable quarterly on each Dividend Payment Date, in the amount per share equal to the Annual Fixed Dividend Rate multiplied by $25.00 for such Subsequent Fixed Rate Period and shall be payable in equal quarterly amounts on each Dividend Payment Date in each year during such Subsequent Fixed Rate Period.

(c) On each Fixed Rate Calculation Date, the Corporation shall determine the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period. The Corporation shall, on each Fixed Rate Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series 19 Preference Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder of Series 19 Preference Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.

(d) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation Distribution, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation Distribution, redemption or conversion instead of the dividend declared, but if such Liquidation Distribution, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.

(e) If on any Dividend Payment Date the dividend payable on such date is not paid in full on all of the Series 19 Preference Shares then issued and outstanding, such dividend or the unpaid part thereof shall be paid on a subsequent date or dates to be determined by the board of directors on which the Corporation shall have sufficient monies properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the same. When any such dividend is not paid in full, the Series 19 Preference Shares shall participate rateably with the Preference Shares of other series and all other shares, if any, which rank on a parity with the Preference Shares with respect to the payment of dividends, in respect of such dividends, including accumulations, if any, in accordance with the sums which would be payable on the preference shares and such other shares if all such dividends were declared and paid in full in accordance with their terms.

(f) The holders of the Series 19 Preference Shares shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided. Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation’s bankers for the time being in Canada shall be issued in respect of the said dividends (less any tax required to be deducted) and payment thereof shall satisfy such dividends.

3. Purchase for Cancellation

The Corporation may, at any time, subject to the provisions of paragraphs 6 and 8 and to the provisions of the *Canada Business Corporations Act*, purchase for cancellation (if obtainable), out of capital or otherwise, the whole or any part of the Series 19 Preference Shares outstanding from time to time at any price by tender to all holders of record of Series 19 Preference Shares or through the facilities of any stock exchange on which the Series 19 Preference Shares are listed, or in any other manner, provided that in the case of a purchase in any other manner the price for such Series 19 Preference Shares so purchased for cancellation shall not exceed the highest price offered for a board lot of the Series 19 Preference Shares on any stock exchange on which such shares are listed on the date of purchase for cancellation, plus the costs of purchase. If upon any tender to holders of Series 19 Preference Shares under the provisions of this paragraph 3, more shares are offered than the Corporation is prepared to purchase, the shares so offered will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Series 19 Preference Shares so offered by each of the holders of Series 19 Preference Shares who offered shares to such tender. From and after the date of purchase of any Series 19 Preference Shares under the provisions of this paragraph 3, the shares so purchased shall be cancelled.

4. Redemption

The Corporation may not redeem the Series 19 Preference Shares or any of them prior to March 1, 2023. Subject to the provisions of paragraph 8 and to the provisions of the *Canada Business Corporations Act*, the Corporation may redeem, on not more than 60 days and not less than 30 days prior notice, on March 1, 2023 and on March 1 in every fifth year thereafter, the whole or any part of the then outstanding Series 19 Preference Shares on payment of $25.00 cash per Series 19 Preference Share, together with an amount equal to all accrued and unpaid dividends thereon (such price and amount being hereinafter referred to as the "**Redemption Price**"), which amount for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends thereon have been paid in full up to the date of such redemption. Subject as aforesaid, if only part of the then outstanding Series 19 Preference Shares is at any time to be redeemed, the shares so to be redeemed shall be selected by lot or in such other equitable manner as the Corporation may determine or, if the directors so determine, may be redeemed pro rata disregarding fractions. For the purposes of subsection 191(4) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, the amount specified in respect of each Series 19 Preference Share is $25.00.

5. Procedure on Redemption

Subject to the provisions of the *Canada Business Corporations Act*, in any case of redemption of Series 19 Preference Shares under the provisions of the foregoing paragraph 4, the following provisions shall apply. The Corporation shall not more than 60 days and not less than 30 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Series 19 Preference Shares to be redeemed a notice in writing of the intention of the Corporation to redeem such Series 19 Preference Shares. Such notice shall be delivered in accordance with the provisions of subparagraph 2(c), provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the Redemption Price and the date on which redemption is to take place and, if part only of the shares held by the person to whom it is addressed is to be redeemed, the number thereof so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Series 19 Preference Shares to be redeemed the Redemption Price on presentation and surrender at the registered office of the Corporation or any other place designated in such notice of the certificates for the Series 19 Preference Shares called for

redemption. Such payment shall be made by cheque of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada. Such Series 19 Preference Shares shall thereupon be redeemed and shall be cancelled. If a part only of the shares represented by any certificate be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date so specified for redemption, the Series 19 Preference Shares called for redemption shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the Redemption Price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of such holders shall remain unaffected. The Corporation shall have the right any time after the mailing of notice of its intention to redeem any Series 19 Preference Shares as aforesaid to deposit the Redemption Price of the shares so called for redemption, or of such of the said shares represented by certificates which have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, to a special account in any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Series 19 Preference Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing the same and upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Series 19 Preference Shares in respect whereof such deposit shall have been made shall be cancelled and the rights of the holders thereof after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total Redemption Price so deposited against presentation and surrender of the said certificates held by them respectively.

6. Conversion into Series 20 Preference Shares

(a) The Series 19 Preference Shares shall not be convertible prior to March 1, 2023. Holders of Series 19 Preference Shares shall have the right to elect to convert on each Series 19 Conversion Date, subject to the provisions hereof, all or any of their Series 19 Preference Shares into Series 20 Preference Shares on the basis of one Series 20 Preference Share for each Series 19 Preference Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series 19 Conversion Date, give notice in writing in accordance with the provisions of subparagraph 2(c) to the then registered holders of the Series 19 Preference Shares of the conversion right provided for in this paragraph 6, which notice shall set out the Series 19 Conversion Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30th day prior to each Series 19 Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series 19 Preference Shares of the Annual Fixed Dividend Rate for the Series 19 Preference Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series 20 Preference Shares for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph 2(c).

(b) If the Corporation gives notice as provided in paragraph 5 to the holders of the Series 19 Preference Shares of the redemption of all of the Series 19 Preference Shares, then the right of a holder of Series 19 Preference Shares to convert such Series 19 Preference Shares shall terminate effective on the date of such notice and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph 6.

(c) Holders of Series 19 Preference Shares shall not be entitled to convert their shares into Series 20 Preference Shares if the Corporation determines that there would remain outstanding on a Series 19 Conversion Date less than 1,000,000 Series 20 Preference Shares, after having taken into account all Series 19 Preference Shares tendered for conversion into Series 20 Preference Shares and all Series 20 Preference Shares tendered for conversion into Series 19 Preference Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(c) to all affected registered holders of the Series 19 Preference Shares at least seven days prior to the applicable Series 19 Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series 19 Conversion Date, at the expense of the Corporation, to such holders of Series 19 Preference Shares who have surrendered for conversion any certificate or certificates representing Series 19 Preference Shares, certificates representing the Series 19 Preference Shares represented by any certificate or certificates so surrendered.

(d) If the Corporation determines that there would remain outstanding on a Series 19 Conversion Date less than 1,000,000 Series 19 Preference Shares, after having taken into account all Series 19 Preference Shares tendered for conversion into Series 20 Preference Shares and all Series 20 Preference Shares tendered for conversion into Series 19 Preference Shares, then all of the remaining outstanding Series 19 Preference Shares shall be converted automatically into Series 20 Preference Shares on the basis of one Series 20 Preference Share for each Series 19 Preference Share on the applicable Series 19 Conversion Date and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(c) to the then registered holders of such remaining Series 19 Preference Shares at least seven days prior to the Series 19 Conversion Date.

(e) The conversion right may be exercised by a holder of Series 19 Preference Shares by notice in writing, in a form satisfactory to the Corporation (the "**Series 19 Conversion Notice**"), which notice must be received by the transfer agent and registrar for the Series 19 Preference Shares at the principal office in Toronto or Calgary of such transfer agent and registrar not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series 19 Conversion Date. The Series 19 Conversion Notice shall indicate the number of Series 19 Preference Shares to be converted. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert is irrevocable. Except in the case where the Series 20 Preference Shares are in the Book-Based System, if the Series 20 Preference Shares are to be registered in a name or names different from the name or names of the registered holder of the Series 19 Preference Shares to be converted, the Series 19 Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series 20 Preference Shares in some other name or names (the "**Series 20 Transferee**") and stating the name or names (with addresses) and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series 20 Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series 20 Transferee to hold such Series 20 Preference Shares.

(f) If all remaining outstanding Series 19 Preference Shares are to be converted into Series 20 Preference Shares on the applicable Series 19 Conversion Date as

provided for in subparagraph (d) of this paragraph 6, the Series 19 Preference Shares that holders have not previously elected to convert shall be converted on the Series 19 Conversion Date into Series 20 Preference Shares and the holders thereof shall be deemed to be holders of Series 20 Preference Shares at 5:00 p.m. (Toronto time) on the Series 19 Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto or Calgary of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series 19 Preference Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series 20 Preference Shares in the manner and subject to the provisions of this paragraph 6 and paragraph 11.

(g) Subject to paragraph (h) of this paragraph 6 and paragraph 11, as promptly as practicable after the Series 19 Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series 20 Preference Shares registered in the name of the holders of the Series 19 Preference Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto or Calgary of the transfer agent and registrar for the Series 19 Preference Shares of the certificate or certificates for the Series 19 Preference Shares to be converted. If only a part of such Series 19 Preference Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series 19 Conversion Notice, the Series 19 Preference Shares converted into Series 20 Preference Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation shall fail, subject to paragraph 11, to deliver to the holders of the Series 19 Preference Shares to be converted share certificates representing the Series 20 Preference Shares into which such shares have been converted.

(h) The obligation of the Corporation to issue Series 20 Preference Shares upon conversion of any Series 19 Preference Shares shall be deferred during the continuance of any one or more of the following events:

(i) the issuing of such Series 20 Preference Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting in conformity with law; or

(ii) for any reason beyond its control, the Corporation is unable to issue Series 20 Preference Shares or is unable to deliver Series 20 Preference Shares.

(i) The Corporation reserves the right not to deliver Series 20 Preference Shares to any person that the Corporation or its transfer agent and registrar has reason to believe is a person whose address is in, or the Corporation or its transfer agent and registrar has reason to believe is a resident of, any jurisdiction outside of Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series 20 Preference Shares, and the Corporation shall attempt to sell such Series 20 Preference Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any

liability for failure to sell Series 20 Preference Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series 20 Preference Shares shall be delivered to any such person, after deducting the costs of sale, by cheque or in any other manner determined by the Corporation.

7. Liquidation, Dissolution or Winding- up

In the event of a Liquidation Distribution or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Series 19 Preference Shares, in accordance with the Preference Shares class provisions, shall be entitled to receive $25.00 per Series 19 Preference Shares together with an amount equal to all accrued and unpaid dividends thereon (less any tax required to be deducted and withheld by the Corporation), which amount for such purposes shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends thereon have been paid in full up to the date of such event, the whole before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the junior shares. Where any such amounts are not paid in full, the Series 19 Preference Shares shall participate rateably with all Preference Shares and all other shares, if any, which rank on a parity with the Preference Shares with respect to the return of capital or any other distribution of assets of the Corporation, in respect of any return of capital in accordance with the sums which would be payable on the Preference Shares and such other shares on such return of capital, if all sums so payable were paid in full in accordance with their terms.

After payment to the holders of the Series 19 Preference Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

8. Restrictions on Payment of Dividends and Reduction of Capital

So long as any of the Series 19 Preference Shares are outstanding, the Corporation shall not:

(a) call for redemption, purchase, reduce stated capital maintained by the Corporation or otherwise pay off less than all of the Series 19 Preference Shares and all other Preference Shares of the Corporation then outstanding ranking prior to or on parity with the Series 19 Preference Shares with respect to payment of dividends;

(b) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series 19 Preference Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series 19 Preference Shares with respect to payment of dividends; or

(c) call for redemption of, purchase, reduce stated capital maintained by the Corporation or otherwise pay for any shares of the Corporation ranking junior to the Series 19 Preference Shares with respect to repayment of capital or with respect to payment of dividends;

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series 19 Preference Shares and on all other Preference Shares and on all other shares ranking prior to or on a parity with the said shares with respect to payment of dividends then outstanding shall have been declared and paid in full at the date of any such action referred to in the foregoing subparagraphs (a), (b) and (c).

9. Tax Election

The Corporation shall elect, in the manner and within the time provided under section 191.2 of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and take all other necessary action under such Act, such that no holder of the Series 19 Preference Shares will be required to pay tax on dividends received on the Series 19 Preference Shares under section 187.2 of Part IV.1 of such Act or any successor or replacement provisions of similar effect.

10. Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non-cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series 19 Preference Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph 10. Holders of Series 19 Preference Shares shall be responsible for all withholding taxes under Part XIII of the *Income Tax Act* (Canada), or any successor or replacement provision of similar effect, in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

11. Book-Based System

(a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph 11 and notwithstanding the provisions of paragraphs 1 through 10 of these share provisions, the Series 19 Preference Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Series 19 Preference Shares issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate for the Participants or issued to the System Operator in uncertificated form and, in either case, registered in the name of "CDS & Co." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book-Based System), and registrations of ownership, transfers, surrenders and conversions of Series 19 Preference Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph 11, no beneficial holder of Series 19 Preference Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.

(b) Notwithstanding the provisions of paragraphs 1 through 10, so long as the System Operator is the registered holder of the Series 19 Preference Shares:

(i) the System Operator shall be considered the sole owner of the Series 19 Preference Shares for the purposes of receiving notices or payments on or in respect of the Series 19 Preference Shares or the delivery of Series 19 Preference Shares and certificates, if any, therefor upon the exercise of rights of conversion; and

(ii) the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series 19 Preference Shares, the cash redemption price for the Series 19 Preference Shares or certificates for Series 20 Preference Shares against delivery to the Corporation's account with the System Operator of such holders' Series 19 Preference Shares.

(c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series 19 Preference Shares from the Book-Based System, then subparagraphs (a) and (b) of this paragraph 11 shall no longer be applicable to the Series 19 Preference Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate, if applicable, to the transfer agent and registrar for the Series 19 Preference Shares and registration instructions for re-registration of the Series 19 Preference Shares, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.

(d) The provisions of paragraphs 1 through 10 and the exercise of rights of redemption and conversion, with respect to Series 19 Preference Shares are subject to the provisions of this paragraph 11, and to the extent that there is any inconsistency or conflict between such provisions, the provisions of this paragraph 11 shall prevail.

12. Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series 19 Preference Shares, the Corporation may, at its option, make any payment due to registered holders of Series 19 Preference Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series 19 Preference Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series 19 Preference Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series 19 Preference Shares prior to the date such payment is to be made,

the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

13. Sanction by Holders of Series 19 Preference Shares

The approval of the holders of the Series 19 Preference Shares with respect to any and all matters referred to in these share provisions may be given in writing by all of the holders of the Series 19 Preference Shares outstanding or by resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at a meeting of the holders of the Series 19 Preference Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Series 19 Preference Shares then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if at any such meeting, when originally held, the holders of at least a majority of all Series 19 Preference Shares then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Series 19 Preference Shares present in person or so represented by proxy, whether or not they hold a majority of all Series 19 Preference Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series 19 Preference Shares. Notice of any such original meeting of the holders of the Series 19 Preference Shares shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Series 19 Preference Shares present in person or represented by proxy shall be entitled to one one-hundredth of a vote in respect of each dollar of the issue price for each of the Series 19 Preference Shares held by such holder.

14. Amendments

The provisions attaching to the Series 19 Preference Shares may be deleted, varied, modified, amended or amplified by articles of amendment with such approval as may then be required by the *Canada Business Corporations Act* with any such approval to be given in accordance with paragraph 13 and with any required approvals of any stock exchanges on which the Series 19 Preference Shares may be listed.

SCHEDULE "B" TO ARTICLES OF AMENDMENT OF ENBRIDGE INC.

The forty-second series of Preference Shares of the Corporation shall consist of 20,000,000 shares designated as Cumulative Redeemable Preference Shares, Series 20 (the "**Series 20 Preference Shares**"). In addition to the rights, privileges, restrictions and conditions attaching to the Preference Shares as a class, the rights, privileges, restrictions and conditions attaching to the Series 20 Preference Shares shall be as follows:

1. Interpretation

(a) In these Series 20 Preference Share provisions, the following expressions have the meanings indicated:

(i) "**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the annual rate of interest equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date and 3.17%, provided that, in any event, such rate shall not be less than 4.90%;

(ii) "**Bloomberg Screen GCAN5YR Page**" means the display designated as page "GCAN5YR<INDEX>" on the Bloomberg Financial L.P. service or its successor service (or such other page as may replace the GCAN5YR<INDEX> page on that service or its successor service) for purposes of displaying Government of Canada bond yields;

(iii) "**Book-Based System**" means the record entry securities transfer and pledge system administered by the System Operator in accordance with the operating rules and procedures of the System Operator in force from time to time and any successor system thereof;

(iv) "**Book-Entry Holder**" means the person that is the beneficial holder of a Book-Entry Share;

(v) "**Book-Entry Shares**" means the Series 20 Preference Shares held through the Book-Based System;

(vi) "**business day**" means a day on which chartered banks are generally open for business in both Calgary, Alberta and Toronto, Ontario;

(vii) "**CDS**" means CDS Clearing and Depository Services Inc. or any successor thereof;

(viii) "**Common Shares**" means the common shares of the Corporation;

(ix) "**Definitive Share**" means a fully registered, typewritten, printed, lithographed, engraved or otherwise produced share certificate representing one or more Series 20 Preference Shares;

(x) "**Dividend Payment Date**" means the first day of March, June, September and December in each year;

(xi) "**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period;

(xii) "**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the annual rate of interest equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date and 3.17%;

(xiii) "**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period;

(xiv) "**Global Certificate**" means the global certificate representing outstanding Book-Entry Shares;

(xv) "**Government of Canada Yield**" on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and that appears on the Bloomberg Screen GCAN5YR Page on such date; provided that if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, then the Government of Canada Yield shall mean the arithmetic average of the yields quoted to the Corporation by two registered Canadian investment dealers selected by the Corporation as being the annual yield to maturity on such date, compounded semi-annually, that a non-callable Government of Canada bond would carry if issued, in Canadian dollars, at 100% of its principal amount on such date with a term to maturity of five years;

(xvi) "**junior shares**" means the Common Shares and any other shares of the Corporation that may rank junior to the Preference Shares in any respect;

(xvii) "**Liquidation Distribution**" means the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs;

(xviii) "**Participants**" means the participants in the Book-Based System;

(xix) "**Preference Shares**" means the preference shares of the Corporation;

(xx) "**Pro Rated Dividend**" means the amount determined by multiplying the amount of the dividend payable for a Quarter in which a Liquidation Distribution, conversion or redemption is to occur by four and multiplying that product by a fraction, the numerator of which is the number of days from and including the Dividend Payment Date immediately preceding the date fixed for Liquidation Distribution, conversion or redemption to but excluding such date and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year;

(xxi) "**Quarter**" means a three-month period ending on a Dividend Payment Date;

(xxii) "**Quarterly Commencement Date**" means the first day of March, June, September and December in each year, commencing March 1, 2023;

(xxiii) "**Quarterly Floating Rate Period**" means the period from and including a Quarterly Commencement Date to but excluding the next succeeding Quarterly Commencement Date;

(xxiv) "**Series 19 Preference Shares**" means the Cumulative Redeemable Minimum Rate Reset Preference Shares, Series 19 of the Corporation;

(xxv) "**Series 20 Conversion Date**" means March 1, 2028, and March 1, in every fifth year thereafter;

(xxvi) "**Subsequent Fixed Rate Period**" means, for the initial Subsequent Fixed Rate Period, the period from and including March 1, 2023 to but excluding March 1, 2028, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to but excluding March 1, in the fifth year thereafter;

(xxvii) "**System Operator**" means CDS or its nominee or any successor thereof; and

(xxviii) "**T-Bill Rate**" means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate on three month Government of Canada treasury bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

(b) The expressions "on a parity with", "ranking prior to", "ranking junior to" and similar expressions refer to the order of priority in the payment of dividends or in the distribution of assets in the event of any Liquidation Distribution.

(c) If any day on which any dividend on the Series 20 Preference Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a business day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a business day.

2. Dividends

(a) During each Quarterly Floating Rate Period, the holders of the Series 20 Preference Shares shall be entitled to receive and the Corporation shall pay thereon, as and when declared by the board of directors, out of the monies of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends, payable on each Dividend Payment Date in each year (less any tax required to be deducted and withheld by the Corporation), in the amount per share determined by multiplying the Floating Quarterly Dividend Rate for such Quarterly Floating Rate Period by $25.00 and multiplying that product by a fraction, the numerator of which is the actual number of days in such Quarterly Floating Rate Period and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year.

(b) On each Floating Rate Calculation Date, the Corporation shall determine the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series 20 Preference Shares. The Corporation shall, on each Floating Rate Calculation Date, give written notice of the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period to the registered holders of the then outstanding Series 20 Preference Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder of Series 20 Preference Shares at the last address of such holder as it appears on the books of the

Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.

(c) If a dividend has been declared for a Quarter and a date is fixed for a Liquidation Distribution, redemption or conversion that is prior to the Dividend Payment Date for such Quarter, a Pro Rated Dividend shall be payable on the date fixed for such Liquidation Distribution, redemption or conversion instead of the dividend declared, but if such Liquidation Distribution, redemption or conversion does not occur, then the full amount of the dividend declared shall be payable on the originally scheduled Dividend Payment Date.

(d) If on any Dividend Payment Date the dividend payable on such date is not paid in full on all of the Series 20 Preference Shares then issued and outstanding, such dividend or the unpaid part thereof shall be paid on a subsequent date or dates to be determined by the board of directors on which the Corporation shall have sufficient monies properly applicable, under the provisions of any applicable law and under the provisions of any trust indenture securing bonds, debentures or other securities of the Corporation, to the payment of the same. When any such dividend is not paid in full, the Series 20 Preference Shares shall participate rateably with the preference shares of other series and all other shares, if any, which rank on a parity with the Preference Shares with respect to the payment of dividends, in respect of such dividends, including accumulations, if any, in accordance with the sums which would be payable on the Preference Shares and such other shares if all such dividends were declared and paid in full in accordance with their terms.

(e) The holders of the Series 20 Preference Shares shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends hereinbefore provided. Cheques of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada shall be issued in respect of the said dividends (less any tax required to be deducted) and payment thereof shall satisfy such dividends.

3. Purchase for Cancellation

The Corporation may, at any time, subject to the provisions of paragraphs 6 and 8 and to the provisions of the *Canada Business Corporations Act*, purchase for cancellation (if obtainable), out of capital or otherwise, the whole or any part of the Series 20 Preference Shares outstanding from time to time at any price by tender to all holders of record of Series 20 Preference Shares or through the facilities of any stock exchange on which the Series 20 Preference Shares are listed, or in any other manner, provided that in the case of a purchase in any other manner the price for such Series 20 Preference Shares so purchased for cancellation shall not exceed the highest price offered for a board lot of the Series 20 Preference Shares on any stock exchange on which such shares are listed on the date of purchase for cancellation, plus the costs of purchase. If upon any tender to holders of Series 20 Preference Shares under the provisions of this paragraph 3, more shares are offered than the Corporation is prepared to purchase, the shares so offered will be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Series 20 Preference Shares so offered by each of the holders of Series 20 Preference Shares who offered shares to such tender. From and after the date of purchase of any Series 20 Preference Shares under the provisions of this paragraph 3, the shares so purchased shall be cancelled.

4. Redemption

Subject to the provisions of paragraph 8 and to the provisions of the *Canada Business Corporations Act*, the Corporation may redeem on not more than 60 days' and not less than 30 days' prior notice, all or any part of the Series 20 Preference Shares by the payment of an amount in cash for each share to be redeemed equal to:

(a) $25.00 per share (the "**Redemption Amount**") in the case of a redemption on a Series 20 Conversion Date on or after March 1, 2028; or

(b) the Redemption Amount plus $0.50 per share in the case of a redemption on any other date after March 1, 2023 that is not a Series 20 Conversion Date,

together, in each case, with an amount equal to all accrued and unpaid dividends thereon (such price and amount being hereinafter referred to as the "**Redemption Price**"), which amount for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends thereon have been paid in full up to the date of such redemption. Subject as aforesaid, if only part of the then outstanding Series 20 Preference Shares is at any time to be redeemed, the shares so to be redeemed shall be selected by lot or in such other equitable manner as the Corporation may determine or, if the directors so determine, may be redeemed pro rata disregarding fractions. For the purposes of subsection 191(4) of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, the amount specified in respect of each Series 20 Preference Share is $25.00.

5. Procedure on Redemption

Subject to the provisions of the *Canada Business Corporations Act*, in any case of redemption of Series 20 Preference Shares under the provisions of the foregoing paragraph 4, the following provisions shall apply. The Corporation shall not more than 60 days and not less than 30 days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Series 20 Preference Shares to be redeemed a notice in writing of the intention of the Corporation to redeem such Series 20 Preference Shares. Such notice shall be delivered in accordance with the provisions of subparagraph 2(b), provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the Redemption Price and the date on which redemption is to take place and, if part only of the shares held by the person to whom it is addressed is to be redeemed, the number thereof so to be redeemed. On or after the date so specified for redemption the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Series 20 Preference Shares to be redeemed the Redemption Price on presentation and surrender at the registered office of the Corporation or any other place designated in such notice of the certificates for the Series 20 Preference Shares called for redemption. Such payment shall be made by cheque of the Corporation payable in lawful money of Canada at par at any branch of the Corporation's bankers for the time being in Canada. Such Series 20 Preference Shares shall thereupon be redeemed and shall be cancelled. If a part only of the shares represented by any certificate be redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date so specified for redemption, the Series 20 Preference Shares called for redemption shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the Redemption Price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of such holders shall remain unaffected. The Corporation shall have the right any time after the mailing of notice of its intention to redeem any Series 20 Preference Shares as aforesaid to deposit the Redemption Price of the shares so called for redemption, or of such of the said shares represented by certificates which have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, to a special account in

any chartered bank or any trust company in Canada named in such notice, to be paid without interest to or to the order of the respective holders of such Series 20 Preference Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing the same and upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Series 20 Preference Shares in respect whereof such deposit shall have been made shall be cancelled and the rights of the holders thereof after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total Redemption Price so deposited against presentation and surrender of the said certificates held by them respectively.

6. Conversion into Series 19 Preference Shares

(a) The Series 20 Preference Shares shall not be convertible prior to March 1, 2028. Holders of Series 20 Preference Shares shall have the right to elect to convert on each Series 20 Conversion Date, subject to the provisions hereof, all or any of their Series 20 Preference Shares into Series 19 Preference Shares on the basis of one Series 19 Preference Share for each Series 20 Preference Share. The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series 20 Conversion Date, give notice in writing in accordance with the provisions of subparagraph 2(b) to the then registered holders of the Series 20 Preference Shares of the conversion right provided for in this paragraph 6, which notice shall set out the Series 20 Conversion Date and instructions to such holders as to the method by which such conversion right may be exercised. On the 30th day prior to each Series 20 Conversion Date, the Corporation shall give notice in writing to the then registered holders of the Series 20 Preference Shares of the Annual Fixed Dividend Rate for the Series 19 Preference Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series 20 Preference Shares for the next succeeding Quarterly Floating Rate Period. Such notice shall be delivered in accordance with the provisions of subparagraph 2(b).

(b) If the Corporation gives notice as provided in paragraph 5 to the holders of the Series 20 Preference Shares of the redemption of all of the Series 20 Preference Shares, then the right of a holder of Series 20 Preference Shares to convert such Series 20 Preference Shares shall terminate effective on the date of such notice and the Corporation shall not be required to give the notice specified in subparagraph (a) of this paragraph 6.

(c) Holders of Series 20 Preference Shares shall not be entitled to convert their shares into Series 19 Preference Shares if the Corporation determines that there would remain outstanding on a Series 20 Conversion Date less than 1,000,000 Series 19 Preference Shares, after having taken into account all Series 20 Preference Shares tendered for conversion into Series 19 Preference Shares and all Series 19 Preference Shares tendered for conversion into Series 20 Preference Shares, and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(b) to all affected registered holders of the Series 20 Preference Shares at least seven days prior to the applicable Series 20 Conversion Date and shall issue and deliver, or cause to be delivered, prior to such Series 20 Conversion Date, at the expense of the Corporation, to such holders of Series 20 Preference Shares who have surrendered for conversion any certificate or certificates representing Series 20 Preference Shares, certificates representing the Series 20 Preference Shares represented by any certificate or certificates so surrendered.

(d) If the Corporation determines that there would remain outstanding on a Series 20 Conversion Date less than 1,000,000 Series 20 Preference Shares, after having taken into account all Series 20 Preference Shares tendered for conversion into Series 19 Preference Shares and all Series 19 Preference Shares tendered for conversion into Series 20 Preference Shares, then all of the remaining outstanding Series 20 Preference Shares shall be converted automatically into Series 19 Preference Shares on the basis of one Series 19 Preference Share for each Series 20 Preference Share on the applicable Series 20 Conversion Date and the Corporation shall give notice in writing thereof in accordance with the provisions of subparagraph 2(b) to the then registered holders of such remaining Series 20 Preference Shares at least seven days prior to the Series 20 Conversion Date.

(e) The conversion right may be exercised by a holder of Series 20 Preference Shares by notice in writing, in a form satisfactory to the Corporation (the "**Series 20 Conversion Notice**"), which notice must be received by the transfer agent and registrar for the Series 20 Preference Shares at the principal office in Toronto or Calgary of such transfer agent and registrar not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series 20 Conversion Date. The Series 20 Conversion Notice shall indicate the number of Series 20 Preference Shares to be converted. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert is irrevocable. Except in the case where the Series 19 Preference Shares are in the Book-Based System, if the Series 19 Preference Shares are to be registered in a name or names different from the name or names of the registered holder of the Series 20 Preference Shares to be converted, the Series 20 Conversion Notice shall contain written notice in form and execution satisfactory to such transfer agent and registrar directing the Corporation to register the Series 19 Preference Shares in some other name or names (the "**Series 19 Transferee**") and stating the name or names (with addresses) and a written declaration, if required by the Corporation or by applicable law, as to the residence and share ownership status of the Series 19 Transferee and such other matters as may be required by such law in order to determine the entitlement of such Series 19 Transferee to hold such Series 19 Preference Shares.

(f) If all remaining outstanding Series 20 Preference Shares are to be converted into Series 19 Preference Shares on the applicable Series 20 Conversion Date as provided for in subparagraph (d) of this paragraph 6, the Series 20 Preference Shares that holders have not previously elected to convert shall be converted on the Series 20 Conversion Date into Series 19 Preference Shares and the holders thereof shall be deemed to be holders of Series 19 Preference Shares at 5:00 p.m. (Toronto time) on the Series 20 Conversion Date and shall be entitled, upon surrender during regular business hours at the principal office in Toronto or Calgary of the transfer agent and registrar of the Corporation of the certificate or certificates representing Series 20 Preference Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series 19 Preference Shares in the manner and subject to the provisions of this paragraph 6 and paragraph 11.

(g) Subject to paragraph (h) of this paragraph 6 and paragraph 11, as promptly as practicable after the Series 20 Conversion Date the Corporation shall deliver or cause to be delivered certificates representing the Series 19 Preference Shares

registered in the name of the holders of the Series 20 Preference Shares to be converted, or as such holders shall have directed, on presentation and surrender at the principal office in Toronto or Calgary of the transfer agent and registrar for the Series 20 Preference Shares of the certificate or certificates for the Series 20 Preference Shares to be converted. If only a part of such Series 20 Preference Shares represented by any certificate shall be converted, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any Series 20 Conversion Notice, the Series 20 Preference Shares converted into Series 19 Preference Shares shall cease to be outstanding and shall be restored to the status of authorized but unissued shares, and the holders thereof shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders in respect thereof unless the Corporation shall fail, subject to paragraph 11, to deliver to the holders of the Series 20 Preference Shares to be converted share certificates representing the Series 19 Preference Shares into which such shares have been converted.

(h) The obligation of the Corporation to issue Series 19 Preference Shares upon conversion of any Series 20 Preference Shares shall be deferred during the continuance of any one or more of the following events:

(i) the issuing of such Series 19 Preference Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Corporation that is acting in conformity with law; or

(ii) for any reason beyond its control, the Corporation is unable to issue Series 19 Preference Shares or is unable to deliver Series 19 Preference Shares.

(i) The Corporation reserves the right not to deliver Series 19 Preference Shares to any person that the Corporation or its transfer agent and registrar has reason to believe is a person whose address is in, or the Corporation or its transfer agent and registrar has reason to believe is a resident of, any jurisdiction outside of Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction. In those circumstances, the Corporation shall hold, as agent of any such person, all or the relevant number of Series 19 Preference Shares, and the Corporation shall attempt to sell such Series 19 Preference Shares to parties other than the Corporation and its affiliates on behalf of any such person. Such sales (if any) shall be made at such times and at such prices as the Corporation, in its sole discretion, may determine. The Corporation shall not be subject to any liability for failure to sell Series 19 Preference Shares on behalf of any such person at all or at any particular price or on any particular day. The net proceeds received by the Corporation from the sale of any such Series 19 Preference Shares shall be delivered to any such person, after deducting the costs of sale, by cheque or in any other manner determined by the Corporation.

7. Liquidation, Dissolution or Winding-up

In the event of a Liquidation Distribution or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Series 20 Preference Shares, in accordance with the Preference Shares class provisions, shall be entitled to receive $25.00 per Series 20 Preference Shares together with an amount equal to all accrued and unpaid dividends thereon (less any tax required to be deducted and withheld by the Corporation), which amount for such purposes shall be calculated as if such dividends were accruing for the period from the expiration

of the last quarterly period for which dividends thereon have been paid in full up to the date of such event, the whole before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the junior shares. Where any such amounts are not paid in full, the Series 20 Preference Shares shall participate rateably with all Preference Shares and all other shares, if any, which rank on a parity with the Preference Shares with respect to the return of capital or any other distribution of assets of the Corporation, in respect of any return of capital in accordance with the sums which would be payable on the Preference Shares and such other shares on such return of capital, if all sums so payable were paid in full in accordance with their terms. After payment to the holders of the Series 20 Preference Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

8. Restrictions on Payment of Dividends and Reduction of Capital

So long as any of the Series 20 Preference Shares are outstanding, the Corporation shall not:

(a) call for redemption, purchase, reduce stated capital maintained by the Corporation or otherwise pay off less than all of the Series 20 Preference Shares and all other Preference Shares of the Corporation then outstanding ranking prior to or on parity with the Series 20 Preference Shares with respect to payment of dividends;

(b) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series 20 Preference Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series 20 Preference Shares with respect to payment of dividends; or

(c) call for redemption of, purchase, reduce stated capital maintained by the Corporation or otherwise pay for any shares of the Corporation ranking junior to the Series 20 Preference Shares with respect to repayment of capital or with respect to payment of dividends;

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series 20 Preference Shares and on all other Preference Shares and on all other shares ranking prior to or on a parity with the said shares with respect to payment of dividends then outstanding shall have been declared and paid in full at the date of any such action referred to in the foregoing subparagraphs (a), (b) and (c).

9. Tax Election

The Corporation shall elect, in the manner and within the time provided under section 191.2 of the *Income Tax Act* (Canada) or any successor or replacement provision of similar effect, to pay tax at a rate, and take all other necessary action under such Act, such that no holder of the Series 20 Preference Shares will be required to pay tax on dividends received on the Series 20 Preference Shares under section 187.2 of Part IV.1 of such Act or any successor or replacement provisions of similar effect.

10. Withholding Tax

Notwithstanding any other provision of these share provisions, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery (whether in cash or in shares) to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. If the cash component of any payment, distribution, issuance or delivery to be made pursuant to these share provisions is less than the amount that the Corporation

is so required or permitted to deduct or withhold, the Corporation shall be permitted to deduct and withhold from any non-cash payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and to dispose of such property in order to remit any amount required to be remitted to any relevant tax authority. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a holder of Series 20 Preference Shares pursuant to these share provisions shall be considered to be the amount of the payment, distribution, issuance or delivery received by such holder plus any amount deducted or withheld pursuant to this paragraph 10. Holders of Series 20 Preference Shares shall be responsible for all withholding taxes under Part XIII of the *Income Tax Act* (Canada), or any successor or replacement provision of similar effect, in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Corporation on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions.

11. Book-Based System

(a) Subject to the provisions of subparagraphs (b) and (c) of this paragraph 11 and notwithstanding the provisions of paragraphs 1 through 10 of these share provisions, the Series 20 Preference Shares shall be evidenced by a single fully registered Global Certificate representing the aggregate number of Series 20 Preference Shares issued by the Corporation which shall be held by, or on behalf of, the System Operator as custodian of the Global Certificate for the Participants or issued to the System Operator in uncertificated form and, in either case, registered in the name of "CDS & Co." (or in such other name as the System Operator may use from time to time as its nominee for purposes of the Book-Based System), and registrations of ownership, transfers, surrenders and conversions of Series 20 Preference Shares shall be made only through the Book-Based System. Accordingly, subject to subparagraph (c) of this paragraph 11, no beneficial holder of Series 20 Preference Shares shall receive a certificate or other instrument from the Corporation or the System Operator evidencing such holder's ownership thereof, and no such holder shall be shown on the records maintained by the System Operator except through a book-entry account of a Participant acting on behalf of such holder.

(b) Notwithstanding the provisions of paragraphs 1 through 10, so long as the System Operator is the registered holder of the Series 20 Preference Shares:

(i) the System Operator shall be considered the sole owner of the Series 20 Preference Shares for the purposes of receiving notices or payments on or in respect of the Series 20 Preference Shares or the delivery of Series 20 Preference Shares and certificates, if any, therefor upon the exercise of rights of conversion; and

(ii) the Corporation, pursuant to the exercise of rights of redemption or conversion, shall deliver or cause to be delivered to the System Operator, for the benefit of the beneficial holders of the Series 20 Preference Shares, the cash redemption price for the Series 20 Preference Shares or certificates for Series 19 Preference Shares against delivery to the Corporation's account with the System Operator of such holders' Series 20 Preference Shares.

(c) If the Corporation determines that the System Operator is no longer willing or able to discharge properly its responsibilities with respect to the Book-Based System and the

Corporation is unable to locate a qualified successor or the Corporation elects, or is required by applicable law, to withdraw the Series 20 Preference Shares from the Book-Based System, then subparagraphs (a) and (b) of this paragraph 11 shall no longer be applicable to the Series 20 Preference Shares and the Corporation shall notify Book-Entry Holders through the System Operator of the occurrence of any such event or election and of the availability of Definitive Shares to Book-Entry Holders. Upon surrender by the System Operator of the Global Certificate, if applicable, to the transfer agent and registrar for the Series 20 Preference Shares and registration instructions for re-registration of the Series 20 Preference Shares, the Corporation shall execute and deliver Definitive Shares. The Corporation shall not be liable for any delay in delivering such instructions and may conclusively act and rely on and shall be protected in acting and relying on such instructions. Upon the issuance of Definitive Shares, the Corporation shall recognize the registered holders of such Definitive Shares and the Book-Entry Shares for which such Definitive Shares have been substituted shall be void and of no further effect.

(d) The provisions of paragraphs 1 through 10 and the exercise of rights of redemption and conversion, with respect to Series 20 Preference Shares are subject to the provisions of this paragraph 11, and to the extent that there is any inconsistency or conflict between such provisions, the provisions of this paragraph 11 shall prevail.

12. Wire or Electronic Transfer of Funds

Notwithstanding any other right, privilege, restriction or condition attaching to the Series 20 Preference Shares, the Corporation may, at its option, make any payment due to registered holders of Series 20 Preference Shares by way of a wire or electronic transfer of funds to such holders. If a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall provide a notice to the applicable registered holders of Series 20 Preference Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable registered holder of Series 20 Preference Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Corporation does not receive account particulars from a registered holder of Series 20 Preference Shares prior to the date such payment is to be made, the Corporation shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Corporation of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer or deposit.

13. Sanction by Holders of Series 20 Preference Shares

The approval of the holders of the Series 20 Preference Shares with respect to any and all matters referred to in these share provisions may be given in writing by all of the holders of the Series 20 Preference Shares outstanding or by resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at a meeting of the holders of the Series 20 Preference Shares duly called and held for the purpose of considering the subject matter of such resolution and at which holders of not less than a majority of all Series 20 Preference Shares then outstanding are present in person or represented by proxy in accordance with the by-laws of the Corporation; provided, however, that if

at any such meeting, when originally held, the holders of at least a majority of all Series 20 Preference Shares then outstanding are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place as may be fixed by the chairman of such meeting, and at such adjourned meeting the holders of Series 20 Preference Shares present in person or so represented by proxy, whether or not they hold a majority of all Series 20 Preference Shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Series 20 Preference Shares. Notice of any such original meeting of the holders of the Series 20 Preference Shares shall be given not less than 15 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called, and notice of any such adjourned meeting shall be given not less than 10 days prior to the date fixed for such adjourned meeting, but it shall not be necessary to specify in such notice the purpose for which the adjourned meeting is called. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct of it shall be those from time to time prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at any such original meeting or adjourned meeting, each holder of Series 20 Preference Shares present in person or represented by proxy shall be entitled to one one-hundredth of a vote in respect of each dollar of the issue price for each of the Series 20 Preference Shares held by such holder.

14. Amendments

The provisions attaching to the Series 20 Preference Shares may be deleted, varied, modified, amended or amplified by articles of amendment with such approval as may then be required by the *Canada Business Corporations Act* with any such approval to be given in accordance with paragraph 13 and with any required approvals of any stock exchanges on which the Series 20 Preference Shares may be listed.

Enbridge Pipelines Inc.
("Enbridge")

COMPETITIVE TOLL SETTLEMENT Dated July 1, 2011
(the "CTS")

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PART I – INTRODUCTORY MATTERS

1. RECITALS

1.1 Enbridge is a body corporate continued under the laws of Canada, having its registered office in the City of Calgary, in the Province of Alberta. Enbridge owns and operates those assets set forth in Schedule "A" (the "**Canadian Mainline**"), a common carrier pipeline system regulated under the *National Energy Board Act*.

1.2 Enbridge Energy Limited Partnership owns and operates those assets set forth in Schedule "B" (the "**Lakehead System**"), a pipeline system regulated by the FERC.

1.3 Together the Canadian Mainline and the Lakehead System comprise the "**Enbridge Mainline**".

1.4 CAPP represents companies large and small, that explore for, develop, and produce natural gas and crude oil throughout Canada.

1.5 The CTS was negotiated by representatives from Enbridge, CAPP and from Shippers of Record that delivered the majority of the volumes of liquid hydrocarbons on the Enbridge Mainline in 2010 (the "**2011 Negotiating Team**") and where the context requires, reference to the "2011 Negotiating Team" includes Enbridge, CAPP and such Shippers of Record.

1.6 The CTS provides for an international joint toll for all hydrocarbons shipped from Western Canadian Receipt Points on the Canadian Mainline to delivery points on the Lakehead System and to delivery points on the Canadian Mainline located downstream of the Lakehead System during the Term. The CTS also establishes the local tolls for transportation services solely within Canada, from receipt points on the Canadian Mainline to delivery points on the Canadian Mainline through the Canadian Local Toll. Transportation and related services solely within the U.S., from receipt points on the Lakehead System to delivery points on the Lakehead System, will continue to be governed by the FERC Tariff Rates.

1.7 The Enbridge Board of Directors and the CAPP Board of Governors have approved the principles that comprise the CTS.

2. PRINCIPLES

2.1 No one element of the CTS is to be considered as acceptable to any party in isolation from all other aspects of this settlement. The parties intend that the CTS be viewed as a whole, reflecting the allocation of risks and rewards between Enbridge and its Shippers over the Term.

2.2 The 2011 Negotiating Team agrees that the CTS, including the rate principles set forth herein, are the result of good faith arm's length negotiations, which have resulted in an agreement that is believed to be fair and equitable to Enbridge and all Shippers. Accordingly, each member of the 2011 Negotiating Team has agreed not to, directly or indirectly, commence or support any application, motion or other proceeding before an applicable regulator for the purpose of asking such regulator to set rates for the Enbridge Mainline during the Term which are inconsistent with the rate design and rates contemplated by the CTS, unless otherwise provided hereunder. For clarity, neither the foregoing, nor anything else in this CTS, is intended to, and shall not, be construed as a waiver of any parties' right to complain, protest or otherwise dispute any agreement

that may be reached between Enbridge and the Representative Shipper Group pursuant to any other matter as set out herein.

2.3 The rate design and rates contained in the CTS will be without prejudice to any positions that may be taken by any party in respect to matters governed by the CTS for periods following expiry or termination of the CTS. In particular, and without restricting the generality of the above, the 2011 Negotiating Team confirms that the selection of certain capital structures, interest rates, equity returns and operating costs, required for the purposes of implementing the backstopping principles set forth in Article 16 of the CTS, do not in any way form a precedent for the future, nor do these represent the position of either Enbridge or the Shippers as to the capital structure, interest expense, equity return and operating costs that would be appropriate absent this negotiated settlement.

2.4 The 2011 Negotiating Team intends that the principles set forth in the CTS will be applicable solely to the Enbridge Mainline during the Term and will not form a precedent.

2.5 There will be no priority access on the Enbridge Mainline during the Term.

2.6 Subject to Section 7.2, the existing U.S. Agreements in effect as of June 30, 2011 will not be impacted by the CTS during the Term. Moreover, the tolls and tariffs on file with FERC and in effect from time to time pursuant to such U.S. Agreements shall not apply to hydrocarbons transported on the Canadian Mainline or under the IJT unless otherwise agreed between Enbridge and the Representative Shipper Group.

2.7 For clarity, the CTS does not provide for an international joint tariff for hydrocarbons shipped from receipts points on the Lakehead System to delivery points on the Canadian Mainline. However, nothing in the CTS precludes Enbridge from offering additional joint tariffs.

PART II – INTERPRETATION

3. DEFINITIONS

3.1 The following terms found in the CTS have the meanings set out below:

(a) "**2010 Depreciation Technical Update Study**" means the depreciation study approved by the NEB on May 12, 2010 pursuant to file number E101-2010-04 01.

(b) "**2011 Interim ITS Tolls**" means those tolls in effect resulting from the 2011 ITS.

(c) "**2011 ITS**" means a negotiated toll settlement for the period from January 1, 2011, until December 31, 2011, approved by the NEB on March 31, 2011 pursuant to Order T0I-02-2011.

(d) "**2011 Negotiating Team**" has the meaning given to it in Section 1.5.

(e) "**2012 Edmonton Tanks**" means those four tanks described in Schedule "A".

(f) "**2021 Negotiating Team**" has the meaning set out in Section 25.1.

(g) "**Alberta Clipper Canada Settlement Agreement"** means the Alberta Clipper Canada Settlement dated June 28, 2007 as described in Schedule "H".

(h) "**Allowance Oil**" means the percentage of all hydrocarbons tendered to the Enbridge Mainline, which Enbridge is entitled to collect in kind as more fully described in Article 12.

(i) "**Backstopping Agreement**" means an agreement whereby a Shipper agrees to backstop Enbridge's revenue requirement for Shipper Supported Expansion Projects.

(j) "**Canadian Agreements**" means those agreements set forth in Schedule "H" which are in effect as of June 30, 2011.

(k) "**Canadian Mainline**" has the meaning given to it in Section 1.1.

(l) "**Canadian Sourced Hydrocarbons**" means volumes of liquid hydrocarbons produced in Canada and including the diluents required to facilitate transportation of such hydrocarbons in pipelines regardless of whether the diluents were produced in Canada or not.

(m) "**Capital Expenditures**" has the meaning given to it in Section 16.1.

(n) "**Capital Reporting Template**" means the template set forth in Schedule "M".

(o) "**CAPP**" means Canadian Association of Petroleum Producers.

(p) "**CLT**" or "**Canadian Local Toll**" has the meaning given to it in Section 9.1

(q) "**Contingent Toll Adjustment**" has the meaning given to it in Section 13.1.

(r) "**Currently Outstanding Adjustment Amounts**" has the meaning given to it in Section 11.3.

(s) "**Declining Bracket Mechanism**" means the methodology approved by the NEB on March 24, 2006 in order number A-TT-FT-ENB 09 (4200-E101-9). (t) "**Dispute**" has the meaning given to it in Section 30.1.

(u) "**Dispute Notice**" has the meaning given to it in Section 30.2.

(v) "**Enbridge**" means Enbridge Pipelines Inc.

(w) "**Enbridge Service Levels**" means the service levels described within the Enbridge Service Levels Manual as modified from time to time, the current version of which is attached hereto as Schedule "N".

(x) "**Enbridge Tariff**" means the tolls and tariffs, including the rules and regulations, for the Enbridge Canadian Mainline filed with the NEB.

(y) "**Enbridge Mainline**" has the meaning given to it in Section 1.3.

(z) "**Enbridge Mainline Receipt & Delivery Points**" has the meaning given to it in Section 14.2.

(aa) "**Enbridge Specific Regulatory Change**" means material change to an Existing Law or the coming into force of a New Law or regulatory action resulting in a Final Order that affects only the Enbridge Mainline, provided such action has not been initiated by Enbridge or Enbridge Energy Limited Partnership or is not the result of negligent or willful misconduct by Enbridge or Enbridge Energy Limited Partnership.

(bb) "**Existing Law**" means any law, regulation or order of a Canadian or U.S. governmental, tribunal or regulatory body enacted, promulgated, adopted or issued as of July 1, 2011, that has not been repealed, materially revised, rescinded or of spent force before July 1, 2011, even if the date of implementation or the date by which compliance is required occurs after July 1, 2011.

(cc) "**FERC**" means the Federal Energy Regulatory Commission.

(dd) "**FERC Tariff Rates**" or "**FTR**" means the existing tariff rates, including the rules and regulations, for the Lakehead System on file and in effect with the FERC, as amended and supplemented from time to time, including those tariff rates that FERC approves to go into effect pursuant to the U.S. Agreements.

(ee) "**Final Order**" means an order or directive, issued on or after the date the CTS is filed with the NEB, from a regulator having jurisdiction over Enbridge, including an order or directive to perform hydrostatic testing on the Enbridge Mainline, provided that such order or directive is not an interim order or a recommendation, Enbridge acts reasonably in mitigating the impact of any such order or directive, and Enbridge has given timely notice to the Representative Shipper Group of such order or directive.

(ff) "**Force Majeure**" means any act of God, war, acts of terrorism, civil disturbances, civil insurrection or disobedience, acts of public enemy, power disruptions or other disruptions of critical services, blockades, insurrections, riots, epidemics, landslides, lightning,

earthquakes, explosions, fires or floods, or any other like event which is beyond the reasonable control of Enbridge and which Enbridge has been unable to prevent or provide against by the exercise of reasonable diligence at reasonable cost. For clarity, a pipeline leak, break, pressure restriction, repair, corrosion or other like event shall not on its own be considered a Force Majeure, unless such event is caused by one of the events set forth in the first sentence of this definition.

(gg) "**GDPP**" means the annual average Canada Gross Domestic Product at Market Prices Index, published by Statistics Canada on or about February 28th, (Catalogue No. 13- 019-X "Implicit price indexes, gross domestic product") for the prior year.

(hh) "**GDPP Index**" in any given year is calculated as the ratio of the annual change in GDPP over the GDPP for the prior year and is expressed as a percentage. For clarity, the GDPP Index applicable for 2012 would be (GDPP for 2011- GDPP for 2010) / GDPP for 2010.

(ii) "**IJT**" or "**International Joint Tariff**" has the meaning given to it in Section 8.1.

(jj) "**Integrity Capital**" means Capital Expenditures incurred to repair, maintain or replace portions of the Enbridge Mainline in order to manage pipeline defects, which may occur as metal loss (eg. corrosion), cracks (eg. stress corrosion cracking), and mechanical damage (eg. dents).

(kk) "**Investment Grade**" has the meaning given to it in the Enbridge Tariff.

(ll) "**Lakehead System**" has the meaning given to it in Section 1.2.

(mm) "**Line 5 Claim**" means the claim by Enbridge referenced in Ontario Case Docket No. 07-CV-338616-PD3.

(nn) "**Line 9**" means those assets set forth in Schedule "C".

(oo) "**LMCI**" or "**Land Matters Consultation Initiative**" means the NEB Land Matters Consultation Initiative (RH-2-2008) and the decisions, directions and orders issued in that proceeding.

(pp) "**Major Enbridge Mainline Expansion Capital**" has the meaning given to it in Section 16.3.

(qq) "**Material Change in Business Circumstances**" has the meaning given to it in Section 20.1.

(rr) "**Minimum Threshold Volume**" has the meaning given to it in Section 19.1.

(ss) "**Monthly Moving Average Volume**" has the meaning given to it in Section 19.4.

(tt) "**NEB**" means National Energy Board.

(uu) "**New Law"** means any law, regulation, order or directive of a Canadian or U.S, governmental, tribunal or regulatory body enacted, promulgated, issued or adopted after

July 1, 2011 and includes any material change to or amendment of Existing Law or any final and binding decision of any relevant judicial or regulatory authority interpreting Existing Law in a manner that is materially different than how such Existing Law was interpreted or applied as of July 1, 2011.

(vv) "**NGL**" means natural gas liquids.

(ww) "**Nine Month Moving Average**" has the meaning given to it in Section 19.3.

(xx) "**Non Enbridge Mainline Receipt & Delivery Points**" has the meaning given to it in Section 14.3.

(yy) "**Northern PADD II or Sarnia**" means the following delivery points included in the Enbridge Mainline Delivery Points: Clearbrook, Minnesota; Superior, Wisconsin; Lockport & Mokena, Illinois; Flanagan, Illinois; Griffith, Indiana; Stockbridge, Michigan; Marysville, Michigan; Rapid River, Michigan; West Seneca, New York; Sarnia, Ontario; and Nanticoke, Ontario.

(zz) "**Oil Pipeline Uniform Accounting Regulations**" means the Oil Pipeline Uniform Accounting Regulations as issued by the NEB in Canada and 18 C.F.R. Part 352 in the United States.

(aaa) "**Outstanding Amount Surcharge**" has the meaning given to it in Section 11.1.

(bbb) "**Over/Short Position**" has the meaning given to it in Enbridge's Practice Applicable to Automatic Balancing**.**

(ccc) "**Regulatory Change(s)**" means the coming into force of a New Law broadly applicable to the Enbridge Mainline and all similar liquids pipelines, excluding changes to Existing Laws with respect to (i) the FERC Index Rate and, (ii) tax rates, but including, changes to Existing Laws or a New Law that establishes a new type of tax or taxation, such as the implementation of a new carbon tax on the transportation of hydrocarbons.

(ddd) "**Renegotiation Notice**" means a written notice to renegotiate the CTS given under Article 21;

(eee) "**Renegotiating Team**" has the meaning given to it in Section 21.4.

(fff) "**Representative Shipper Group**" has the meaning given to it in Section 22.2.

(ggg) "**Shipper**" means a shipper of hydrocarbons on the Enbridge Mainline.

(hhh) "**Shipper of Record**" means the Shipper invoiced for provision of services on the Enbridge Mainline.

(iii) "**Shipper Supported Expansion Project**" has the meaning given to it in Section 16.4.

(jjj) "**Shippers Line 5 Portion**" has the meaning given to it in Section 17.1.

(kkk) **"Supporting Shipper"** means a Shipper who supports a Shipper Supported Expansion Project by executing a Backstopping Agreement pursuant to Article 16.

(lll) "**Term**" has the meaning given to it in Section 5.1.

(mmm) "**U.S.**" means United States of America.

(nnn) "**U.S. Agreements**" means all existing and future agreements and/or settlements for the transportation of hydrocarbons on the Lakehead System, including but not limited to, those settlements set forth in Schedule "I".

(ooo) "**Western Canadian Producers**" means producers of hydrocarbons originating in the Northwest Territories, British Columbia, Alberta, Saskatchewan and Manitoba.

(ppp) "**Western Canadian Receipt Points**" means receipt points on the Canadian Mainline in Alberta, Saskatchewan and Manitoba.

4. INTERPRETATION

4.1 In the CTS, unless the context otherwise requires:

(a) the singular includes the plural and vice versa;

(b) a grammatical variation of a defined term has a corresponding meaning;

(c) subject to the definitions of Existing Law and New Law, reference to any law means such law as amended, modified, codified, replaced or re-enacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder and reference to any section or other provision of any laws means that provision of such law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or re-enactment of such section or other provision;

(d) references to an Article, Section, Subsection, Paragraph or Schedule by number or letter or both refer to the CTS;

(e) "CTS", "the CTS", "herein", "hereby", "hereunder", "hereof", "hereto" and words of similar import are references to the whole of the CTS in which it is used and not, unless a particular Section or other part thereof is referred to, to any particular Section or other part;

(f) "including" means including without limiting the generality of any description preceding or succeeding such term and for purposes hereof the rule of *ejusdem generis* shall not be applicable to limit a general statement, followed by or referable to an enumeration of specific matters, to matters similar to those specifically mentioned;

(g) Schedules attached to the CTS, form part of the CTS. Where there is a conflict between the body of the CTS and any Schedule other than Schedules "J", "K", "L", "M" and "O", the language of such Schedule will prevail. Schedules "J", "K", "L", "M" and "O" are included for illustrative purposes only, and where there is a conflict between the body of the CTS and a Schedule, the body of the CTS will prevail for only those Schedules;

(h) the phrases "the aggregate of", "the total of", "the sum of", or a similar phrase means "the aggregate (or total or sum), without duplication, of";

(i) all references to currency are to the lawful money of Canada, unless otherwise indicated;

(j) references to time of day or date means the local time or date in Calgary, Alberta;

(k) if any word, phrase or expression is not defined in the CTS, such word, phrase or expression will, unless the context otherwise requires, have the meaning attributed to it in the usage or custom of the hydrocarbon pipeline transportation business in North America;

(l) where any payment or calculation is to be made, or any other action is to be taken, on or as of a day that is not a business day, that payment or calculation is to be made, or that other action is to be taken, as applicable, on or as of the next following business day; and

(m) the division of the CTS and the recitals, table of contents and headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

PART III – TERM AND APPLICABILITY

5. TERM OF SETTLEMENT

5.1 The term of the CTS will commence July 1, 2011 and terminate on June 30, 2021 (the "**Term**"), unless terminated earlier hereunder or extended pursuant to Section 5.2. The CTS will replace the 2011 ITS, effective as of the start of the Term.

5.2 The Term may be extended by mutual agreement of Enbridge and the 2021 Negotiating Team, provided that such extension shall be for a period of no less than 1 year.

6. APPLICABILITY OF CTS vs. CANADIAN AGREEMENTS

6.1 During the Term, the CTS will supersede the Canadian Agreements, provided however that any calculations that would otherwise have been made pursuant to the Canadian Agreements will be deemed to have been made during the Term.

6.2 Upon the termination or expiry of the CTS, any of the Canadian Agreements that have not expired or terminated will come back into effect as of the date of termination or expiry of the CTS. Any toll and other adjustments that are permitted in the Canadian Agreements shall continue thereafter for their respective then remaining terms. For clarity, the terms under any of the Canadian Agreements shall be deemed to have been applicable during the Term and shall continue to apply thereafter. The assets under the Canadian Agreements will be included in the Canadian Mainline at their remaining undepreciated costs. An illustrative example is set forth in Schedule "J".

6.3 Notwithstanding this Article 6, CAPP preserves the audit rights pursuant to the terms of the Alberta Clipper Canada Settlement agreement.

7. APPLICABILITY OF CTS vs. U.S. AGREEMENTS

7.1 Subject to Section 7.2, the U.S. Agreements will remain in place, and the tariff rates on file with FERC and in effect from time to time pursuant to such U.S. Agreements shall continue to be utilized in calculating the FTR during the Term but neither such tariff rate nor the FTR will apply to hydrocarbons transported under the IJT during the term of the CTS unless otherwise agreed between Enbridge and the Representative Shipper Group pursuant to Section 13.1.

7.2 Where any of the U.S. Agreements expires or terminates during the Term and is replaced by a future agreement and/or settlement for the transportation of hydrocarbons on the Lakehead System, such future agreements and/or settlements will apply in accordance with their respective terms; provided, however, that any tariff rates on file with FERC and in effect from time to time pursuant to such future agreements and/or settlements will not apply to hydrocarbons transported under the IJT unless otherwise agreed between Enbridge and the Representative Shipper Group pursuant to Section 13.1 Any toll and other adjustments that are permitted pursuant to a U.S. Agreement shall continue to be utilized in calculating the FTR during the Term.

PART IV – TOLLS AND RELATED FINANCIAL MATTERS

8. INTERNATIONAL JOINT TOLLS

8.1 Subject to applicable law, effective as of July 1, 2011, tolls for transportation, inclusive of receipt and delivery terminalling services, of hydrocarbons from Western Canada Receipt Points on the Enbridge Mainline to delivery points (i) on the Lakehead System, and (ii) on the Canadian Mainline that are downstream of the Lakehead System are the amounts set forth in Schedule "D" as adjusted pursuant to Section 10.1 (the "**International Joint Tariff**" or "**IJT**"). All IJT tolls are calculated on a distance adjusted basis for transmission and for commodity types, based on and with reference to an initial IJT toll of U.S. $3.85 per barrel for movement of heavy crude oil from Hardisty, Alberta to any of the delivery points in the Chicago, Illinois area (Mokena, Griffith, Lockport). In addition, the applicable Outstanding Amount Surcharge as provided in Section 11 will also be collected.

9. CANADIAN LOCAL TOLLS

9.1 Subject to applicable law, and approval by the NEB, effective as of July 1, 2011, tolls, inclusive of receipt and delivery terminalling services, for transportation of hydrocarbons solely on the Canadian Mainline are the amounts set forth in Schedule "E" (the "**Canadian Local Toll**", or "**CLT**"). The CLTs are calculated using the 2011 Interim ITS Tolls as a starting point, adjusted for the Currently Outstanding Adjustment Amounts outlined in Section 11.3 which will be collected through the Outstanding Amount Surcharge. The CLT is intended to replace the 2011 Interim ITS Tolls as of July 1, 2011. After July 1, 2011 there will be no further true-up for prior Canadian Mainline tolls.

10. ANNUAL TOLL ADJUSTMENT

10.1 Commencing effective July 1, 2012, the IJT tolls and the CLT shall be adjusted annually, up or down, at a rate equal to 75% of the GDPP Index.

10.2 The tankage revenue requirement used to determine receipt and delivery tankage fees in Canada in effect on July 1, 2011 will be adjusted annually, up or down, by 75% of the GDPP Index beginning July 1, 2012. An annual volume forecast will then be used to determine the average tankage fees in effect on July 1 each year and establish the actual receipt and delivery tankage fees in accordance with the Declining Bracket Mechanism. If the actual revenues collected for receipt and delivery tankage fees are greater than, or less than, what the tankage revenue requirement was for the applicable calendar year, (including differences due to the Declining Bracket Mechanism), then such difference will be used to subtract from or add to, as applicable, the next year's tankage revenue requirement. Shippers will be required to pay the applicable receipt and delivery tankage fees for volumes transported under the IJT or the CLT. Notwithstanding the preceding, Enbridge may seek future NEB approval for a different toll design and regulatory treatment for tankage fees with the endorsement of the Representative Shipper Group.

10.3 The CLT from receipt points in Canada to the International Boundary, near Gretna, Manitoba, from the International Boundary, near Sarnia, Ontario to delivery points in Canada and from receipt points in Ontario to the International Boundary, near Chippawa, Ontario will be further adjusted in the event that the sum of the CLT and FTR is not greater than or equal to the IJT tolls in effect in any given year. Enbridge will file with the NEB an application to adjust only the CLT from

receipt points in Canada to the International Boundary near Gretna, Manitoba; from the International Boundary, near Sarnia, Ontario to delivery points in Canada; and from receipt points in Ontario to the International Boundary, near Chippawa, Ontario to ensure that the IJT is maintained in accordance with regulatory requirements.

11. OUTSTANDING AMOUNT SURCHARGE

11.1 A per barrel toll surcharge in the amount set forth in Schedule "F" (the "**Outstanding Amount Surcharge**") will be added to the IJT tolls and the CLT for the 24 month period from July 1, 2011 to June 30, 2013 in order to permit Enbridge to collect Currently Outstanding Adjustment Amounts. The Outstanding Amount Surcharge is $0.067 per barrel for movements of heavy crude oil from Hardisty, Alberta to the U.S. border near Gretna, Manitoba and is adjusted for distance and by commodity-type for all barrels transported in Canada.

11.2 Any of the Currently Outstanding Adjustment Amounts that remain uncollected by Enbridge as of June 30, 2013 shall be immediately due to Enbridge. Likewise, an over collection of the Currently Outstanding Adjustment Amounts collected through the Outstanding Amount Surcharge as of June 30, 2013 will be immediately due to the Shippers. For clarity, any under or over collection of the Currently Outstanding Adjustment Amounts as of June 30, 2013 will be recovered or paid by increasing or decreasing, as applicable, the 2014 IJT and CLT tolls effective July 1, 2014 through a one-time surcharge, which adjustment will be on a per barrel basis. The Outstanding Amount Surcharge will be based on a forecast of total sum shipment volume for the IJT and CLT for the calendar year beginning July 1, 2014, which surcharge will be adjusted for distance and by commodity-type for all barrels transported in Canada. Any under or over collection remaining as of July 1, 2015 will not be collected or refunded. For clarity, the Currently Outstanding Adjustment Amounts are amounts due to Enbridge as a result of the interim tolls from January 1, 2010 to June 30, 2011. Any variance relative to the period from April 1, 2011 to June 30, 2011 shall be for Enbridge's sole account.

11.3 The **"Currently Outstanding Adjustment Amounts"** total $69.7 million and is comprised of the following:

(i) a total of $130.0 million as of December 31, 2010 to recover the remaining 2010 ITS revenue shortfall;

(ii) a total of $72.7 million as of March 31, 2011 to credit all applicable net tax loss carry forwards calculated using the applicable 2011 tax rates; and

(iii) a total of $12.4 million to recover amounts due to Enbridge under the 2011 ITS for the toll variance from January 1, 2011 until March 31, 2011.

12. ALLOWANCE OIL

12.1 For transportation under the IJT, Enbridge shall collect in kind a percentage of all hydrocarbons delivered off the Enbridge Mainline in the amount of 1/10th of 1 percent of the volume of hydrocarbons physically delivered under the IJT. The IJT Allowance Oil will be collected and divided between the Canadian Mainline and the Lakehead System as 1/20th of 1 percent to each carrier.

12.2 For transportation under the CLT, Enbridge shall collect in kind or deduct as Allowance Oil a percentage of all hydrocarbons delivered off the Enbridge Mainline, in the amount of 1/20th of 1 percent of the volume of hydrocarbons physically delivered under the CLT.

12.3 Enbridge shall be permitted, at its discretion, to resell to Shippers the Allowance Oil hydrocarbons collected for transportation under the IJT or CLT at a price determined in accordance with the method described in the following Sections.

12.4 Each month, each Shipper who either: (i) has crude or NGL delivered off the Enbridge Mainline in such month; or (ii) holds an Over/Short Position on the Enbridge Mainline at the end of such month, shall furnish to Enbridge a unit price for each crude and NGL stream delivered or held, as applicable. For each refined product stream Enbridge will utilize the prices it receives from refined product Shippers for the purpose of balancing delivery of product batches. Except as provided below, the prices for crude, NGL, and refined product streams so furnished shall be the prices at which Shippers' Allowance Oil for each hydrocarbon stream tendered to Enbridge by each Shipper shall be resold to each Shipper by Enbridge.

12.5 In the event that a Shipper does not provide a price for any crude or NGL stream, the Allowance Oil value for that Shipper will be deemed to be the simple average of the prices for that crude or NGL stream received by Enbridge from all other Shippers of that crude or NGL stream for the month that the Allowance Oil volume is being collected whose transaction prices have been accepted by Enbridge as reasonable pursuant to Section 12.6.

12.6 Notwithstanding the provisions of Section 12.4, if the price furnished to Enbridge by any Shipper for any crude or NGL stream is unreasonable, in the sole opinion of Enbridge, acting reasonably, the Allowance Oil resale value for that Shipper for the crude or NGL stream in question shall be the simple average of the prices for that crude or NGL stream received by all other Shippers of that crude or NGL stream for the month whose transaction prices have been accepted by Enbridge as reasonable. Alternatively, Enbridge may choose to use the average of the monthly prices posted for light sweet crude at Edmonton by Imperial Oil Limited, Shell Canada Ltd., Flint Hills Resources and Suncor Energy Inc., or their respective successors, adjusted for quality, pursuant to industry information determined by Enbridge. The average of the monthly prices posted for light sweet crude at Edmonton must be based on all posted prices if all are posted, but if not all are posted, based on no less than three posted prices. In the event that the posted prices cannot be determined in accordance with the above, Enbridge will meet with impacted Shippers to negotiate an appropriate price.

13. CONTINGENT TOLL ADJUSTMENTS

13.1 In addition to those other adjustments described in this Part IV, the IJT and the CLT will be adjusted for the following, subject to NEB approval (each, a "**Contingent Toll Adjustment**"):

(a) any changes in toll methodology that may be agreed to by Enbridge and the Representative Shipper Group;

(b) any incremental tolls resulting from an NEB order in relation to the Land Matters Consultation Initiative;

(c) any Major Enbridge Mainline Expansion Capital as described in Article 16;

(d) any Material Change in Business Circumstances as described in Article 20; and

(e) any other changes that are mutually agreed to by Enbridge and the Representative Shipper Group.

13.2 For clarity, if Enbridge and the Representative Shipper Group are unable to reach agreement on the amount of any Contingent Toll Adjustment identified under Section 13.1 (c) or (d), then Enbridge or the Representative Shipper Group may refer the issue of the amount of the Contingent Toll Adjustment to dispute resolution under Article 30.

13.3 If the NEB does not approve any Contingent Toll Adjustment identified under Section 13.1 that has been agreed to by Enbridge and the Representative Shipper Group, then a NEB hearing to determine the amount of such Contingent Toll Adjustment may be requested.

14. TOLL INCENTIVES

14.1 Enbridge may offer toll incentives onto the Enbridge Mainline, provided such toll incentives on the Enbridge Mainline are offered equally to all Shippers to all Enbridge Mainline Receipt & Delivery Points, as adjusted for distance and commodity types.

14.2 "**Enbridge Mainline Receipt & Delivery Points**" means those receipt and delivery points as set forth in Schedule "A" and Schedule "B" as may be adjusted with the agreement of Enbridge and the Representative Shipper Group. For greater certainty, the IJT tolls applicable to delivery points on the Enbridge Mainline shall be the same, irrespective of the specific facilities or path used to effect such deliveries.

14.3 "**Non Enbridge Mainline Receipt & Delivery Points**"are not Enbridge Mainline Receipt & Delivery Points.

14.4 A toll incentive may also be offered for delivery of hydrocarbons to Non Enbridge Mainline Receipt & Delivery Points subject to Section 14.5.

14.5 As required by regulations, tolls to Non Enbridge Mainline Receipt & Delivery Points must be greater than the toll to the nearest upstream Enbridge Mainline Receipt & Delivery Point and must be offered equally to all similarly situated Shippers, as adjusted for distance and commodity types.

15. LAND MATTERS CONSULTATION INITIATIVE

15.1 All Canadian pipeline assets owned by Enbridge that are regulated by the NEB, including the Canadian Mainline, are being addressed in the LMCI. The LMCI will determine the methodology by which costs for abandonment should be collected by a pipeline. Enbridge will file all required information under LMCI as per the NEB schedules for the Canadian Mainline.

15.2 The CTS is unrelated to the ultimate decision regarding the responsibility for abandonment costs for the Canadian Mainline. The CTS is agreed to on a "without prejudice" basis with respect to pipeline abandonment costs for the Canadian Mainline and does not in any way limit either Enbridge or any Shipper's right to make submissions and fully participate in the LMCI or any other proceeding related to abandonment of a pipeline.

16. CAPITAL EXPENDITURES

16.1 "**Capital Expenditures**" means expenditures on the Enbridge Mainline made by Enbridge which, under Oil Pipeline Uniform Accounting Regulations, require capitalization as fixed assets and which would be capitalized on, or after, July 1, 2011. Capital Expenditures must be prudent, reasonable and to the benefit of the Enbridge Mainline and include, but are not limited to, maintenance, integrity, equipment additions, improvements and new facilities. Capital Expenditures would include expansion of the Enbridge Mainline such as expanded pipeline capacity, increased storage capacity, or the creation of new or expansion of existing Enbridge Mainline Receipt & Delivery Points.

16.2 Enbridge is responsible for all Capital Expenditures during the Term, meaning the IJT tolls and CLT will not be adjusted for Capital Expenditures unless otherwise agreed to by Enbridge and the Representative Shipper Group. The 2012 Edmonton Tanks are deemed to be included in the Canadian Mainline as at June 30, 2011, and are therefore included in the IJT tolls and the CLT.

16.3 Enbridge will negotiate with the Representative Shipper Group prior to undertaking any single project on the Enbridge Mainline with expected Capital Expenditures greater than $250 million that expands pipeline capacity, increases storage capacity, o r creates o r expands Enbridge Mainline Receipt & Delivery Points ("**Major Enbridge Mainline Expansion Capital**"). With the agreement of Enbridge and the Representative Shipper Group, the IJT tolls and respective CLT may be adjusted to allow Enbridge to recover Major Enbridge Mainline Expansion Capital as allowed for under Section 13.1(c). An illustrative example of Major Enbridge Mainline Expansion Capital is set forth as Example #1 in Schedule "K".

16.4 Projects on the Enbridge Mainline which require Capital Expenditures and which are not supported by Enbridge because the incremental revenues associated with such project would not cover the incremental costs, may proceed if there is sufficient financial support from Supporting Shipper(s) pursuant to this Article 16 (a "**Shipper Supported Expansion Project**"). An illustrative example of a Shipper Supported Expansion Project is set forth as Example #2 in Schedule "K".

16.5 By execution of a Backstopping Agreement and confirmation that the proposed project creates no adverse operational issues for Enbridge, as determined by Enbridge acting reasonably, Enbridge will agree to undertake such Shipper Supported Expansion Projects in accordance with the terms of such Backstopping Agreement. In the event that Enbridge is unable to secure NEB approval for construction of the Shipper Supported Expansion Project, the Supporting Shipper(s) will be required to reimburse Enbridge for all of such Shipper Supported Expansion Project's reasonable and prudent development costs as defined in the applicable Backstopping Agreement.

16.6 Subject to Section 16.10, additional revenues derived from tolls, including receipt and delivery terminalling and transmission, collected on the incremental volumes transported on the Enbridge Mainline related to such Shipper Supported Expansion Project, net of any direct incremental costs ("**Net Incremental Revenue**") will be credited to the Backstopping Agreement's revenue requirement.

16.7 The Backstopping Agreement will ensure that the annual revenue requirement associated with the incremental project capital is met either through Net Incremental Revenue from associated

incremental throughput or with annual or lump sum payments from the Supporting Shipper(s). The form and terms of a Backstopping Agreement will be developed on a project by project basis but will utilize the following parameters: a) the term will be no less than 5 years and no more than 10 years and can extend past the end of the Term; b) threshold return on equity of between 11 to 15 percent after tax; and c) capital structure of 45 percent equity. The return on equity will be negotiated between Enbridge and the Supporting Shipper(s), and the parties acting reasonably will consider such risks as volume, capital, cost, credit, financial or other relevant risks. An 11 percent return would be appropriate in a circumstance when Enbridge accepted no volume risk, did not share in any operating or capital cost risk, and credit risk was secured by either a letter of credit or a shipper with an Investment Grade credit rating. A 15 percent return would be appropriate in a circumstance when Enbridge accepts substantially more risk with respect to volumes, capital, cost, credit or financial elements of the project. Similar Shipper Supported Expansion Projects will be evaluated on a similar basis and using similar principles.

16.8 At the end of the Term, there will be no net rate base impact to the Enbridge Mainline as a result of Shipper Supported Expansion Projects.

16.9 For example, for a Shipper Supported Expansion Project to construct new tanks, the Backstopping Agreement will require the recovery of the capital cost of the tank through accelerated depreciation. To the extent that such accelerated depreciation exceeds Enbridge's normal depreciation rates, the excess will be credited against rate base and future depreciation expense will be reduced accordingly.

16.10 Enbridge will consider the Net Incremental Revenue from incremental volumes associated with the Shipper Supported Expansion Projects compared to the incremental capital cost to determine the amount and type of Backstopping Arrangement it will require. To establish incremental volumes from existing movements, Enbridge will use an appropriate time frame, typically the 12 month period immediately preceding the month in which Enbridge anticipates the in-service date for the new facilities**.**

16.11 The Backstopping Agreement will incorporate any terms that would allow the Supporting Shipper(s)'s commitment to be reduced by Net Incremental Revenue or capital contribution provided by one or more other Shipper(s).

16.12 Backstopping Agreements are to allow the provision of services, but nothing in this Section 16 is intended to provide any priority service to Supporting Shipper(s).

17. LINE 5 CLAIM

17.1 Following final resolution of the Line 5 Claim, the Canadian Mainline portion of any amounts (net of reasonable litigation costs incurred after June 30, 2011) actually paid to Enbridge, recovered for that period of the Line 5 Claim from January 1, 1995 to March 31, 2011, including any accrued interest, shall be determined, and such portion shall be shared between Enbridge and the Shippers, with Enbridge to receive 50% and the Shippers to receive 50% (the "**Shippers Line 5 Portion**"). Enbridge shall credit the Shippers Line 5 Portion against the next applicable toll filing for both the IJT and the CLT. The Shippers Line 5 Portion will be calculated on the basis of the required

sharing under the various incentive tolling settlements that cover the period from January 1, 1995 to March 31, 2011 where the associated costs were shared between Enbridge and the Shippers.

18. COMMODITY SURCHARGE

18.1 Any changes in the commodity surcharge in effect on April 1, 2011, must be mutually agreed to by both Enbridge and the Representative Shipper Group. The intent of any adjustment to the commodity surcharge methodology considered during the Term is to be revenue neutral.

PART V - RENEGOTIATION AND/OR TERMINATION OF THE CTS

19. MIMIMUM THRESHOLD VOLUMES

19.1 "**Minimum Threshold Volume**" means a throughput of:

(a) 1,250,000 barrels per day to December 31, 2014, then

(b) 1,350,000 barrels per day during the remainder of the Term of Canadian Sourced Hydrocarbons on the Enbridge Mainline ex-Gretna, Manitoba, as may be adjusted pursuant to Section 19.2 and 19.5.

19.2 The Minimum Threshold Volume will be reduced by the amount that the Bakken/Three Forks U.S. production receipts exceed 305,000 barrels per day into the Enbridge Mainline, less those volumes in excess of 305,000 barrels per day that are transported to delivery points other than the Enbridge Mainline Delivery Points into Northern PADD II or Sarnia (for example, incremental transportation of Bakken/Three Forks U.S. production on Mustang/Spearhead or other Non Enbridge Mainline Delivery Points).

19.3 "**Nine Month Moving Average**" means the sum of the Monthly Moving Average Volumes for the 9 months preceding the date of calculation, divided by 9.

19.4 "**Monthly Moving Average Volume**" means the volume of Canadian Sourced Hydrocarbons transported on the Enbridge Mainline ex-Gretna, Manitoba in a calendar month, divided by the number of days in such month.

19.5 In the event that Nine Month Moving Average falls below the Minimum Threshold Volume, Enbridge and the Representative Shipper Group will determine if the cause of the shortfall was due to capacity loss on the Enbridge Mainline. If it is determined that the shortfall was due to capacity loss on the Enbridge Mainline for reasons other than Force Majeure, the Minimum Threshold Volume will be reduced by the corresponding shortfall amount. For purposes of determining the applicable capacity loss, Enbridge will use the historical Nine Month Moving Average of volumes from Canadian receipt points through Gretna as well as deliveries ex- Superior. Schedule "G" sets forth upstream and downstream capacity amounts as at December 31, 2010 as reference points for ex-Gretna capacity.

19.6 Illustrative examples of the calculation of Minimum Threshold Volume are set forth in Schedule "L".

20. MATERIAL CHANGE IN BUSINESS CIRCUMSTANCES

20.1 "**Material Change in Business Circumstances**" means:

(i) Regulatory Change(s) o r Enbridge Specific Regulatory Change(s) which results in cumulative expenditures in a calendar year for operating costs on the Enbridge Mainline, calculated to include an amount for depreciation expense (not including depreciation expense resulting from Integrity Capital) and subtract applicable capital cost allowance, increasing by more than $10,000,000 over what such annual operating costs would have been (based on Enbridge's applicable operating standards immediately prior to the

Regulatory Change(s) or Enbridge Specific Regulatory Change(s)) absent the Regulatory Change(s) or Enbridge Specific Regulatory Change(s); or

(ii) Regulatory Change(s) which results in cumulative expenditures (commencing on the date of the first such Regulatory Change) for Integrity Capital on the Enbridge Mainline increasing by more than $100,000,000 over what such costs would have been absent the Regulatory Changes, provided however that such Regulatory Changes(s) are broadly applicable to the Enbridge Mainline and all similar liquids pipelines.

20.2 The IJT and CLT include (and therefore Enbrige is responsible for) the first $10,000,000 in operating expenses in each calendar year on the Enbridge Mainline associated with any Regulatory Changes or Enbridge Specific Regulatory Changes, as applicable, and the first $100,000,000 of Integrity Capital during the Term on the Enbridge Mainline associated with any Regulatory Changes. In calculating that amounts attributable to such operating expenses or Integrity Capital, Enbridge shall deduct from such calculation any amount that Enbridge would have otherwise spent absent such Regulatory Change or Enbridge Specific Regulatory Change, as applicable.

21. EVENTS TRIGGERING A RENEGOTIATION PERIOD

21.1 If the Keystone XL pipeline project does not receive the required U.S. presidential permit by January 1, 2013, then the Representative Shipper Group may, on or before February 1, 2013, provide to Enbridge a Renegotiation Notice.

21.2 If the Material Change in Business Circumstances referred to in Section 20.1(ii) occurs, Enbridge will, as soon as reasonably practicable following such occurrence, provide notice to the Representative Shipper Group. Following receipt of such notice, the Representative Shipper Group and Enbridge shall meet to determine whether they can agree to a Contingent Toll Adjustment under Article 13. In the event a Contingent Toll Adjustment is not agreed to within 90 days, then the Representative Shipper Group may provide to Enbridge a Renegotiation Notice.

21.3 If the Nine-Month Moving Average is less than the Minimum Threshold Volume, then Enbridge may, as soon as is reasonably practicable following the occurrence of such event, provide to the Representative Shipper Group a Renegotiation Notice.

21.4 Upon receipt by either Enbridge or the Representative Shipper Group of a Renegotiation Notice, Enbridge and the Representative Shipper Group (the "**Renegotiating Team**") shall meet and use reasonable efforts to agree on how the CTS can be amended to accommodate the events referred to in Section 21.1, 21.2, or 21.3 above.

21.5 If, within 90 days following receipt of the Renegotiation Notice, the Renegotiating Team is unable to agree on how the CTS can be amended, then the Renegotiating Team may agree to extend the renegotiation period. If the Renegotiating Team does not agree to extend the renegotiation period, then the CTS terminates and Enbridge will file a new toll application for the Canadian Mainline.

21.6 The IJT and the CLT will apply during the renegotiation period and will become the interim toll after the renegotiation period until a new toll filing is approved by the NEB.

PART VI – OTHER CTS MATTERS

22. REPRESENTATIVE SHIPPER GROUP

22.1 Enbridge will work with its Shippers, CAPP and Western Canadian Producers to develop, by July 3, 2012, and thereafter file with the NEB, a transparent process, in compliance with current regulatory requirements, to review and administer issues related to the CTS and the formation of the Representative Shipper Group. This process is intended to be used toward reaching agreement on the resolution of issues related to the CTS during the Term and to provide a counter-party to negotiate any required changes to the CTS resulting from unanticipated events relating to the CTS, with a view to reducing adversarial aspects of NEB and FERC hearings, as well as reducing hearing time and associated costs.

22.2 The Representative Shipper Group will have representation from CAPP, CAPP members and other Shippers or interested parties as applicable (the "**Representative Shipper Group**").

23. SERVICE LEVELS

23.1 The Enbridge Service Levels, as adjusted from time to time, will continue to apply.

24. GENERAL TANKAGE PRINCIPLES

24.1 During the Term, Enbridge will provide sufficient receipt and breakout tankage to manage the receipt and transportation of crude petroleum in accordance with the Enbridge Service Levels under normal operating conditions.

24.2 Any incremental delivery tankage requirements requested by a Shipper are the responsibility of that Shipper.

25. END OF TERM ISSUES

25.1 Enbridge and the Representative Shipper Group will, no later than July 1, 2019, establish a group for the purposes of negotiating a new settlement following expiry of the CTS (the "**2021 Negotiating Team**"). The 2021 Negotiation Team will begin to negotiate a new settlement that is applicable after the expiry of the CTS. The 2021 Negotiating Team will also review and endorse discretionary capital projects proposed by Enbridge under the CTS in the last two years of the CTS, prior to Enbridge undertaking any such discretionary capital projects. Discretionary capital projects will include any projects less than $250 million excluding maintenance capital and Integrity Capital projects. If negotiations for a new settlement fail, the CTS will terminate on June 30, 2021 and Enbridge will, exercising reasonable diligence, file a new application for tolls with the NEB for the Canadian Mainline. The IJT and CLT tolls will become the interim tolls until the new toll application is approved by the NEB.

25.2 At the end of the Term, Enbridge will not carry forward amounts based on toll or volume variances in a new settlement agreement or extended CTS unless otherwise agreed to by Enbridge and the 2021 Negotiation Team.

25.3 Unless otherwise mutually agreed to by Enbridge and the 2021 Negotiating Team, the cumulative amount spent by Enbridge on maintenance and integrity in the last two years of the CTS must be equal to or greater than an amount equal to the average annual amount spent by Enbridge on maintenance and integrity, excluding any amounts spent as a result of Regulatory Changes or Enbridge Specific Regulatory Changes, in the first eight years of the CTS multiplied by 2.

25.4 The 2010 Depreciation Technical Update Study incorporates a truncation date of 2039 which was approved by the NEB on May 8, 2010. At the end of the Term, the depreciation rates to be applied to rates subject to the NEB's jurisdiction, exclusive of the rates covered by Section 25.5 below, will be based on the depreciation truncation date implicit in the 2010 Depreciation Technical Update Study subject to Section 25.5.

25.5 Applicable depreciation rates for the assets comprising the Enbridge Mainline are set forth in Schedules "H" and "I".

PART VII – GENERAL PROVISIONS

26. REPORTING AND FILING REQUIREMENTS

26.1 Each February during the Term, Enbridge will provide the Representative Shipper Group with a summary of capital additions for the prior year and forecast capital additions for the current year to the Enbridge Mainline rate base in total and will detail individual items that exceed $50 million, and the aggregate amount of capital under Shipper Supported Expansion Project(s) in accordance with the Capital Reporting Template. Enbridge will continue to meet with Shippers to annually review the Enbridge Mainline integrity plan, metrics and overall operating plan.

26.2 In addition, each February of 2019, 2020 and 2021, Enbridge will provide a summary of the forecast capital additions to the Enbridge Mainline rate base for all pending projects or future projects anticipated to be initiated before the end of the Term that exceed $50 million that could result in an addition to the Enbridge Mainline rate base either before or after the end of the Term.

26.3 Enbridge shall file with the applicable regulator and make available to interested parties copies of the CTS tolls and tariffs for each year.

26.4 Subject to NEB approval, the intention of the CTS is that Enbridge will be exempt from the requirement for Enbridge to file financial forecasts and Financial Surveillance Reports, consistent with the relief granted pursuant to Board Order TO-3-2000, as amended.

27. AUDIT

27.1 Enbridge shall file an external auditors' report for the Enbridge consolidated financial statements with the NEB annually for each fiscal year ending December 31 by March 31 of the following year. The same such auditor's report will be provided to all other interested parties on request.

27.2 The Enbridge consolidated financial statements for each fiscal year ending December 31st will be audited by an independent auditor and reported in a manner consistent with Canadian Auditing Standards. The purpose of this audit is to confirm that the financial results as reflected on are in accordance with the provisions of the CTS, including the completeness and accuracy of the annual tolls and any relevant surcharges.

27.3 Upon 60 days notice to Enbridge by the Representative Shipper Group, and subject to Enbridge's confidentiality obligations to third parties, the Representative Shipper Group shall be able to, on two occasions, elect to engage an independent accountant or other auditor to conduct its own audit of the Enbridge financial results and of all data and information related to and necessary to establish compliance with the CTS, provided that no such audit shall occur any later than 24 months from the end of the Term. The independent accountant or other auditor will enter into a confidentiality agreement with Enbridge to ensure non-disclosure of confidential or commercial information. Enbridge agrees to undertake all reasonable commercial efforts to assist in the completion of the audit on a timely basis, during normal business hours. Shippers shall bear all third party costs associated with such audits.

28. ACCOUNTING

28.1 Enbridge will continue to use flow through tax accounting as directed by the NEB under order Order TO-1-92.

29. AFFILIATES

29.1 Enbridge agrees to abide by the Enbridge Canadian Affiliate Relationship Code which was developed in collaboration with CAPP, as may be amended from time to time, the current version of which is posted on Enbridge's website at:

http://www.enbridge.com/InvestorRelations/CorporateGovernance/~/media/Site%20Documents/Investor%20Relations/Corporate%20Governance/Key%20Documents/carc-epi-2010.ashx .

30. DISPUTE RESOLUTION

30.1 To facilitate the resolution of any disputes regarding the CTS in an efficient and expedited manner, disputes arising under this CTS ("**Dispute**") shall be resolved in accordance with the dispute resolution mechanism set forth in this Article 30. For clarity, this Article 30 is not intended to permit a party to renegotiate terms that have been agreed to in the CTS or to resolve deadlocks between the parties over an action where the approval of any parties is required under this CTS to such action.

30.2 In the event of a Dispute, either of Enbridge or a Shipper(s) (the Shipper or group of Shippers initiating the Dispute the "**Disputing Shipper Group**") that wishes to initiate dispute resolution shall give written notice (the "**Dispute Notice**") to any party of a Dispute and outline in reasonable detail the relevant information concerning the Dispute. The Disputing Shipper Group may self-form and is not dependent on formation pursuant to Section 22.1. Within fourteen (14) days following receipt of the Dispute Notice, Enbridge and the Disputing Shipper Group will each appoint representatives to meet to discuss and attempt to resolve the Dispute. Such representatives shall be individuals that are technically qualified to appreciate and assess the Dispute and have authority to negotiate the Dispute. If the Dispute is not settled within ninety (90) days of receipt of the Dispute Notice, the negotiation will be deemed to have failed.

30.3 If the Dispute is not resolved pursuant to the process above, the Dispute may be referred to the NEB or other applicable regulator by either Enbridge or the Disputing Shipper Group, to be resolved on an expedited basis.

30.4 Notwithstanding the above, any parties retain all rights for dispute resolution with the applicable regulator.

PART VIII – LINE 9 MATTERS

31. LINE 9

31.1 Enbridge owns and operates Line 9, a common carrier pipeline system regulated under the NEB Act. The assets included in Line 9 are outlined in Schedule "C".

31.2 Line 9 tolls are currently set on a standalone basis and will continue to be set on a standalone basis under the CTS regardless of whether Line 9 is used for East to West or West to East service or is used for partial East to West and partial West to East service. Standalone tolling under the CTS continues to treat Line 9 assets as separate and distinct assets from the Enbridge Mainline assets. Standalone tolling under the CTS continues to base Line 9 tolls on the separate and distinct Line 9 rate base.

31.3 Line 9 tolls are currently published under an NEB approved Line 9 Tariff. Subject to applicable law and approval by the NEB, tolls for transportation of hydrocarbons on Line 9 will continue to be published under a separate Line 9 tariff. In the event that Enbridge applies to reverse service on Line 9 and such reversal is approved by the NEB, such that Line 9 or a portion of Line 9 is operated in a fashion that allows volumes to flow from the Canadian Mainline into Line 9 and supports flow of hydrocarbons from West to East in Line 9, Enbridge may file, at its discretion, a negotiated International Joint Tariff for delivery on Line 9 at that time.

31.4 In the event that Enbridge files an application to reverse service on Line 9 or a portion of Line 9 and such reversal is approved by the NEB, the stand alone toll for the transportation of hydrocarbons on Line 9 in a West to East service ("**Line 9 Local Tolls"**) shall be adjusted annually, up or down, at a rate of 75% of the GDPP Index.

31.5 The CTS is unrelated to any decision regarding the possible reversal of Line 9. The CTS does not limit in any way a party's rights to make submissions and fully participate in any Line 9 reversal facilities application and is entirely without prejudice to the position of any party in such an application.

31.6 Subject to applicable law, tolls under a negotiated international joint tariff for the transportation of hydrocarbons from the Canadian Mainline to delivery points on Line 9 will be published when available.

31.7 Enbridge may offer incentives in order to attract incremental volumes onto Line 9, provided such toll incentives on Line 9 are offered equally to all shippers on Line 9, as adjusted for distance and commodity types.

31.8 The CTS is unrelated to any decision regarding the responsibility for the costs of abandoning Line 9. The CTS is entirely without prejudice to the position of any party on the question of responsibility for the cost of abandonment of Line 9.

31.9 All Canadian pipeline assets owned by Enbridge that are regulated by the NEB, including Line 9, are being addressed in the LMCI process. The LMCI process will determine the methodology by which costs for abandonment should be collected by a pipeline. Enbridge will file all required information under LMCI as per the NEB schedules for Line 9. Through the LMCI process, whatever

abandonment costs the NEB approves for pre-collection from shippers on Line 9 will form part of the standalone costs of Line 9. Enbridge will not apply for abandonment of Line 9 during the Term unless ordered to do so by the NEB.

31.10 For greater certainty, all parties may fully participate in the LMCI process or any other proceeding related to abandonment and the CTS does not limit in any way a party's right to make submissions regarding Line 9 abandonment or abandonment costs. The CTS is unrelated to the ultimate decision regarding the responsibility for abandonment costs for Line 9.

31.11 "**Line 9 Capital Expenditure**" means expenditures on the Line 9 made by Enbridge which, under Oil Pipeline Uniform Accounting Regulations, require capitalization as fixed assets. Line 9 Capital Expenditures must be prudent, reasonable and to the benefit of Line 9 and include, but are not limited to, maintenance, integrity, equipment additions, improvements and new facilities. Line 9 Capital Expenditures would include expansion of Line 9 such as expanded pipeline capacity, increased storage capacity, or the creation or expansion of new Line 9 receipt and delivery points.

31.12 Enbridge is responsible for all Line 9 Capital Expenditures on Line 9 during the Term.

31.13 Enbridge will negotiate with shippers on Line 9 prior to any single project on Line 9 with expected Line 9 Capital Expenditures greater than $25 million that expands pipeline capacity, increases storage capacity, or creates or expands new Line 9 receipt and delivery points.

31.14 Projects on Line 9 which require Line 9 Capital Expenditures and which are not supported by Enbridge because the incremental revenues associated with such project would not cover the incremental costs, may proceed if there is sufficient financial support from a shipper(s) on Line 9 (a "**Line 9 Shipper Supported Expansion Project**").

31.15 By execution of an agreement whereby a shipper on Line 9 agrees to backstop Enbridge's revenue requirement for Line 9 Shipper Supported Expansion Projects (a "**Line 9 Backstopping Agreement**") and confirmation that the proposed project creates no adverse operational issues for Enbridge, as determined by Enbridge acting reasonably, Enbridge will agree to undertake such Line 9 Shipper Supported Expansion Projects in accordance with the terms of such Line 9 Backstopping Agreement. In the event that Enbridge is unable to secure NEB approval for construction of the project, the shipper on Line 9 who supports a Line 9 Shipper Supported Expansion Project by executing a Line 9 Backstopping Agreement (the "**Line 9 Supporting Shipper(s)**") will be required to reimburse Enbridge for all of the project's reasonable and prudent development costs as defined in the applicable Line 9 Backstopping Agreement.

31.16 Subject to Section 31.20, additional revenues derived from tolls, including receipt and delivery terminalling and transmission, collected on the incremental volumes transported on the Enbridge Mainline and Line 9 related to such Line 9 Shipper Supported Expansion Project, net of any direct incremental costs ("**Net Line 9 Incremental Revenue**") will be credited to the Line 9 Backstopping Agreement's revenue requirement.

31.17 The Line 9 Backstopping Agreement will ensure that the annual revenue requirement associated with the incremental project capital is met either through Net Line 9 Incremental Revenue from associated incremental throughput or lump sum payments from the Line 9 Supporting Shipper(s). The form and terms of a Line 9 Backstopping Agreement will be developed on a project by project

basis but will utilize the following parameters: a) the term will be no less than 5 years and no more than 10 years and can extend past the end of the Term; b) threshold return on equity of between 11 to 15 percent after tax; and c) capital structure of 45 percent equity. The return on equity will be negotiated between, Enbridge and the Line 9 Supporting Shipper(S), and the parties acting reasonably, will consider such risks as volume, capital, cost, credit, financial or other relevant risks. An 11 percent return would be appropriate in a circumstance when Enbridge accepted no volume risk, did not share in any operating or capital cost risk, and credit risk was secured by either a letter of credit or a shipper with an Investment Grade credit rating. A 15 percent return would be appropriate in a circumstance when Enbridge accepts substantially more risk with respect to volumes, capital, cost, credit or financial elements of the project. Similar Line 9 Shipper Supported Expansion Projects will be evaluated on a similar basis and using similar principles.

31.18 At the end of the Term, there will be no net rate base impact to Line 9 as a result of Line 9 Shipper Supported Expansion Projects.

31.19 For example, for a Line 9 Shipper Supported Expansion Project to construct new tanks, the Line 9 Backstopping Agreement will require the recovery of the capital cost of the tank through accelerated depreciation. To the extent that such accelerated depreciation exceeds Enbridge's normal depreciation rates for Line 9, the excess will be credited against the Line 9 rate base and future depreciation expense will be reduced accordingly.

31.20 Enbridge will consider the Net Line 9 Incremental Revenue from incremental volumes associated with Line 9 Shipper Supported Expansion Projects compared to the incremental capital cost to determine the amount and type of Line 9 Backstopping Arrangement it will require. To establish incremental volumes from existing movements, Enbridge will use an appropriate time frame, typically the 12 month period immediately preceding the month in which Enbridge anticipates the in-service date for the new facilities.

31.21 The Line 9 Backstopping Agreement will incorporate any terms that would allow the Line 9 Supporting Shipper's commitment to be reduced by Net Line 9 Incremental Revenue or capital contribution provided by one or more other shipper(s) on Line 9.

31.22 Line 9 Backstopping Agreements are to allow the provision of services, but nothing in this Article 31 is intended to provide any priority service to Line 9 Supporting Shippers.

31.23 Each February during the Term, Enbridge will provide shippers on Line 9 with a summary of capital additions for the prior year and forecast capital additions for the current year to the Line 9 rate base in total and will detail individual items that exceed $5 million, and the aggregate amount of capital under a Shipper Supported Expansion Project in accordance with the Line 9 Capital Reporting Template included in Schedule "O". Enbridge will continue to meet with shippers on Line 9 to annually review the Line 9 integrity plan, metrics and overall operating plan.

31.24 In addition, each February of 2019, 2020 and 2021, Enbridge will provide a summary of the forecast capital additions to the Line 9 rate base for all pending projects or future projects anticipated to be initiated before the end of the Term that exceed $5 million that could result in an addition to the Line 9 rate base before the end of the Term.

31.25 Enbridge shall file with the NEB and make available to interested parties copies of the Line 9 tolls and tariffs for each year.

SCHEDULE "A" - CANADIAN MAINLINE

PIPELINES & FACILITIES
Line 1
Line 2
Line 3
Line 4
Line 5
Line 6B
Line 7
Line 10
Line 11
Line 65
Line 67
All related facilities associated with the above noted pipelines

RECEIPT POINTS	DELIVERY POINTS
Edmonton, Alberta	Edmonton, Alberta
Hardisty, Alberta	Hardisty, Alberta
Kerrobert, Saskatchewan	Kerrobert, Saskatchewan
Regina, Saskatchewan	Stony Beach, Saskatchewan
Cromer, Manitoba	Regina, Saskatchewan
Sarnia, Ontario	Milden, Saskatchewan
Westover, Ontario	Gretna, Manitoba
	Sarnia, Ontario
	Nanticoke, Ontario

2012 Edmonton Tanks

(a) Tank #36, shell capacity of 260,000 barrels per day in service on or about September 1, 2012;

(b) Tank #38, shell capacity of 186,000 barrels per day in service, on or about September 1, 2012;

(c) Tank # 33 and Tank # 37 each with shell capacity of 372,000 barrels expected to be in service on, or about, December 1, 2012; and

(d) the demolition of Tank #13 and Tank #17.

SCHEDULE “B” - LAKEHEAD SYSTEM

PIPELINES & FACILITIES
Line 1
Line 2
Line 3
Line 4
Line 5
Line 6A
Line 6B
Line 10
Line 14/64
Line 61
Line 62
Line 65
Line 67
All related facilities associated with the above noted pipelines

RECEIPT POINTS	DELIVERY POINTS
Clearbrook, Minnesota	Clearbrook, Minnesota
Mokena, Illinois	Superior, Wisconsin
Griffith, Indiana	Lockport & Mokena, Illinois
Stockbridge, Michigan	Flanagan, Illinois
Lewiston, Michigan	Griffith, Indiana
	Stockbridge, Michigan
	Marysville, Michigan
	Rapid River, Michigan
	West Seneca, New York

SCHEDULE “C” - LINE 9 FACILITIES EAST BOUND SERVICE

PIPELINES & FACILITIES
Line 9
All related facilities associated with the above noted pipeline

RECEIPT POINTS	DELIVERY POINTS
Sarnia, Ontario	North Westover, Ontario
	Montreal, Quebec

SCHEDULE “D” - TABLE OF IJT TOLLS

These tolls will escalate each July 1 by 75% of GDPP Index beginning July 1, 2012.

Schedule “ D” (Part 1) - IJT Tolls in U.S. Dollars per Cubic Meter

IJT-JOINT TRANSPORTATION RATES ($USD PER CUBIC METER)						
FROM	**TO**	**RATE**				
		NGL	**CND**	**LIGHT**	**MEDIUM**	**HEAVY**
Edmonton Terminal, Alberta	Clearbrook, Minnesota	—	12.5702	13.3780	14.3201	15.9705
	Superior, Wisconsin	14.3227	15.0655	15.8733	17.0053	18.9850
	Lockport, Illinois	—	20.7469	21.5547	23.1509	25.9473
	Mokena, Illinois	—	20.7469	21.5547	23.1509	25.9473
	Flanagan, Illinois	—	20.7469	21.5547	23.1509	25.9473
	Griffith, Indiana	—	20.7469	21.5547	23.1509	25.9473
	Stockbridge, Michigan	—	22.8831	23.6909	25.4579	28.5542
	Rapid River, Michigan	17.1569	—	—	—	—
	Marysville, Michigan	21.4046	22.8831	23.6909	25.4579	28.5542
	Corunna or Sarnia Terminal, Ontario	21.7335	23.2139	24.0295	25.8058	28.9124
	Nanticoke, Ontario	—	25.2211	26.2112	28.1620	31.5741
	West Seneca, New York	—	25.5215	26.5317	28.5270	32.0181
Hardisty Terminal, Alberta	Clearbrook, Minnesota	—	—	11.9587	12.7872	14.2390
	Superior, Wisconsin	—	—	14.4540	15.4724	17.2535
	Lockport, Illinois	—	—	20.1354	21.6180	24.2158
	Mokena, Illinois	—	—	20.1354	21.6180	24.2158
	Flanagan, Illinois	—	—	20.1354	21.6180	24.2158
	Griffith, Indiana	—	—	20.1354	21.6180	24.2158
	Stockbridge, Michigan	—	—	22.2716	23.9250	26.8227
	Rapid River, Michigan	—	—	—	—	—
	Marysville, Michigan	—	—	22.2716	23.9250	26.8227
	Corunna or Sarnia Terminal, Ontario	—	—	22.6102	24.2729	27.1809
	Nanticoke, Ontario	—	—	24.7919	26.6291	29.8425
	West Seneca, New York	—	—	25.1124	26.9941	30.2865

Schedule " D" (Part 1) - IJT Tolls in U.S. Dollars per Cubic Meter - continued

IJT-JOINT TRANSPORTATION RATES ($USD PER CUBIC METER)						
FROM	**TO**	**RATE**				
		NGL	**CND**	**LIGHT**	**MEDIUM**	**HEAVY**
Kerrobert Station, Saskatchewan	Clearbrook, Minnesota	—	—	10.5313	—	12.4975
	Superior, Wisconsin	11.7606	—	13.0266	—	15.5120
	Lockport, Illinois	—	—	18.7080	—	22.4743
	Mokena, Illinois	—	—	18.7080	—	22.4743
	Flanagan, Illinois	—	—	18.7080	—	22.4743
	Griffith, Indiana	—	—	18.7080	—	22.4743
	Stockbridge, Michigan	—	—	20.8442	—	25.0812
	Rapid River, Michigan	14.5948	—	—	—	—
	Marysville, Michigan	18.8425	—	20.8442	—	25.0812
	Corunna or Sarnia Terminal, Ontario	19.1715	—	21.1828	—	25.4394
	Nanticoke, Ontario	—	—	23.3645	—	28.1011
	West Seneca, New York	—	—	23.685	—	28.5450
Regina Terminal, Saskatchewan	Clearbrook, Minnesota	—	—	7.6683	—	9.0047
	Superior, Wisconsin	—	—	10.1636	—	12.0192
	Lockport, Illinois	—	—	15.8450	—	18.9815
	Mokena, Illinois	—	—	15.8450	—	18.9815
	Flanagan, Illinois	—	—	15.8450	—	18.9815
	Griffith, Indiana	—	—	15.8450	—	18.9815
	Stockbridge, Michigan	—	—	17.9812	—	21.5884
	Rapid River, Michigan	—	—	—	—	—
	Marysville, Michigan	—	—	17.9812	—	21.5884
	Corunna or Sarnia Terminal, Ontario	—	—	18.3198	—	21.9466
	Nanticoke, Ontario	—	—	20.5015	—	24.6083
	West Seneca, New York	—	—	20.8221	—	25.0522
Cromer Terminal, Manitoba	Clearbrook, Minnesota	—	—	5.6002	5.9201	6.4816
	Superior, Wisconsin	7.3226	—	8.0955	8.6053	9.4961
	Lockport, Illinois	—	—	13.7769	14.7509	16.4584
	Mokena, Illinois	—	—	13.7769	14.7509	16.4584
	Flanagan, Illinois	—	—	13.7769	14.7509	16.4584
	Griffith, Indiana	—	—	13.7769	14.7509	16.4584
	Stockbridge, Michigan	—	—	15.9131	17.0579	19.0653
	Rapid River, Michigan	10.1568	—	—	—	—
	Marysville, Michigan	14.4045	—	15.9131	17.0579	19.0653
	Corunna or Sarnia Terminal, Ontario	14.7335	—	16.2517	17.4057	19.4235
	Nanticoke, Ontario	—	—	18.4334	19.7620	22.0852
	West Seneca, New York	—	—	18.7539	20.1269	22.5291

Schedule " D" (Part 2) - IJT Tolls in U.S. Dollars per Barrel

IJT-JOINT TRANSPORTATION RATES ($USD PER BARREL)						
FROM	**TO**	**Rate**				
		NGL	**CND**	**LIGHT**	**MEDIUM**	**HEAVY**
Edmonton Terminal, Alberta	Clearbrook, Minnesota	—	1.9985	2.1269	2.2767	2.5391
	Superior, Wisconsin	2.2771	2.3952	2.5237	2.7036	3.0184
	Lockport, Illinois	—	3.2985	3.4269	3.6807	4.1253
	Mokena, Illinois	—	3.2985	3.4269	3.6807	4.1253
	Flanagan, Illinois	—	3.2985	3.4269	3.6807	4.1253
	Griffith, Indiana	—	3.2985	3.4269	3.6807	4.1253
	Stockbridge, Michigan	—	3.6381	3.7666	4.0475	4.5398
	Rapid River, Michigan	2.7277	—	—	—	—
	Marysville, Michigan	3.4031	3.6381	3.7666	4.0475	4.5398
	Corunna or Sarnia Terminal, Ontario	3.4554	3.6907	3.8204	4.1028	4.5967
	Nanticoke, Ontario	—	4.0098	4.1672	4.4774	5.0199
	West Seneca, New York	—	4.0576	4.2182	4.5354	5.0905
Hardisty Terminal, Alberta	Clearbrook, Minnesota	—	—	1.9013	2.0330	2.2638
	Superior, Wisconsin	—	—	2.2980	2.4599	2.7431
	Lockport, Illinois	—	—	3.2013	3.4370	3.8500
	Mokena, Illinois	—	—	3.2013	3.4370	3.8500
	Flanagan, Illinois	—	—	3.2013	3.4370	3.8500
	Griffith, Indiana	—	—	3.2013	3.4370	3.8500
	Stockbridge, Michigan	—	—	3.5409	3.8038	4.2645
	Rapid River, Michigan	—	—	—	—	—
	Marysville, Michigan	—	—	3.5409	3.8038	4.2645
	Corunna or Sarnia Terminal, Ontario	—	—	3.5947	3.8591	4.3214
	Nanticoke, Ontario	—	—	3.9416	4.2337	4.7446
	West Seneca, New York	—	—	3.9926	4.2917	4.8152

Schedule " D" (Part 2) - IJT Tolls in U.S. Dollars per Barrel - continued

IJT-JOINT TRANSPORTATION RATES ($USD PER BARREL)						
FROM	**TO**	**RATE**				
		NGL	**CND**	**LIGHT**	**MEDIUM**	**HEAVY**
Kerrobert Station, Saskatchewan	Clearbrook, Minnesota	—	—	1.6743	—	1.9869
	Superior, Wisconsin	1.8698	—	2.0711	—	2.4662
	Lockport, Illinois	—	—	2.9743	—	3.5731
	Mokena, Illinois	—	—	2.9743	—	3.5731
	Flanagan, Illinois	—	—	2.9743	—	3.5731
	Griffith, Indiana	—	—	2.9743	—	3.5731
	Stockbridge, Michigan	—	—	3.3140	—	3.9876
	Rapid River, Michigan	2.3204	—	—	—	—
	Marysville, Michigan	2.9957	—	3.3140	—	3.9876
	Corunna or Sarnia Terminal, Ontario	3.0480	—	3.3678	—	4.0445
	Nanticoke, Ontario	—	—	3.7147	—	4.4677
	West Seneca, New York	—	—	3.7656	—	4.5383
Regina Terminal, Saskatchewan	Clearbrook, Minnesota	—	—	1.2192	—	1.4316
	Superior, Wisconsin	—	—	1.6159	—	1.9109
	Lockport, Illinois	—	—	2.5192	—	3.0178
	Mokena, Illinois	—	—	2.5192	—	3.0178
	Flanagan, Illinois	—	—	2.5192	—	3.0178
	Griffith, Indiana	—	—	2.5192	—	3.0178
	Stockbridge, Michigan	—	—	2.8588	—	3.4323
	Rapid River, Michigan	—	—	—	—	—
	Marysville, Michigan	—	—	2.8588	—	3.4323
	Corunna or Sarnia Terminal, Ontario	—	—	2.9126	—	3.4892
	Nanticoke, Ontario	—	—	3.2595	—	3.9124
	West Seneca, New York	—	—	3.3104	—	3.9830
Cromer Terminal, Manitoba	Clearbrook, Minnesota	—	—	0.8904	0.9412	1.0305
	Superior, Wisconsin	1.1642	—	1.2871	1.3681	1.5098
	Lockport, Illinois	—	—	2.1904	2.3452	2.6167
	Mokena, Illinois	—	—	2.1904	2.3452	2.6167
	Flanagan, Illinois	—	—	2.1904	2.3452	2.6167
	Griffith, Indiana	—	—	2.1904	2.3452	2.6167
	Stockbridge, Michigan	—	—	2.5300	2.7120	3.0311
	Rapid River, Michigan	1.6148	—	—	—	—
	Marysville, Michigan	2.2901	—	2.5300	2.7120	3.0311
	Corunna or Sarnia Terminal, Ontario	2.3424	—	2.5838	2.7673	3.0881
	Nanticoke, Ontario	—	—	2.9307	3.1419	3.5113
	West Seneca, New York	—	—	2.9816	3.1999	3.5818

SCHEDULE "E" - TABLE OF CLT TOLLS

These tolls will escalate each July 1 by 75% of GDPP Index beginning July 1, 2012.

Schedule " E" (Part 1) - CLT Tolls in Canadian Dollars per Cubic Meter

CLT - LIGHT CRUDE TRANSMISSION AND TERMINALLING TOLLS
($CDN PER CUBIC METRE)

To (Delivery Points)↗	**▪▪From(Receipt Points) ▯ ▯**							
	Edmonton Terminal, AB	Hardisty Terminal, AIB	Kerrobert Station, SK	Regina Terminal, SK	Cromer Terminal, MB	International Boundary near Sarnia, ON	Sarnia Terminal, ON	Westover, ON
Edmonton Terminal, AB	1.484	—	—	—	—	—	—	—
Hardisty Terminal, AB	2.947	—	—	—	—	—	—	—
Kerrobert Station, SK	4.418	2.955	—	—	—	—	—	—
Milden, SK	5.370	3.908	—	—	—	—	—	—
Stony Beach Take-off, SK	7.368	5.905	4.434	—	—	—	—	—
Regina Terminal, SK	7.368	5.905	4.434	1.484	—	—	—	—
Gretna Station, MB	11.865	—	—	5.981	—	—	—	—
International Boundary near Gretna, MB	11.404	9.941	8.470	5.519	3.388	—	—	—
Corunna or Sarnia Terminal, ON	11.990	10.528	9.056	6.106	3.975	0.586	1.484	—
Nanticoke, ON	14.239	12.776	11.305	8.354	6.223	2.835	3.732	1.121
International Boundary near Chippawa, ON	14.012	12.549	11.078	8.127	5.996	2.608	3.505	0.886

CLT - MEDIUM CRUDE TRANSMISSION AND TERMINALLING TOLLS
($CDN PER CUBIC METRE)

To (Delivery Points) ↗	**▪▪From (Receipt Points) ▯ ▯**				
	Edmonton Terminal, AB	Hardisty Terminal, AIB	Cromer Terminal, MB	International Boundary near Sarnia, ON	Westover, ON
Edmonton Terminal, AB	1.484	—	—	—	—
Hardisty Terminal, AB	3.064	1.484	—	—	—
Kerrobert Station, SK	—	3.073	—	—	—
Stony Beach Take-off, SK	7.839	6.259	—	—	—
Regina Terminal, SK	7.839	6.259	—	—	—
International Boundary near Gretna, MB	12.2236	10.657	3.579	—	—
Corunna or Sarnia Terminal, ON	12.831	11.251	4.174	0.594	—
Nanticoke, ON	15.259	13.679	6.602	3.023	1.172
International Boundary near Chippawa, ON	15.053	13.473	6.396	2.816	0.957

Schedule " E" (Part 1) - CLT Tolls in Canadian Dollars per Cubic Meter - continued

CLT - HEAVY CRUDE TRANSMISSION AND TERMINALLING TOLLS
($CDN PER CUBIC METRE)

To (Delivery Points) ↗	▪▪From (Receipt Points) □ □					
	Edmonton Terminal, AB	Hardisty Terminal, AIB	Kerrobert Station, SK	Regina Terminal, SK	Cromer Terminal, MB	International Boundary near Sarnia, ON
Edmonton Terminal, AB	1.484	—	—	—	—	—
Hardisty Terminal, AB	3.268	1.484	—	—	—	—
Kerrobert Station, SK	5.063	3.279	—	—	—	—
Stony Beach Take-off, SK	8.663	6.878	5.083	—	—	—
Regina Terminal, SK	8.663	6.878	5.083	1.484	—	—
International Boundary near Gretna, MB	13.693	11.909	10.114	6.514	3.914	—
Corunna or Sarnia Terminal, ON	14.302	12.517	10.722	7.123	4.523	0.609
Nanticoke, ON	17.045	15.260	13.465	9.866	7.266	3.352
International Boundary near Chippawa, ON	16.875	15.090	13.295	9.696	7.096	3.182

CLT - GASOLINE AND CONDENSATE TRANSMISSION AND TERMINALLING TOLLS
($CDN PER CUBIC METRE)

To (Delivery Points) ↗	▪▪From (Receipt Points) □ □				
	Edmonton Terminal, AB	Hardisty Terminal, AIB	Regina Terminal, SK	International Boundary near Sarnia, ON	Sarnia Terminal, ON
Edmonton Terminal, AB	1.484	—	—	—	—
Hardisty Terminal, AB	2.829	—	—	—	—
Kerrobert Station, SK	4.183	2.837	—	—	—
Milden, SK	5.060	—	—	—	—
Stony Beach Take-off, SK	6.897	—	—	—	—
Regina Terminal, SK	6.897	—	1.484	—	—
Gretna Station, MB	11.034	—	5.621	—	—
International Boundary near Gretna, MB	10.571	—	—	—	—
Corunna or Sarnia Terminal, ON	11.150	—	—	0.578	1.484
Nanticoke, ON	13.218	—	—	2.647	3.552
International Boundary near Chippawa, ON	12.970	—	—	2.399	3.305

CLT - NATURAL GAS LIQUIDS TRANSMISSION AND TERMINALLING TOLLS
($CDN PER CUBIC METRE)

To (Delivery Points) ↗	**▪From (Receipt Points) ▯**		
	Edmonton Terminal, AB	Kerrobert Station, SK	Cromer Terminal, MB
International Boundary near Gretna, MB	10.363	7.723	3.149
Corunna or Sarnia Terminal, ON	10.940	8.299	3.726

Schedule " E" (Part 2) - CLT Tolls in Canadian Dollars per Barrel

CLT - LIGHT CRUDE TRANSMISSION AND TERMINALLING TOLLS
($CDN PER BARREL)

To (Delivery Points) ↗	**▪▪From (Receipt Points)**							
	Edmonton Terminal, AB	Hardisty Terminal, AIB	Kerrobert Station, SK	Regina Terminal, SK	Cromer Terminal, MB	International Boundary near Sarnia, ON	Sarnia Terminal, ON	Westover, ON
Edmonton Terminal, AB	0.236	—	—	—	—	—	—	—
Hardisty Terminal, AB	0.468	—	—	—	—	—	—	—
Kerrobert Station, SK	0.702	0.470	—	—	—	—	—	—
Milden, SK	0.854	0.621	—	—	—	—	—	—
Stony Beach Take-off, SK	1.171	0.939	0.705	—	—	—	—	—
Regina Terminal, SK	1.171	0.939	0.705	0.236	—	—	—	—
Gretna Station, MB	1.886	—	—	0.951	—	—	—	—
International Boundary near Gretna, MB	1.813	1.580	1.347	0.878	0.539	—	—	—
Corunna or Sarnia Terminal, ON	1.906	1.674	1.440	0.971	0.632	0.093	0.236	—
Nanticoke, ON	2.264	2.031	1.797	1.328	0.989	0.451	0.593	0.178
International Boundary near Chippawa, ON	2.228	1.995	1.761	1.292	0.953	0.415	0.557	0.141

CLT - MEDIUM TRANSMISSION AND TERMINALLING TOLLS
($CDN PER BARREL)

To (Delivery Points) ↗	**▪▪From (Receipt Points)**				
	Edmonton Terminal, AIB	Hardisty Terminal, AB	Cromer Terminal, MB	International Boundary near Sarnia, ON	Westover, ON
Edmonton Terminal, AB	0.236	—	—	—	—
Hardisty Terminal, AB	0.487	0.236	—	—	—
Kerrobert Station, SK	—	0.488	—	—	—
Stony Beach Take-off, SK	1.246	0.995	—	—	—
Regina Terminal, SK	1.246	0.995	—	—	—
International Boundary near Gretna, MB	1.945	1.694	0.569	—	—
Corunna or Sarnia Terminal, ON	2.040	1.789	0.664	0.095	—
Nanticoke, ON	2.426	2.175	1.050	0.481	0.186
International Boundary near Chippawa, ON	2.393	2.142	1.017	0.448	0.152

Schedule " E" (Part 2) - CLT Tolls in Canadian Dollars per Barrel - continued

CLT - HEAVY CRUDE TRANSMISSION AND TERMINALLING TOLLS
($CDN PER BARREL)

To (Delivery Points) ↗	▪▪From (Receipt Points) □ □					
	Edmonton Terminal, AIB	Hardisty Terminal, AIB	Kerrobert Station, SK	Regina Terminal, SK	Cromer Terminal, MB	International Boundary near Sarina, ON
Edmonton Terminal, AB	0.236	—	—	—	—	—
Hardisty Terminal, AB	0.520	0.236	—	—	—	—
Kerrobert Station, SK	0.805	0.521	—	—	—	—
Stony Beach Take-off, SK	1.377	1.094	0.808	—	—	—
Regina Terminal, SK	1.377	1.094	0.808	0.236	—	—
International Boundary near Gretna, MB	2.177	1.893	1.608	1.036	0.622	—
Corunna or Sarnia Terminal, ON	2.274	1.990	1.705	1.132	0.719	0.097
Nanticoke, ON	2.710	2.426	2.141	1.569	1.155	0.533
International Boundary near Chippewa, ON	2.683	2.399	2.114	1.542	1.128	0.506

CLT - GASOLINE AND CONDENSATE TRANSMISSION AND TERMINALLING TOLLS
($CDN PER BARREL)

To (Delivery Points) ↗	▪▪From (Receipt Points) □ □				
	Edmonton Terminal, AB	Hardisty Terminal, AB	Regina Terminal, AB	International Boundary near Sarnia, ON	Sarnia Terminal, ON
Edmonton Terminal, AB	0.236	—	—	—	—
Hardisty Terminal, AB	0.450	—	—	—	—
Kerrobert Station, SK	0.665	0.451	—	—	—
Milden, SK	0.804	—	—	—	—
Stony Beach Take-off, SK	1.097	—	—	—	—
Regina Terminal, SK	1.097	—	0.236	—	—
Gretna Station, MB	1.754	—	0.894	—	—
International Boundary near Gretna, MB	1.681	—	—	—	—
Corunna or Sarnia Terminal, ON	1.773	—	—	0.092	0.236
Nanticoke, ON	2.102	—	—	0.421	0.565
International Boundary near Chippawa, ON	2.062	—	—	0.381	0.525

CLT - NATURAL GAS LIQUIDS TRANSMISSION AND TERMINALLING TOLLS
($CDN PER BARREL)

To (Delivery Points) ↗	**▪From (Receipt Points)**		
	Edmonton Terminal, AB	Kerrobert Station, SK	Cromer Terminal, MB
International Boundary near Gretna, MB	1.648	1.228	0.501
Corunna or Sarnia Terminal, ON	1.739	1.319	0.592

SCHEDULE “F” - TABLE OF OUTSTANDING AMOUNT SURCHARGE

The Outstanding Amount Surcharge does not escalate.

Schedule “ F” (Part 1) - IJT Surcharges in U.S. Dollars per Cubic Meters

IJT - SURCHARGES
($USD PER CUBIC METER)

FROM	TO	RATE				
		NGL	CND	LIGHT	MEDIUM	HEAVY
Edmonton Terminal, Alberta	Clearbrook, Minnesota	—	0.3703	0.4025	0.4347	0.4911
	Superior, Wisconsin	0.3623	0.3703	0.4025	0.4347	0.4911
	Lockport, Illinois	—	0.3703	0.4025	0.4347	0.4911
	Mokena, Illinois	—	0.3703	0.4025	0.4347	0.4911
	Flanagan, Illinois	—	0.3703	0.4025	0.4347	0.4911
	Griffith, Indiana	—	0.3703	0.4025	0.4347	0.4911
	Stockbridge, Michigan	—	0.3703	0.4025	0.4347	0.4911
	Rapid River, Michigan	0.3623	—	—	—	—
	Marysville, Michigan	0.3623	0.3703	0.4025	0.4347	0.4911
	Corunna or Sarnia Terminal, Ontario	0.3658	0.3739	0.4064	0.4389	0.4958
	Nanticoke, Ontario	—	0.4539	0.4934	0.5328	0.6019
	West Seneca, New York	—	0.4631	0.5034	0.5437	0.6141
Hardisty Terminal, Alberta	Clearbrook, Minnesota	—	—	0.3459	0.3736	0.4220
	Superior, Wisconsin	—	—	0.3459	0.3736	0.4220
	Lockport, Illinois	—	—	0.3459	0.3736	0.4220
	Mokena, Illinois	—	—	0.3459	0.3736	0.4220
	Flanagan, Illinois	—	—	0.3459	0.3736	0.4220
	Griffith, Indiana	—	—	0.3459	0.3736	0.4220
	Stockbridge, Michigan	—	—	0.3459	0.3736	0.4220
	Rapid River, Michigan	—	—	—	—	—
	Marysville, Michigan	—	—	0.3459	0.3736	0.4220
	Corunna or Sarnia Terminal, Ontario	—	—	0.3498	0.3778	0.4268
	Nanticoke, Ontario	—	—	0.4368	0.4717	0.5329
	West Seneca, New York	—	—	0.4468	0.4826	0.5451

Schedule " F" (Part 1) - IJT Surcharges in U.S. Dollars per Cubic Meters-continued

IJT - SURCHARGES
($USD PER CUBIC METER)

FROM	TO	RATE				
		NGL	CND	LIGHT	MEDIUM	HEAVY
Kerrobert Station, Saskatchewan	Clearbrook, Minnesota	—	—	0.2890	—	0.3526
	Superior, Wisconsin	0.2601	—	0.2890	—	0.3526
	Lockport, Illinois	—	—	0.2890	—	0.3526
	Mokena, Illinois	—	—	0.2890	—	0.3526
	Flanagan, Illinois	—	—	0.2890	—	0.3526
	Griffith, Indiana	—	—	0.2890	—	0.3526
	Stockbridge, Michigan	—	—	0.2890	—	0.3526
	Rapid River, Michigan	0.2601	—	—	—	—
	Marysville, Michigan	0.2601	—	0.2890	—	0.3526
	Corunna or Sarnia Terminal, Ontario	0.2636	—	0.2929	—	0.3574
	Nanticoke, Ontario	—	—	0.3799	—	0.4635
	West Seneca, New York	—	—	0.3899	—	0.4757
Regina Terminal, Saskatchewan	Clearbrook, Minnesota	—	—	0.1749	—	0.2134
	Superior, Wisconsin	—	—	0.1749	—	0.2134
	Lockport, Illinois	—	—	0.1749	—	0.2134
	Mokena, Illinois	—	—	0.1749	—	0.2134
	Flanagan, Illinois	—	—	0.1749	—	0.2134
	Griffith, Indiana	—	—	0.1749	—	0.2134
	Stockbridge, Michigan	—	—	0.1749	—	0.2134
	Rapid River, Michigan	—	—	—	—	—
	Marysville, Michigan	—	—	0.1749	—	0.2134
	Corunna or Sarnia Terminal, Ontario	—	—	0.1788	—	0.2181
	Nanticoke, Ontario	—	—	0.2658	—	0.3242
	West Seneca, New York	—	—	0.2758	—	0.3365

Schedule " F" (Part 1) - IJT Surcharges in U.S. Dollars per Cubic Meters-continued

IJT - SURCHARGES
($USD PER CUBIC METER)

FROM	TO	RATE				
		NGL	CND	LIGHT	MEDIUM	HEAVY
Cromer Terminal, Manitoba	Clearbrook, Minnesota	—	—	0.0925	0.0999	0.1128
	Superior, Wisconsin	0.0832	—	0.0925	0.0999	0.1128
	Lockport, Illinois	—	—	0.0925	0.0999	0.1128
	Mokena, Illinois	—	—	0.0925	0.0999	0.1128
	Flanagan, Illinois	—	—	0.0925	0.0999	0.1128
	Griffith, Indiana	—	—	0.0925	0.0999	0.1128
	Stockbridge, Michigan	—	—	0.0925	0.0999	0.1128
	Rapid River, Michigan	0.0832	—	—	—	—
	Marysville, Michigan	0.0832	—	0.0925	0.0999	0.1128
	Corunna or Sarnia Terminal, Ontario	0.0867	—	0.0963	0.1041	0.1175
	Nanticoke, Ontario	—	—	0.1833	0.1980	0.2236
	West Seneca, New York	—	—	0.1933	0.2088	0.2359

Schedule " F" (Part 2) - IJT Surcharges in U.S. Dollars per Barrel

IJT - SURCHARGES
($USD PER BARREL)

FROM	TO	RATE				
		NGL	CND	LIGHT	MEDIUM	HEAVY
Edmonton Terminal, Alberta	Clearbrook, Minnesota	—	0.0589	0.0640	0.0691	0.0781
	Superior, Wisconsin	0.0576	0.0589	0.0640	0.0691	0.0781
	Lockport, Illinois	—	0.0589	0.0640	0.0691	0.0781
	Mokena, Illinois	—	0.0589	0.0640	0.0691	0.0781
	Flanagan, Illinois	—	0.0589	0.0640	0.0691	0.0781
	Griffith, Indiana	—	0.0589	0.0640	0.0691	0.0781
	Stockbridge, Michigan	—	0.0589	0.0640	0.0691	0.0781
	Rapid River, Michigan	0.0576	—	—	—	—
	Marysville, Michigan	0.0576	0.0589	0.0640	0.0691	0.0781
	Corunna or Sarnia Terminal, Ontario	0.0582	0.0594	0.0646	0.0698	0.0788
	Nanticoke, Ontario	—	0.0722	0.0784	0.0847	0.0957
	West Seneca, New York	—	0.0736	0.0800	0.0864	0.0976
Hardisty Terminal, Alberta	Clearbrook, Minnesota	—	—	0.0550	0.0594	0.0671
	Superior, Wisconsin	—	—	0.0550	0.0594	0.0671
	Lockport, Illinois	—	—	0.0550	0.0594	0.0671
	Mokena, Illinois	—	—	0.0550	0.0594	0.0671
	Flanagan, Illinois	—	—	0.0550	0.0594	0.0671
	Griffith, Indiana	—	—	0.0550	0.0594	0.0671
	Stockbridge, Michigan	—	—	0.0550	0.0594	0.0671
	Rapid River, Michigan	—	—	—	—	—
	Marysville, Michigan	—	—	0.0550	0.0594	0.0671
	Corunna or Sarnia Terminal, Ontario	—	—	0.0556	0.0601	0.0679
	Nanticoke, Ontario	—	—	0.0694	0.0750	0.0847
	West Seneca, New York	—	—	0.0710	0.0767	0.0867

Schedule " F" (Part 2) - IJT Surcharges in U.S. Dollars per Barrel-continued

IJT - SURCHARGES
($USD PER BARREL)

FROM	TO	RATE				
		NGL	CND	LIGHT	MEDIUM	HEAVY
Kerrobert Station, Saskatchewan	Clearbrook, Minnesota	—	—	0.0460	—	0.0561
	Superior, Wisconsin	0.0414	—	0.0460	—	0.0561
	Lockport, Illinois	—	—	0.0460	—	0.0561
	Mokena, Illinois	—	—	0.0460	—	0.0561
	Flanagan, Illinois	—	—	0.0460	—	0.0561
	Griffith, Indiana	—	—	0.0460	—	0.0561
	Stockbridge, Michigan	—	—	0.0460	—	0.0561
	Rapid River, Michigan	0.0414	—	—	—	—
	Marysville, Michigan	0.0414	—	0.0460	—	0.0561
	Corunna or Sarnia Terminal, Ontario	0.0419	—	0.0466	—	0.0568
	Nanticoke, Ontario	—	—	0.0604	—	0.0737
	West Seneca, New York	—	—	0.0620	—	0.0756
Regina Terminal, Saskatchewan	Clearbrook, Minnesota	—	—	0.0278	—	0.0339
	Superior, Wisconsin	—	—	0.0278	—	0.0339
	Lockport, Illinois	—	—	0.0278	—	0.0339
	Mokena, Illinois	—	—	0.0278	—	0.0339
	Flanagan, Illinois	—	—	0.0278	—	0.0339
	Griffith, Indiana	—	—	0.0278	—	0.0339
	Stockbridge, Michigan	—	—	0.0278	—	0.0339
	Rapid River, Michigan	—	—	—	—	—
	Marysville, Michigan	—	—	0.0278	—	0.0339
	Corunna or Sarnia Terminal, Ontario	—	—	0.0284	—	0.0347
	Nanticoke, Ontario	—	—	0.0423	—	0.0515
	West Seneca, New York	—	—	0.0438	—	0.0535

Schedule " F" (Part 2) - IJT Surcharges in U.S. Dollars per Barrel-continued

IJT - SURCHARGES
($USD PER BARREL)

FROM	TO	RATE				
		NGL	CDN	LIGHT	MEDIUM	HEAVY
Cromer Terminal, Manitoba	Clearbrook, Minnesota	—	—	0.0147	0.0159	0.0179
	Superior, Wisconsin	0.0132	—	0.0147	0.0159	0.0179
	Lockport, Illinois	—	—	0.0147	0.0159	0.0179
	Mokena, Illinois	—	—	0.0147	0.0159	0.0179
	Flanagan, Illinois	—	—	0.0147	0.0159	0.0179
	Griffith, Indiana	—	—	0.0147	0.0159	0.0179
	Stockbridge, Michigan	—	—	0.0147	0.0159	0.0179
	Rapid River, Michigan	0.0132	—	—	—	—
	Marysville, Michigan	0.0132	—	0.0147	0.0159	0.0179
	Corunna or Sarnia Terminal, Ontario	0.0138	—	0.0153	0.0165	0.0187
	Nanticoke, Ontario	—	—	0.0291	0.0315	0.0356
	West Seneca, New York	—	—	0.0307	0.0332	0.0375

Schedule " F" (Part 3) - CLT Surcharges in Canadian Dollars per Cubic Meter

CLT-LIGHT CRUDE SURCHARGE
($CDN PER CUBIC METER)

To (Delivery Points) ↗	**▪▪From (Receipt Points)**							
	Edmonton Terminal, AIB	Hardisty Terminal, AIB	Kerrobert Station, SK	Regina Terminal, SK	Cromer Terminal, MB	International Boundary near Sarnia, ON	Sarnia Terminal, ON	Westover, ON
Edmonton Terminal, AB	—	—	—	—	—	—	—	—
Hardisty Terminal, AB	0.057	—	—	—	—	—	—	—
Kerrobert Station, SK	0.113	0.057	—	—	—	—	—	—
Milden, SK	0.150	0.094	—	—	—	—	—	—
Stony Beach Take-off, SK	0.228	0.171	0.114	—	—	—	—	—
Regina Terminal, SK	0.228	0.171	0.114	—	—	—	—	—
Gretna Station, MB	0.402	—	—	0.174	—	—	—	—
International Boundary near Gretna, MB	0.403	0.346	0.289	0.175	0.092	—	—	—
Corunna or Sarnia Terminal, ON	0.406	0.350	0.293	0.179	0.096	0.004	—	—
Nanticoke, ON	0.493	0.437	0.380	0.266	0.183	0.091	0.087	0.025
International Boundary near Chippawa, ON	0.503	0.447	0.390	0.276	0.193	0.101	0.097	0.034

CLT - MEDIUM CRUDE SURCHARGE
($CDN PER CUBIC METRE)

To (Delivery Points) →	**▪▪From (Receipt Points)**				
	Edmonton Terminal, AB	Hardisty Terminal, AIB	Cromer Terminal, MB	International Boundary near Sarnia, ON	Westover, ON
Edmonton Terminal, AB	—	—	—	—	—
Hardisty Terminal, AB	0.061	—	—	—	—
Kerrobert Station, SK	—	0.061	—	—	—
Stony Beach Take-off, SK	0.246	0.185	—	—	—
Regina Terminal, SK	0.246	0.185	—	—	—
International Boundary near Gretna, MB	0.435	0.374	0.100	—	—
Corunna or Sarnia Terminal, ON	0.439	0.378	0.104	0.004	—
Nanticoke, ON	0.533	0.472	0.198	0.098	0.027
International Boundary near Chippawa, ON	0.544	0.483	0.209	0.109	0.037

Schedule " F" (Part 3) - CLT Surcharges in Canadian Dollars per Cubic Meter-continued

CLT-HEAVY CRUDE SURCHARGE
($CDN PER CUBIC METER)

To (Delivery Points) ↗	▪▪From (Receipt Points) □ □					
	Edmonton Terminal, Alberta	Hardisty Terminal, Alberta	Kerrobert Station, Saskatchewan	Regina Terminal, Saskatchewan	Cromer Terminal, Manitoba	Internationl Boundary near Sarnia, Ontario
Edmonton Terminal, AB	—	—	—	—	—	—
Hardisty Terminal, AB	0.069	—	—	—	—	—
Kerrobert Station, SK	0.138	0.069	—	—	—	—
Stony Beach Take-off, SK	0.278	0.209	0.139	—	—	—
Regina Terminal, SK	0.278	0.209	0.139	—	—	—
International Boundary near Gretna, MB	0.491	0.422	0.353	0.213	0.113	—
Corunna or Sarnia Terminal, ON	0.496	0.427	0.357	0.218	0.118	0.005
Nanticoke, ON	0.602	0.533	0.463	0.324	0.224	0.111
International Boundary near Chippawa, ON	0.614	0.545	0.476	0.336	0.236	0.123

CLT - GASOLINE AND CONDENSATE SURCHARGE
($CDN PER CUBIC METRE)

To (Delivery Points) ↗	▪▪From (Receipt Points) □ □				
	Edmonton Terminal, AIB	Hardisty Terminal, AIB	Regina Terminal, SK	International Boundary near Sarnia, ON	Sarnia Terminal, ON
Edmonton Terminal, AB	—	—	—	—	—
Hardisty Terminal, AB	0.052	—	—	—	—
Kerrobert Station, SK	0.104	0.052	—	—	—
Milden, SK	0.138	—	—	—	—
Stony Beach Take-off, SK	0.209	—	—	—	—
Regina Terminal, SK	0.209	—	—	—	—
Gretna Station, MB	0.369	—	0.160	—	—
International Boundary near Gretna, MB	0.370	—	—	—	—
Corunna or Sarnia Terminal, ON	0.374	—	—	0.004	—
Nanticoke, Ontario	0.454	—	—	0.084	0.080
International Boundary near Chippawa, Ontario	0.463	—	—	0.093	0.089

CLT - NATURAL GAS LIQUIDS SURCHARGE
($CDN PER CUBIC METRE)

To (Delivery Points) ↗	**▪From (Receipt Points) ▯**		
	Edmonton Terminal, AB	Kerrobert Station, SK	Cromer Terminal, MB
International Boundary near Gretna, MBnitoba	0.362	0.260	0.083
Corunna or Sarnia Terminal, Ontario	0.366	0.264	0.087

Schedule " F" (Part 4) - CLT Surcharges in Canadian Dollars per Barrel

CLT - LIGHT CRUDE SURCHARGE
($CDN PER BARREL)

	Edmonton Terminal, AIB	Hardisty Terminal, AIB	Kerrobert Station, SK	Regina Terminal, SK	Cromer Terminal, MB	International Boundary near Sarnia, ON	Sarnia Terminal, ON	Westover, ON
Edmonton Terminal, AB	—	—	—	—	—	—	—	—
Hardisty Terminal, AB	0.009	—	—	—	—	—	—	—
Kerrobert Station, SK	0.018	0.009	—	—	—	—	—	—
Milden, SK	0.024	0.015	—	—	—	—	—	—
Stony Beach Take-off, SK	0.036	0.027	0.018	—	—	—	—	—
Regina Terminal, SK	0.036	0.027	0.018	—	—	—	—	—
Gretna Station, MB	0.064	—	—	0.028	—	—	—	—
International Boundary near Gretna, MB	0.064	0.055	0.046	0.028	0.015	—	—	—
Corunna or Sarnia Terminal, ON	0.065	0.056	0.047	0.028	0.015	0.001	—	—
Nanticoke, ON	0.078	0.069	0.060	0.042	0.029	0.014	0.014	0.004
International Boundary near Chippawa, ON	0.080	0.071	0.062	0.044	0.031	0.016	0.015	0.005

CLT - MEDIUM CRUDE SURCHARGE
($CDN PER BARREL)

To (Delivery Points) ↗	**▪▪From (Receipt Points) □ □**				
	Edmonton Terminal, AIB	Hardisty Terminal, AB	Cromer Terminal, MB	International Boundary near Sarnia, ON	Westover, ON
Edmonton Terminal, AB	—	—	—	—	—
Hardisty Terminal, AB	0.010	—	—	—	—
Kerrobert Station, SK	—	0.010	—	—	—
Stony Beach Take-off, SK	0.039	0.029	—	—	—
Regina Terminal, SK	0.039	0.029	—	—	—
International Boundary near Gretna, MB	0.069	0.059	0.016	—	—
Corunna or Sarnia Terminal, ON	0.070	0.060	0.017	0.001	—
Nanticoke, ON	0.085	0.075	0.031	0.016	0.004
International Boundary near Chippawa, ON	0.086	0.077	0.033	0.017	0.006

Schedule " F" (Part 4) - CLT Surcharges in Canadian Dollars per Barrel-continued

CLT - HEAVY CRUDE SURCHARGE
($CDN PER BARREL)

To (Delivery Points) ↗	▪▪From (Receipt Points) □ □					
	Edmonton Terminal, AIB	Hardisty Terminal, AIB	Kerrobert Station, SK	Regina Terminal, SK	Cromer Terminal, MB	International Boundary near Sarnia, ON
Edmonton Terminal, AB	—	—	—	—	—	—
Hardisty Terminal, AB	0.011	—	—	—	—	—
Kerrobert Station, SK	0.022	0.011	—	—	—	—
Stony Beach Take-off, SK	0.044	0.033	0.022	—	—	—
Regina Terminal, SK	0.044	0.033	0.022	—	—	—
International Boundary near Gretna, MB	0.078	0.067	0.056	0.034	0.018	—
Corunna or Sarnia Terminal, ON	0.079	0.068	0.057	0.035	0.019	0.001
Nanticoke, Ontario	0.096	0.085	0.074	0.052	0.036	0.018
International Boundary near Chippawa, ON	0.098	0.087	0.076	0.053	0.038	0.020

CLT - GASOLINE AND CONDENSATE SURCHARGE
($CDN PER BARREL)

To (Delivery Points) ↗	▪▪From (Receipt Points) □ □				
	Edmonton Terminal, AB	Hardisty Terminal, AB	Regina Terminal, SK	International Boundary near Sarnia, ON	Sarnia Terminal, ON
Edmonton Terminal, AB	—	—	—	—	—
Hardisty Terminal, AB	0.008	—	—	—	—
Kerrobert Station, SK	0.017	0.008	—	—	—
Milden, SK	0.022	—	—	—	—
Stony Beach Take-off, SK	0.033	—	—	—	—
Regina Terminal, SK	0.033	—	—	—	—
Gretna Station, MB	0.059	—	0.025	—	—
International Boundary near Gretna, MB	0.059	—	—	—	—
Corunna or Sarnia Terminal, ON	0.059	—	—	0.001	—
Nanticoke, ON	0.072	—	—	0.013	0.013
International Boundary near Chippawa, ON	0.074	—	—	0.015	0.014

CLT - NATURAL GAS LIQUIDS SURCHARGE
($CDN PER BARREL)

To (Delivery Points) ↗	**▪From (Receipt Points) ▯**		
	Edmonton Terminal, AB	Kerrobert Station, SK	Cromer Terminal, MB
International Boundary near Gretna, Manitoba	0.058	0.041	0.013
Corunna or Sarnia Terminal, ON	0.058	0.042	0.014

SCHEDULE "G" – ENBRIDGE MAINLINE REFERENCE CAPACITIES

As of December 31, 2010 excluding temporary capacity restrictions:

Upstream Pipeline Capacity

a) Line 1 - 240 kbpd
b) Line 2 - 440 kbdp
c) Line 3 - 390 kbpd
d) Line 4 - 800 kbpd
e) Line 67 - 450 kbpd
f) Line 65 - 185 kbpd

Downstream Pipeline Capacity:

a) Line 5 - 490 kbpd
b) Line 6A - 670 kbpd
c) Line 6B - 290 kbpd
d) Line 14/64 - 320 kbpd
e) Line 61 - 320 kbpd
f) Line 62 - 130 kbpd
g) Line 7 - 150 kbpd
h) Line 10 - 70 kbpd
i) Line 11 - 120 kbpd

SCHEDULE "H" - CANADIAN AGREEMENTS

	Agreement	Relevant Dates	Applicable Depreciation Term/End Date(s)
1	System Expansion Project (SEP) I	SEP I assets in-service December 1, 1996	Canadian Mainline Depreciation Truncation date of 2039
2	IPL/LPL and CAPP SEP II Risk Sharing Agreement dated December 8, 1998	Agreement begins January 1, 1999 and has 15 year term	Canadian Mainline Depreciation Truncation date of 2039
3	Terrace Toll Agreement Statement of Principles dated October 21, 1998	Terrace Surcharge ends December 31, 2013	Terrace Phases Depreciation Truncation date of Dec 31, 2024 (25 years)
4	Alberta Clipper Canada Settlement dated June 28, 2007	Alberta Clipper assets in-service April 1, 2010 and agreement has 15 year term	Depreciation calculated over 30 years
5	Line 4 Extension Settlement dated June 28, 2007	Line 4 Extension assets in-service April 1, 2009 and agreement has 15 year term	Depreciation calculated over 30 years
6	Southern Access Enbridge Pipelines Surcharge Terms (Appendix A of the Mainline Expansion Toll Mechanism dated January 31, 2008)	Southern Access assets in-service May 31, 2008 and agreement has 30 year term	Depreciation calculated over 30 years
7	2011 ITS dated April 1, 2011	Effective to tolls from April 1, 2011 to December 31, 2011	Canadian Mainline Depreciation Truncation date of 2039

SCHEDULE "I" - U.S. AGREEMENTS

A	Facility Surcharge Mechanism Agreement inclusive of the following:	Relevant Dates	Applicable Depreciation Term/End Date(s)
1	Superior Manifold Modification Project-FERC Docket No. 0R04-2	Assets included in 2004 filing	*Depreciation truncation date calculated as 2031 based on 2006 Lakehead System Depreciation Study
2	Griffith Hartsdale Transfer Lines Project-FERC Docket No, 0R04-02	Assets included in 2004 toll filing	*Depreciation truncation date calculated as 2031 based on 2006 Lakehead System Depreciation Study
3	Hartsdale Lease Tanks-FERC Docket No. 0R04-02	Lease tanks in-service in January 2004. Agreement expires December 31, 2012 with option to renew for 1 year	*Depreciation truncation date calculated as 2031 based on 2006 Lakehead System Depreciation Study
4	Southern Access Mainline Expansion Surcharge Terms (Exhibit III of Offers of Settlement)-FERC Docket No. 0R06-03	Southern Access assets in-service April 1, 2008 and agreement has a 30 year term	Depreciation calculated over 30 years per agreement
5	Tank 34 at Superior Terminal & Tank 79 at Griffith Terminal-FERC Docket No. 0R08-10	Assets included in 2008 filing	*Depreciation truncation date calculated as 2031 based on 2006 Lakehead System Depreciation Study
6	Clearbrook Manifold-FERC Docket No. 0R08-10	Assets included in 2008 filing	*Depreciation truncation date calculated as 2031 based on 2006 Lakehead System Depreciation Study
7	Tank 35 at Superior Terminal & Tank 80 at Griffith Terminal-FERC Docket No. 0R08-10	Assets included in 2008 filing	*Depreciation truncation date calculated as 2031 based on 2006 Lakehead System Depreciation Study
8	Alberta Clipper U.S. Expansion (U.S. Term Sheet dated June 28, 2007)-FERC Docket No, 0R08-10	Alberta Clipper assets in-service April 1, 2010 and agreement has 15 year term	Depreciation calculated over 30 years per agreement
9	Line 3 Conversion Project-FERC Docket No, 0R10-7	Assets included in 2010 filing	*Depreciation truncation date calculated as 2031 based on 2006 Lakehead System Depreciation Study
10	Line 6B Capital/Integrity-FERC Docket No. 0R11-5-000	Assets included in 2011 filing	Depreciation calculated over 30 years per agreement
B	**The 1998 Offer of Settlement FERC Docket No. 0R99-2, subsequently approved by FERC by letter dated December 21, 1998 inclusive of the following:**	**Relevant Dates**	
1	SEP II Expansion Surcharge (1998 Offer of Settlement)	SEP II assets in-service January 1, 1998 and agreement has 15 year term	Remaining life of 7 years upon expiry of agreement in 2013
2	Terrace Toll Agreement Statement of Principles dated October 21, 1998	Terrace Surcharge ends December 31, 2013	Terrace Phases Depreciation Truncation date of Dec 31, 2024 (25 years)
3	350 Centistoke Agreement (1998 Offer of Settlement)	Assets included in 1998 filing	*Depreciation truncation date calculated as 2031 based on 2006 Lakehead System Depreciation Study
4	Southern Access Quality Guarantee	Assets included in 2008 filing	*Depreciation truncation date calculated as 2031 based on 2006 Lakehead System Depreciation Study
C	**The 1996 Offer of Settlement FERC Docket Nos. IS92-27, et al., subsequently approved by FERC by letter dated October 18, 1996 inclusive of the following:**	**Relevant Dates**	**Applicable Depreciation Term/End Date(s)**
1	Integrity Non-Routine Adjustments (Appendix E of 1996 Offer of Settlement)	Assets and costs which were included under the 1996 Settlement Agreement executed August 28, 1996	*Depreciation truncation date calculated as 2031 based on 2006 Lakehead System Depreciation Study
Note*-Subject to future FERC approved depreciation studies			

SCHEDULE "J" – ILLUSTRATIVE EXAMPLE OF APPLICATION OF CTS vs. CANADIAN AGREEMENT

Assumptions for Project A:

1. Project A agreement dated November 30, 2009 has a 30 year term commencing January 1, 2010 and ending December 31, 2040.
2. The Agreement stated straight line depreciation over 30 years at a depreciation rate of 3 1/3rd % annually.
3. Rate base is equal to the Net Book Value of Project A capital assets.
4. The capital cost of Project A at January 1, 2010 is $50,000,000.
5. All power and operating costs are flow through except as otherwise agreed.
6. The agreed to fixed operating costs charges to Project A were agreed to be $3,000,000 for the calendar year ending December 31, 2010 and are allowed to escalate at 50% of the GDPP Index annually.
7. The CTS supersedes the Project A agreement from July 1, 2011 to June 30, 2021.
8. From January 1, 2010 to December 31, 2021 $1 million of actual capital costs are spent on the Project A assets annually for maintenance and integrity – assume additions occur evenly throughout each year.
9. GDPP Index is 3% annually

Based on the above assumptions, at the end of the CTS on July 1, 2021, the following Project A terms would be relevant:

1) The approximate rate base would be $40,150,538 based on the following schedule:

PERIOD	DATE	Rate Base at Period End	Additions for Period Ending	Depreciation for Period Ending
0	January 1, 2010	$50,000,000	N/A	N/A
1	December 31, 2010	49,318,350	$1,000,000	1,681,650
2	June 30, 2011	48,965,038	$500,000	853,313
3	June 30, 2012	48,233,438	$1,000,000	1,731,600
4	June 30, 2013	47,468,538	$1,000,000	1,764,900
5	June 30, 2014	46,670,338	$1,000,000	1,798,200
6	June 30, 2015	45,838,838	$1,000,000	1,831,500
7	June 30, 2016	44,974,038	$1,000,000	1,864,800
8	June 30, 2017	44,075,938	$1,000,000	1,898,100
9	June 30, 2018	43,144,538	$1,000,000	1,931,400
10	June 30, 2019	42,179,838	$1,000,000	1,964,700
11	June 30, 2020	41,181,838	$1,000,000	1,998,800
12	June 30, 2021	40,150,538	$1,000,000	2,031,300
13	December 31, 2021	39,642,400	$500,000	1,028,138

2) The fixed operating cost charges that will be allocated to Project A for the period from July 1, 2021 to December 31, 2021 would be $1,766,923.40 ($3,533,846.80X 50%) based on the following schedule:

YEAR	Date	Fixed Operating Costs Allowed	50% of GDPP Index
0	December 31, 2010	$3,000,000	
1	December 31, 2011	$3,045,000	1.5%
2	December 31, 2012	$3,090,675	1.5%
3	December 31, 2013	$3,137,035.10	1.5%
4	December 31, 2014	$3,184,090.70	1.5%
5	December 31, 2015	$3,231,852	1.5%
6	December 31, 2016	$3,280,329.80	1.5%
7	December 31, 2017	$3,329,534.80	1.5%
8	December 31, 2018	$3,379,477.80	1.5%
9	December 31, 2019	$3,430,169.90	1.5%
10	December 31, 2020	$3,481,622.50	1.5%
11	December 31, 2021	$3,533,846.80	1.5%

SCHEDULE "K" – ILLUSTRATIVE EXAMPLES OF CAPITAL EXPENDITURES UNDER SECTION 16.3 & 16.4

Example #1 – Section 16.3

Assumptions:

1. The Representative Shipper Group has requested that Enbridge expand capacity on the Enbridge Mainline by 150,000 barrels per day by December 31, 2017.

2. Enbridge has completed a capital cost estimate that the project will cost approximately$500,000,000 – ½ in Canada and ½ in the U.S.

Per Section 16.3, the anticipated capital cost of the project will exceed $250,000,000. As a result, Enbridge would be required to work with the Representative Shipper Group to negotiate any adjustment to the applicable IJT and CLT.

Conclusion: Enbridge would negotiate with the Representative Shipper Group to determine if the IJT and CLT need to be adjusted.

Example #2 – Section 16.4

Assumptions:

1. One shipper, Shipper Z, has requested that Enbridge increase receipt tankage at the Edmonton terminal on the Canadian Mainline to accommodate incremental volumes of 15,000 barrels per day by June 30, 2015 from a new production area.

2. Enbridge has reviewed the service request details and is not confident that the 15,000 barrels per day of anticipated increased volumes will be required by June 30, 2015 and is uncertain, if such volumes are received on the Enbridge Mainline at the Edmonton Terminal, when the volumes would exit the Enbridge Mainline. As such, the economic benefit to Enbridge and the overall benefit of adding additional tanks into the Canadian Mainline rate base cannot be confirmed.

3. Shipper Z and Enbridge are prepared to enter into a Backstopping Agreement to support the tankage service request on the following terms, consistent with Section 16:

    a. 10 year term beginning July 1, 2015 to the earlier of June 30, 2025 or such time as all financial commitments of Shipper Z under the Backstopping Agreement have been fulfilled.

    b. Based on a capital structure of 45% equity

    c. Cost of debt of 6%

    d. Enbridge will accept a return of 13% return on equity based on the overall risks assumed

    e. Effectively amortize the cost of the capital over the 10 year term of the agreement; Revenue in Excess of the Revenue Requirement will be applied to the capital balance at the end of each year such excess is generated.

    f. Shipper Z will backstop based on 15,000 barrels per day – assumes that barrels enter the Enbridge Mainline in Edmonton and are transported to Chicago area with an initial toll of$4.50 per barrel increasing @ 2.25% per year, less incremental operating costs.

    g. Incremental operating cost (power) is initially $1.00 per barrel escalating at 2.25% per year.

    h. To accommodate the incremental volumes, Enbridge constructed a new tank at the Edmonton Terminal for a cost $80,000,000 with an in-service date of July 1, 2015

    i. Annual incremental operating costs were $500,000 in the first year increasing at 3% per year.

    j. The Tankage expenditures result in an 8% CCA class and the tax rate is 25% for all year. k. Upon fulfillment of all commitments by Shipper Z under the Backstopping Agreement, the net present value of the future CCA will be paid as a credit to Shipper Z.

Conclusion:

Based on the above assumptions and the delivery profile outlined below, the following table outlines the annual financial outcome:

Year Ended	Average Daily Barrels	Revenue Requirement (including incremental asset operating costs)	Revenue Generated (less incremental transportation costs)	Excess Revenue (net of tax)/(Shortfall Payment) (grossed up for tax)	Cumulative Capital Recovered (including net Excess Revenue)
June 30, 2016	11,000	18,533	14,053	(5,972)	8,000
June 30, 2017	12,000	16,680	15,675	(1,339)	16,000
June 30, 2018	12,000	15,971	16,028	42	24,042
June 30, 2019	13,000	15,245	17,754	1,882	33,924
June 30, 2020	12,500	14,303	17,455	2,364	44,288
June 30, 2021	13,000	13,297	18,562	3,948	56,237
June 30, 2022	14,000	12,106	20,439	6,250	70,487
June 30, 2023	15,000	6,778	14,395	11,711	80,000
July 31, 2023	N/A	(5000)*	N/A	N/A	N/A
June 30, 2024	N/A	N/A	N/A	N/A	N/A
June 30, 2025	N/A	N/A	N/A	N/A	N/A

***- Capital payout achieved at end of preceding contract year. Agreement is terminated and shipper is paid out present value of future capital cost allowance deductions.**

SCHEDULE "L" – ILLUSTRATIVE EXAMPLES OF CALCULATION OF MINIMUM THRESHOLD VOLUMES

Minimum Threshold Volumes Example #1

Assumptions:

1. Enbridge Mainline throughput ex-Gretna has been at 1,275,000 barrels per day on average for the 9 month period ending July 31, 2016.

2. The Enbridge Mainline has received 325,000 barrels per day of the Bakken/ Three Forks U.S. production on average for the same 9 month period ending July 31, 2016.

3. All the Bakken/ Three Forks U.S. production received on the Enbridge Mainline for the nine month period ending July 31, 2016 were delivered into Northern PADD II or Sarnia.

4. There are no other adjustments to the Minimum Threshold Volume.

Based on the above assumptions, the applicable Minimum Threshold Volume would be:

- 1,350,000 barrels per day (per Section 19.1 – after December 31, 2014)
- Less 20,000 barrels per day (per Section 19.2 – reduced by the amount that Bakken Three Forks US receipts exceed 305,000 barrels per day)

= **Minimum Threshold Volumes of 1,330,000 barrels per day**

Conclusion: Enbridge would be in a position to provide a Renegotiation Notice.

Minimum Threshold Volumes Example #2

Assumptions:

1. Enbridge Mainline throughput ex-Gretna has been at 1,200,000 barrels per day on average for the 9 month period ending December 31, 2012.

2. The Enbridge Mainline has received 385,000 barrels per day of the Bakken/ Three Forks U.S. production on average for the same 9 month period ending December 31, 2012.

3. 20,000 barrels per day of the Bakken/ Three Forks U.S. production received on the Enbridge Mainline for the nine month period ending December 31, 2012 were delivered into Mustang.

4. 365,000 barrels per day of the Bakken/ Three Forks U.S. production received on the Enbridge Mainline for the nine month period ending December 31, 2012 were delivered into Northern PADD II or Sarnia.

5. There are no other adjustments to the Minimum Threshold Volume.

Based on the above assumptions, the applicable Minimum Threshold Volume would be

- 1,250,000 barrels per day (per Section 19.1 – before December 31, 2014)
- Less 60,000 barrels per day (per Section 19.2 – reduced by the amount that Bakken Three Forks U.S. receipts exceed 305,000 barrels per day delivered into PADD II or Sarnia

= **Minimum Threshold Volumes of 1,190,000 barrels per day**

Conclusion: Enbridge would NOT be in a position to provide a Renegotiation Notice.

Minimum Threshold Volumes Example #3

Assumptions:

1. On May 31, 2013 flooding of the Red River in Manitoba, significantly impacted the Canadian Mainline, in a manner that was beyond reasonable design or operational considerations and reduced throughput ex-Gretna to 1,000,000 barrels per day. Enbridge has undertaken its best efforts, which are considered reasonable by industry standards, between May 31, 2013 and

February 28, 2014 to repair the damage and remove all pressure restrictions.

2. Enbridge Mainline throughput ex-Gretna was 1,500,000 barrels per day on average for the 9 month period ending May 30, 2013.

3. Enbridge Mainline throughput ex-Gretna was 1,000,000 barrels per day on average for the 9 month period ending February 28, 2014.

4. There are no other adjustments to the Minimum Threshold Volume.

Based on the above assumptions, the applicable Minimum Threshold Volume would be:

- 1,250,000 barrels per day (per Section 19.1 – before December 31, 2014)
- There is no adjustment to the Minimum Threshold Volume for capacity loss on the Enbridge Mainline pursuant to Section 19.5 since the capacity loss was due to a Force Majeure event.

= **Minimum Threshold Volumes of 1,250,000 barrels per day**

Conclusion: Enbridge would be in a position to provide a Renegotiation Notice.

SCHEDULE "M" – MAINLINE CAPITAL REPORTING TEMPLATE

	A	B	C	D
1	**Capital Project AFE Number**	**Capital Project Expenditure in Prior years**	**Capital Project Expenditure during Past Calendar Year**	**Capital Project Expenditure Forecast for Current Calendar Year**
2	Canadian Mainline: Each Project AFE in excess of $50 M in Canadian $			
3	Project A	CDN$ in 2010 & prior	CDN$ in 2011	CDN$ in 2012
4	Project B	CDN$ in 2010 & prior	CDN$ in 2011	CDN$ in 2012
5	Project C	CDN$ in 2010 & prior	CDN$ in 2011	CDN$ in 2012
6	Canadian Mainline: Total of Shipper Supported Capital Projects less than $50 M per project in Canadian $			
7	Sum of all other AFEs			
8	**Total**			
9	Lakehead System: Each Project AFE in excess of $50 M in US$			
10	Project X	US$ in 2010 & prior	US$ in 2011	US$ in 2012
11	Project Y	US$ in 2010 & prior	US$ in 2011	US$ in 2012
12	Project Z	US$ in 2010 & prior	US$ in 2011	US$ in 2012
13	Lakehead System: Total of Shipper Supported Capital Projects less than $50 M per project in US$			
14	Sum of all other AFEs			
15	**Total**			

Note: Example provided for reporting in February 2012.

Amounts in columns B & C will be actual results while amounts in columns D will be forecast and subject to amendment/change.

SCHEDULE “N” – ENBRIDGE SERVICE LEVELS

Enbridge Pipelines Inc.
Enbridge Energy Partners, L.P.
Enbridge Pipelines (Toledo) Inc.

Service Levels

April, 2011

1. INTRODUCTION

This document provides information respecting Enbridge's operation and service levels.

The Service Levels and system operation are based on the system configuration in place for the second quarter of 2011. The actual service of the pipeline on a day-to-day basis will depend on numerous variables. Enbridge will use reasonable efforts to operate the pipeline system in accordance with current Service Levels.

As changes occur to the pipeline system configuration and operation, or customer requirements, Service Level revisions will be undertaken to reflect such changes.

Enbridge is obligated to provide transportation service pursuant to the terms and conditions specified by the tariff Rules and Regulations, on file with the National Energy Board (NEB). Service Levels provided in this document are not intended to amend the tariff Rules and Regulations.

The Service Levels described encompass both the Enbridge Canadian and United States (U.S.) Mainline[1] transportation systems. The service references for Lakehead[2] are not intended to amend the service rules and regulations outlined in Lakehead's tariff, on file with the Federal Energy Regulatory Commission (FERC).

The Enbridge Service Levels described in this document are broken into three sections: Operations, Procedures and Reporting, and Communications. The Operations section describes movement associated with the current Mainline System operation. For the commodities shipped on the system this section describes normal line routings, transit times, tankage considerations and batch management. The Procedures and Reporting section outlines scheduling events, supply control activities and other general movement information. The Communication section provides a statement on the general principles around communication to Enbridge's customer base.

[1] Enbridge Pipelines Inc., Enbridge Energy Partners, L.P., and Enbridge Pipelines (Toledo) Inc.

[2] Enbridge Energy Partners, L.P.

2. OPERATIONS

A. General

Enbridge provides transportation service using a batched system to retain commodity integrity and shipper ownership for a wide variety of Crude Petroleum, Refined Products and Natural Gas Liquids (NGL). The Enbridge system is a supply driven system, with shippers (producers, marketers and refiners) nominating supplies onto the system on a monthly basis. These supplies are scheduled and routed through the system to identified delivery locations. Nominations for local transfers through an Enbridge terminal are routed as operating conditions allow. During the month supplies are received from feeder pipelines/transfer facilities into the various Enbridge receipt facilities where the supplies are aggregated for shipment and/or directly injected into the Mainline System. Subject to the operating conditions of the pipeline system, shippers may request changes to injection and delivery location, volume and commodity type on receipt and delivery and ownership, which may result in operational adjustments.

B. Ratability

Enbridge's objective is to operate its system so that nominations are pumped and delivered on a ratable and predictable basis. Delivery ratability and predictability are primarily dependent upon ratable supply into Enbridge. Supply ratability can affect Enbridge's ability to meet the Service Levels described below.

C. Commodity Receipt Summary (Tables 1A and 1B)

The Enbridge system transports a wide variety of commodities, including both Canadian and U.S. receipts. Tables 1A and 1B depict the current approved receipt commodities with their acronyms, receipt locations, and feeder pipeline/transfer facilities on both the Enbridge and Lakehead transportation systems. New commodities not in the table must be applied for through the applicable service request procedure. Commodities not shipped for a period of time or which revert to a commingled stream are subject to removal from the table, and will be required to be re-applied for to be re-instated.

D. Commodity Routing Summary by Pipeline Segment (Table 2)

Enbridge provides batch transportation service where commodities are segregated according to quality specifications and standards to minimize interfacial contamination between batches and track batch ownership.

Individual pipeline segments comprising the Enbridge Mainline System are used to transport specific commodities. Allocation of commodities to these pipelines is dependent upon several factors, including but not limited to petroleum quality, supply, tankage constraints, connectivity, receipt and delivery patterns, ratability, apportionment and power costs.

Enbridge reserves the right to revise commodity allocations to optimize pipeline operations in a fair and equitable manner.

The summary provided in Table 2 provides the base Service Level routings and permissible routing of commodities. A schematic system diagram is attached to this table (as Figure 1) and describes the general commodity slate for each pipeline segment.

E. General Pipeline Operations

The following outlines pipeline operations for each pipeline segment.

Upstream of Superior Pipelines

Line 1 (Edmonton to Superior)

Line 1 originates at Edmonton and extends to Superior, Wisconsin transporting natural gas liquids (NGL), refined products, synthetics and required synthetic buffers. There are six refined products cycles (three gasoline and three distillate cycles) and six NGL cycles per month. All NGL and refined product volumes are pumped as a direct receipt from feeder pipeline or connected refineries.

- Refined products are injected at Edmonton and Regina and are delivered at Milden Take-off, Regina and Gretna.
- NGL is injected at Edmonton, Kerrobert and Cromer and is transported to breakout facilities at Superior Terminal.

All crude volumes access breakout tankage at Superior before being re-pumped over Lines 5, 6, 14 or 61, or as tank transfer deliveries to Murphy. NGL advances through the NGL spheres to be re-pumped over Line 5 or as sphere transfer deliveries to BP- NGL.

Line 2 (Edmonton to Superior)

The pipeline segment from Edmonton to Cromer is referred to as Line 2A and the pipeline segment from Cromer to Superior is referred to as Line 2B. All Line 2A volumes breakout into Cromer tankage before being re-pumped on Line 2B.

Line 2A (Edmonton to Cromer)

- Line 2A originates at Edmonton and pumps condensate, light synthetic, sweet, light sour and high sour batches. Batches are scheduled to pump with compatible crude types adjacent to one another, if available.
- At Hardisty, deliveries of condensate, light synthetic, sweet, light sour and high sour crude batches may be scheduled to Express Pipeline, Hardisty Caverns, L.P., Gibsons, Husky, Flint Hills Resources, Enbridge Hardisty Contract Terminal, or Enbridge Mainline tankage. During deliveries, if possible, injections of light synthetic are scheduled simultaneously to optimize Line 2 operations.
- At Kerrobert, deliveries of condensate to Plains occur simultaneously, if possible, with sweet injections.

- At Regina, deliveries of condensate to Plains and light synthetic crudes to Consumers Co-op or Wascana Pipeline occur simultaneously, if possible, with light synthetic or high sour injections.
- At Cromer, all incoming Line 2A volumes access breakout tankage.

Line 2B (Cromer to Superior)

- At Cromer all Line 2A volumes along with sweet and light sour receipts entering the system at Cromer are rescheduled and reinjected on a daily cycle including condensate, light synthetic, sweet, light sour and high sour receipts.
- At Clearbrook, mostly light synthetic along with some sweet and high sour batches are delivered to Minnesota Pipeline. During these Line 2 deliveries "windows" U.S. sweet volumes are injected. There is also the ability to inject light sour and medium crude coming from Line 65 via Clearbrook tankage if necessary.
- At Superior, the volumes access breakout tankage and are scheduled to re-pump over Lines 5, 6, 14, or 61, or as tank transfer deliveries to Murphy.

Line 3 (Edmonton to Superior)

Line 3 originates at Edmonton and pumps condensate, light synthetic, sweet, light sour and high sour batches. Batches are scheduled to pump with compatible crude types adjacent to one another, if available.

At Hardisty, available deliveries of condensate, light synthetic, sweet, light sour and high sour batches may be scheduled to Express Pipeline, Gibsons, Husky and Flint Hills Resources. During these Line 3 deliveries “windows”, if possible, injections of high sour from Gibsons or light synthetic batches from Enbridge Mainline Tankage are scheduled to optimize Line 3 operations.

At Clearbrook, in the event that deliveries are scheduled off of Line 3, volumes coming from Line 65 via Clearbrook tankage may be injected. If required, U.S. sweet and/or volumes coming from Line 2B via Clearbrook tankage may also be injected. Line 3 cannot deliver to Clearbrook tankage.

At Superior, the volumes access breakout tankage and are scheduled to re-pump over Lines 5, 6, 14, or 61, or as tank transfer deliveries to Murphy.

Line 4 (Edmonton to Superior)

Line 4 originates at Edmonton and pumps heavy volumes received at Edmonton, Hardisty, Kerrobert and Regina. Some of the volumes originating at Hardisty and Kerrobert are scheduled for injection on a nominal 2-day cycle.

- At Edmonton available volumes of heavy are scheduled and pumped in each cycle. Sarnia Special volumes are pumped on an as-requested basis subject to the availability of receipt tankage.

- At Hardisty deliveries of heavy crude batches to Express Pipeline, Hardisty Caverns, L.P., Flint Hills Resources, Enbridge Hardisty Contract Terminal, and Gibsons are available off Line 4. Hardisty Line 4 injections from Gibsons, Husky, Flint Hills Resources, Hardisty Caverns, L.P., Enbridge Hardisty Contract Terminal, and Enbridge mainline tankage commence with Hardisty deliveries and are scheduled in a predetermined pattern each cycle. Upon completion of delivered and breakout volumes Line 4 is shutdown ex Edmonton.
- At Kerrobert, heavy volumes from Plains and Inter Pipeline are injected over Line4. Available deliveries to Plains are scheduled simultaneous with injections.
- At Stoney Beach heavy crude side stream deliveries are made to Gibsons.
- At Regina deliveries of heavy crude oil batches to Consumers Co-op and Wascana Pipeline are available from Line 4. To the extent possible, heavy injections are scheduled to occur simultaneously with scheduled deliveries.
- At Clearbrook Line 4 volumes are delivered to Minnesota Pipeline. During these deliveries U.S. medium and volumes coming from Line 65 via Clearbrook tankage may be injected. If required, quality trains of U.S. sweet and/or some sweet, light sour or high sour batches coming from Line 2B via Clearbrook tankage may also be injected. Line 4 cannot deliver to Clearbrook tankage.
- At Superior Line 4 incoming volumes access breakout tankage. Line 4 volumes are scheduled to re-pump over Lines 6, 14 or 61 or as tank transfer deliveries to Murphy.

Line 67 (Hardisty to Superior)

Line 67 originates at Hardisty and can pump heavy, heavy high tan, heavy low resid or cracked material to Clearbrook or Superior. It can also pump Edmonton heavies should they deliver to Enbridge Hardisty Contract Terminal or Enbridge Mainline tankage.

At Clearbrook Line 67 volumes can be delivered to Minnesota Pipeline. Line 67 cannot deliver to Clearbrook tankage.

At Superior Line 67 incoming volumes access breakout tankage. Line 67 volumes are scheduled to re-pump over Lines 6, 14 or 61 or as tank transfer deliveries to Murphy.

Line 65 (Cromer to Clearbrook)

Line 65 transports medium and light sour crude from Cromer to Clearbrook. All volumes that are not delivered to Minnesota Pipeline, access breakout tankage and can be reinjected on Lines 3, 4 or 2B for shipment to Superior.

Downstream of Superior Pipelines

Line 5 (Superior to Sarnia)

Line 5 transports condensate, light synthetic, sweet, light sour and NGL volumes destined for Sarnia and east of Sarnia delivery points. When possible, compatible batches are scheduled to pump adjacent to one another.

At Rapid River scheduled NGL volumes are side-stream delivered for stripping of their required components. Concurrent with the side stream deliveries are side stream injections of stripped NGL.

At Lewiston scheduled U.S. sweet volumes are injected.

After the scheduled deliveries have been made at Marysville and Sarnia area refineries the balance of the Line 5 incoming volumes access breakout tankage at Sarnia for subsequent movement on Line 7. When necessary, Line 5 and Line 6B delivery conflicts at Sarnia are directed to Enbridge tankage prior to being delivered directly to the refinery.

Line 61 (Superior to Flanagan)

Line 61 can transport all approved mainline commodities except NGL, refined products and cracked material.

At Flanagan all volumes access breakout tankage and are either reinjected on the Line 55 contract pipeline for movement to Cushing, Oklahoma or are reinjected on Line 62 for movement to Griffith/Hartsdale.

Line 62 (Flanagan to Griffith/Hartsdale)

Line 62 can transport heavy crude from Flanagan breakout tankage to Griffith / Hartsdale terminal. Volumes destined for delivery beyond Griffith/Hartsdale access breakout tankage for subsequent reinjection on Line 6B. Volumes can also access the BP Whiting refinery utilizing Griffith/Hartsdale delivery tankage.

Line 6 (Superior to Sarnia)

Line 6 transports volumes of heavy, heavy high tan and heavy low resid crudes for delivery in the Chicago area and those destined for delivery at Sarnia / Toronto / Buffalo area refineries. Quality trains of light synthetic and medium destined to Mustang Pipeline are also scheduled on Line 6 because it is the only line connected to Lockport terminal.

Line 6A (Superior to Griffith/Hartsdale)

- The pipeline segment from Superior to Griffith/Hartsdale is referred to as Line 6A.
- In the Chicago area, deliveries can be made at Lockport, Mokena and Griffith.
- Volumes delivered at Lockport can be pumped over Mustang Pipeline for subsequent movement from Lockport to Patoka.
- Volumes destined for delivery beyond the Chicago area access breakout tankage at Griffith/Hartsdale and are scheduled to pump ex Griffith. Deliveries destined for BP

Whiting utilize Griffith/Hartsdale delivery tankage for subsequent transfers to the refinery.

Line 6B (Griffith/Hartsdale to Sarnia)

- The pipeline segment from Griffith/Hartsdale to Sarnia is referred to as Line 6B.
- At Stockbridge volumes destined for Samaria and Toledo access breakout tankage for subsequent movement over Line 17.
- Scheduled Line 6B deliveries occur at Marysville and the Sarnia area refineries. The remaining Line 6B volumes destined for delivery east of Sarnia access breakout tankage at Sarnia for subsequent movement over Line 7 to connecting lines through Westover Terminal. When necessary, Line 6B and Line 5 delivery conflicts at Sarnia are directed to Enbridge tankage prior to being delivered directly to the refinery.

Line 14/64 (Superior to Griffith/Hartsdale)

Line 14/64 transports volumes ranging between condensate and medium crudes for delivery at Mokena and Griffith respectively. It is also possible for volumes transported on Line 64 to access breakout tankage at Griffith/Hartsdale for subsequent movement on Line 6B.

Even though the summary provided in Table 2 of this document (Commodity Routing Summary by Pipeline Segment) allows heavier commodities into Line 14/64, in normal operations it is considered a light crude oil line.

Line 17 (Stockbridge to Toledo)

Line 17 transports volumes of light sour, high sour, medium, heavy, heavy high tan, heavy low resid crude for delivery at Samaria and Toledo.

Line 7 (*Sarnia to Westover)*

Line 10 *(Westover to Kiantone)*

Line 11 *(Westover to Nanticoke)*

Volumes pumped over Line 7 access breakout tankage at Westover. These volumes are subsequently rescheduled to pump over Line 10 for delivery to United Refining at Kiantone and Line 11 for delivery to Imperial Oil at Nanticoke.

F. Predicted Pipeline Transit Times (Table 3)

Predicted transit times associated with service offered by Enbridge are provided on the Oil Movement Manager / Shipper Information System (OM2/SIS) Portal. Proxy transit times are updated weekly, and are based on original Notices of Shipment (NOS) and Revised Notices of Shipment.

Table 3 provides instructions for using the OM2/SIS Transit Time Calculator.

G. Minimum Batch Size (Table 4)

The nominal batch size in the Enbridge system is 10,000 m3 and is subject to nominations on each pipeline and feeder pipeline requests. Batch sizes are generally a function of the volume nominated, as well as the size and number of available receipt, break-out and delivery tanks for given commodities (both within the Enbridge Mainline System and with connected feeder pipelines and refineries).

Minimum Batch Size

A shipper's minimum monthly nomination volume, for any commodity, is typically restricted to the minimum batch sizes defined in Table 4. This table sets out batch size considerations for the base Service Levels. Minimum batch sizes are set based on the requirements of measurement, quality, tank utilization, capacity impact, pipeline integrity and administrative efficiency. The minimum batch size for movement on the Enbridge Mainline System is determined by the size indicated for the pipeline of delivery.

Maximum Batch Size

Maximum batch sizes are generally determined by terminal tankage availability or other operational considerations. Currently 12,000 m^3 is the largest typical batch size transported on the system; however larger batch sizes or double-batching of commodities can be reviewed by Enbridge on an individual basis with consideration to system and shipper constraints.

Enbridge and Shippers must ensure that nominated volumes can be divided into standard batch sizes within the minimum and maximum batch size parameters. Batch sizes may also be impacted by cycle sizes on each line to maintain overall system quality guidelines.

H. Tankage Operations and Utilization by Commodity Category (Table 5)

Receipt, breakout and delivery tankage is required for the transportation of specific commodities on the Enbridge System. Table 5 outlines the commodities that utilize tankage at various terminal locations associated with the base Service Levels. The tankage allocation in Table 5 is predicated on factors including but not limited to preserving the petroleum quality of batches transported on the Enbridge system. To the greatest extent possible, Enbridge will advise shippers prior to making any significant changes to tank utilization.

Actual time in tankage at each location will be dependent upon commodity allocations to each tank, system operating conditions and/or third party operations. As a result, tankage retention times at individual locations may vary significantly as detailed in Tankage Operation.

Tankage Operation

Tanks on the Enbridge / Lakehead system are an integral part of the physical pipeline system. There are four basic categories for tanks: receipt, breakout, delivery and operational as detailed below.

Receipt Tankage

Receipt tankage is designed to accumulate incoming volumes until such time that the volumes are scheduled to pump. In some cases a volume or batch may pump as soon as it is received. However at other times, especially for smaller volumes or equalized streams, volumes may be accumulated until such time that a batch is available to pump.

The Enbridge system has been historically designed such that receipt tankage is provided for a nominal retention time of 4 days. Regular operation and recent analysis indicate that retention times are moving below 4 days. Shippers and feeders should be aware of the retention times for their respective commodities.

Breakout Tankage

Breakout tankage is designed and built at locations where there is a substantial rate change, due to volumes entering or leaving the system, and may also be considered to preserve the quality of the streams. At these locations, volumes are received to breakout tankage and re-pumped on another line segment. At breakout locations the retention time in tankage is defined as the time between landing and re-pumping batches. The Enbridge system has been designed such that breakout tankage is provided for a nominal retention time of 2 days.

Breakout tankage is designed and built mainly to reduce power costs, pressure cycling and capital costs for new pipeline expansions. Below some examples are described where breakout tankage is required.

- Line 2A volumes currently access breakout tankage at Cromer, and these volumes along with other receipts entering the system at Cromer are subsequently rescheduled on Line 2B.
- At Superior there are 5 incoming pipelines and 4 outgoing pipelines, but none of the incoming rates match the outgoing rates. Therefore all volumes are required to access breakout tankage and volumes are rescheduled for subsequent movement on the various outgoing lines.

The actual time in tankage can vary from batch to batch depending on pipeline conditions with consideration given to but not limited to scheduling, petroleum quality or unplanned interruptions. Consideration will be given to shipper requests as operational conditions allow.

Delivery Tankage

At some delivery locations the receiving refinery is not able to receive crude volumes at the full Enbridge mainline rate. In these situations, the scheduled delivery volume will first access an Enbridge delivery tank and then be transferred over to the refinery at a lower transfer rate. Superior and Griffith are locations where this type of operation occurs.

Operational Tankage

Tankage may be utilized for operational considerations to "absorb" the flow rate change from operating to shut down mode, and vice versa. There is Mainline tankage available

at Hardisty, Kerrobert, Regina, and Clearbrook that may be utilized as Operational tankage if required.

3. PROCEDURES AND REPORTING

A. Commodity Testing (Table 6)

Enbridge conducts various standard tests for commodities transported on the pipeline system. These standard tests are summarized for each commodity with respect to location, frequency, and type of test in Table 6, Commodity Testing Summary. Commodity quality measurement is also provided in Table 6.

B. Shipper Services Business Activities (Tables 7 & 8)

To manage the logistics of transporting commodities through its system, Enbridge and industry have developed a set of procedures and reporting requirements with respect to nominations, supply control and scheduling activities on its system. These are summarized in Table 7 (Scheduling Calendar) and Table 8 (Shipper Services Business Activities).

4. COMMUNICATIONS

An important component of Enbridge service is communication to its customers. Enbridge operations can have a material impact on oil markets and, in turn, on producers, marketers, shippers and refiners. As such, Enbridge will strive to provide these impacted parties with timely access to system related information on its commodity movements, operational decisions and events.

Where unscheduled and unplanned events impact, or potentially impact, Enbridge operations, these will be communicated to Enbridge customers as quickly as possible, subject to any commercial considerations. Ideally, changes to planned or scheduled events will be communicated with prior notice. Generally and where feasible, the objective will be to inform impacted parties of events or circumstances so that there are "no surprises" regarding system operations.

Enbridge also has a reciprocal expectation on its customers to provide accurate and timely information in order to fulfill the above noted communication obligations.

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ENBRIDGE SERVICE LEVELS

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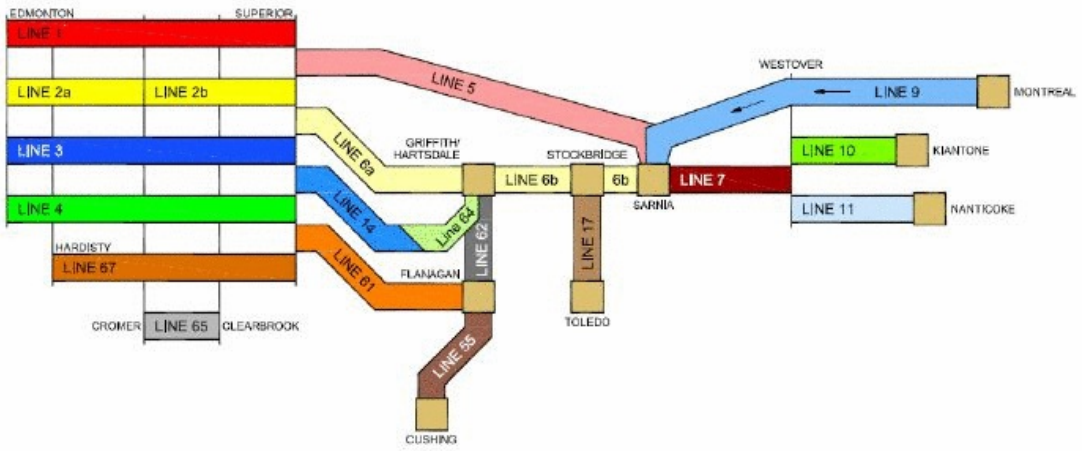
Figure 1
Pipeline System Configuration – Quarter 1, 2011



Line 1

37,600 m^3/d (236.5 kbpd)
18"/20" - 1098 miles
NGL
Refined Products
Light Synthetics

Line 2

Line 2a
70,300 m^3/d (442.2 kbpd)
24" - 596 miles
Line 2b
70,300 m^3/d (442.2 kbpd)
24"/26" - 502 miles
Condensates
Light Synthetics
Sweet
Light & High Sour

Line 3

80,000 m^3/d (503.2 kbpd)[1]
34" - 1098 miles
Light Synthetics
Sweet
Light & High Sour

Line 4

126,500 m^3/d (795.7 kbpd)
36"/48" - 1098 miles
Heavy
Medium (Ex-Clearbrook)
Light Sour (Ex-Clearbrook)

Line 5

78,100 m^3/d (491.2 kbpd)
30" - 645 miles
NGL
Condensates
Light Synthetics
Sweet
Light Sour

Line 6

Line 6a
106,000 m^3/d (666.7 kbpd)
34" - 467 miles
Line 6b
45,000 m^3/d (283.1 kbpd)
30" - 293 miles
Light Synthetics (Superior to Lockport)
Sweet (Superior to Lockport)
Light & High Sour
Medium
Heavy

Line 7

23,900 m^3/d (150.3 kbpd)
20" - 153 miles
Condensates
Light Synthetics
Sweet
Light & High Sour
Medium
Heavy

Line 9

38,200 m^3/d (240.3 kbpd)
30" - 524 miles
Condensates
Sweet
Light & High Sour

Line 10

11,800 m^3/d (74.2 kbpd)
12"/20" - 91 miles
Condensates
Light Synthetics
Sweet
Light & High Sour
Medium
Heavy

Line 11

18,600 m^3/d (117.0 kbpd)
16"/20" - 47 miles
Condensates
Light Synthetics
Sweet
Light & High Sour
Medium
Heavy

L 14 / L 64

50,500 m^3/d (317.6 kbpd)
24" - 467 miles
Condensates
Light Synthetics
Sweet
Light & High Sour
Medium
Heavy (Superior to Mokena)

Line 17

16,000 m^3/d (100.6 kbpd)
16" - 88 miles
Heavy

Line 55

30,700 m^3/d (193.3 kbpd)
22"/24" - 575 miles
Light Synthetics
Sweet
Light & High Sour
Medium
Heavy

Line 61

63,600 m^3/d (400.0 kbpd)
42" - 454 miles
Light Synthetics
Sweet
Light & High Sour
Medium
Heavy

Line 62

20,700 m^3/d (130.2 kbpd)
22" - 75 miles
Heavy

Line 65

29,500 m^3/d (185.6 kbpd)
20" - 313 miles
Light Sour
Medium

Line 67

71,500 m^3/d (449.7 kbpd)
36" - 999 miles
Heavy

NOTES:

- Capacities provided are Annual Capacities
- [1] Current pressure restrictions limit capacity to 62,000 m^3/d (390.0kbpd)
- Updated: January 2011

File: 2011_Q1 System Config.dwg

Revised by: CDS
Drawn by: DRD

Table lA
Commodity Receipt Summary - Canada

Receipt Location	Quality Category	Transport Commodity	Feeder Pipeline or Transfer Facility Company Name [Facility Name]
Edmonton	NGL	Natural Gas Liquids (NGL)	BP [Fort Saskatchewan Facility]
	Refined Products	Gasoline	Imperial Oil [Strathcona Refinery], Suncor [Edmonton Refinery]. Shell [Scotford Refinery]
		Distillate	Imperial Oil [Strathcona Refinery], Suncor [Edmonton Refinery], Shell [Scotford Refinery]
	Condensate	Condensate Blend (CRW)[1]	BP [Coed Pipeline], Gibsons [Edmonton Terminal], Keyera [Fort Saskatchewan Pipeline], Pembina [Peace Pipeline, Drayton Valley Pipeline, Swanhills Pipeline], Suncor [Edmonton Refinery, Oil Sands Pipeline], Plains [Rainbow Pipeline, Rangeland Pipeline, Joarcam Pipeline], Kinder Morgan [North 40 Terminal], Enbridge [Southern Lights Pipeline]
	Light Synthetic	Suncor A (OSA)	Suncor [Oil Sands Pipeline]
		Suncor C (OSC)	Suncor [Oil Sands Pipeline]
		Syncrude (SYN)	Pembina [Alberta Oil Sands Pipeline], Kinder Morgan [North 40 Terminal], Plains [Rangeland Pipeline]
		Premium Albian Synthetic (PAS)	Inter Pipeline [Corridor Pipeline], Kinder Morgan [North 40 Terminal]
		Shell Premium Synthetic (SPX)	Inter Pipeline [Corridor Pipeline]
		Shell Synthetic Light (SSX)	Inter Pipeline [Corridor Pipeline]
		CNRL Light Sweet Synthetic Blend (CNS)	Pembina [Horizon Pipeline]
		CNRL Synthetic Custom Blend (CNC)	Pembina [Horizon Pipeline]
	Sweet	Mixed Blend Sweet (SW)[1]	Plains [Rainbow Pipeline, Joarcam Pipeline], Gibsons [Edmonton Terminal], Pembina [Bonnie Glen Pipeline, Peace Pipeline, Drayton Valley Pipeline, Swanhills Pipeline], Kinder Morgan [North 40 Terminal]
	Light Sour	Low Sulphur Sour (SLE)[1]	Gibsons [Edmonton Terminal], Inter Pipeline [Central Alberta Pipeline], Pembina [Drayton Valley], Plains [Joarcam Pipeline, Rangeland Pipeline], Kinder Morgan [North 40 Terminal]
	High Sour	High Sulfur Sour (SHE)[1]	Gibsons [Edmonton Terminal], Pembina [Peace Pipeline], Kinder Morgan [North 40 Terminal]
	Heavy	Albian Heavy Synthetic (AHS)	Kinder Morgan [North 40 Terminal], Inter Pipeline [Corridor Pipeline]
		Albian Residual Blend (ARB)	Kinder Morgan [North 40 Terminal], Inter Pipeline [Corridor Pipeline]
		Cold Lake (CL)	Inter Pipeline [Cold Lake Pipeline West], Kinder Morgan [North 40 Terminal]
		Wabasca Heavy (WH)	Plains [Rainbow Pipeline], Kinder Morgan [North 40 Terminal]
	Heavy High Tan	Peace Heavy (PH)	Plains [Rainbow Pipeline], Kinder Morgan [North 40 Terminal]
		Seal Heavy (SH)	Plains [Rainbow Pipeline]
		Access Western Blend (AWB)	Devon & MEG [Access Pipeline]
		Albian Muskeg River Heavy (AMH)	Inter Pipeline [Corridor Pipeline]
		Stratoil Cheecham Blend (SCB)	Enbridge [Waupisoo Pipeline]
		Surmont Heavy Blend (SHB)	Enbridge [Waupisoo Pipeline]
	Heavy Low Resid	Suncor H (OSH)	Enbridge [Waupisoo Pipeline]
		Albian Vacuum Blend (AVB)	Inter Pipeline [Corridor Pipeline], Kinder Morgan [North 40 Terminal]
	Cracked	CNRL Heavy Sour Synthetic Blend (CNH)	Pembina [Horizon Pipeline]
	Other	Caroline Condensate (CCA)	Plains [Rangeland Pipeline]
		Sarnia Special (SSS)	Imperial Oil [Strathcona Refinery]

1 Component streams indicated represent the current feeder components for each stream respectively.

Table lA Continued
Commodity Receipt Summary - Canada

Receipt Location	Quality Category	Transport Commodity	Feeder Pipeline or Transfer Facility Company Name [Facility Name]
Hardisty	Light Synthetic	Suncor A (OSA)	Enbridge [Athabasca Pipeline]
		Suncor C (OSC)	Enbridge [Athabasca Pipeline]
		Husky Synthetic Blend (HSB)	Husky [Hardisty Terminal]
		BP Sweet Synthetic Blend (BSS)	Enbridge [Hardisty Caverns]
		Long Lake Light Synthetic Blend (PSC)	Enbridge [Athabasca Pipeline]
	Sweet	Long Lake Sweet Blend (PSW)	Enbridge [Athabasca Pipeline]
	Light Sour	BP Sour Blend (BSO)	Enbridge [Hardisty Caverns]
		Long Lake Sour Blend (PSO)	Enbridge [Athabasca Pipeline]
	High Sour	Hardisty Sour (SO)	Gibsons [Hardisty Terminal]
	Heavy	Cold Lake (CL)	Inter Pipeline [Cold Lake Pipeline South], Flint Hills [Hardisty Terminal]. Gibsons [Hardisty Terminal], Enbridge [Hardisty Caverns]
		BP Synthetic Heavy Blend (BSH)	Enbridge [Hardisty Caverns]
		BP Conventional Heavy Blend (BCH)	Enbridge [Hardisty Caverns]
		Western Canadian Blend (WCB)	Husky [Hardisty Terminal]
		Western Canadian Select (WCS)	Husky [Hardisty Terminal], Enbridge [Hardisty Caverns]
		Bow River (BR)	Gibsons [Hardisty Terminal]
		Lloydminister Hardisty (LLB)	Husky [Hardisty Terminal], Enbridge [Hardisty Caverns]
	Heavy High Tan	Mackay River Heavy (MKH)	Enbridge [Athabasca Pipeline], Flint Hills [Hardisty Terminal], Gibsons [Hardisty Terminal]
		Long Lake Heavy SynBit Blend (PSH)	Enbridge [Athabasca Pipeline]
		Christina SynBit (CSB)	Gibsons [Hardisty Terminal]
		Borealis Heavy Blend (BHB)	Enbridge [Athabasca Pipeline], Flint Hills [Hardisty Terminal], Gibsons [Hardisty Terminal]
	Heavy Low Resid	Suncor H (OSH)	Enbridge [Athabasca Pipeline], Flint Hills [Hardisty Terminal], Gibsons [Hardisty Terminal]
	Cracked	Pine Blend Special (PBS)	Flint Hills [Hardisty Terminal]
		Suncor Cracked C (OCC)	Enbridge [Athabasca Pipeline]
Kerrobert	NGL	Natural Gas Liquids (NGL)	BP [Kerrobert Caverns]
	Sweet	Mixed Blend Sweet (SW)	Inter Pipeline [Mid-Saskatchewan Pipeline]
	Heavy	Lloydminister Kerrobert (LLK)	Plains [Manito Pipeline]
		Smiley Coleville (SC)	Inter Pipeline [Mid-Saskatchewan Pipeline]
Regina	Refined Products	Gasoline	Consumers Co-operative [Regina Refinery]
		Distillate	Consumers Co-operative [Regina Refinery]
	Light Synthetic	Newgrade Synthetic Blend A (NSA)	Consumers Co-operative [Regina Upgrader]
		Newgrade Synthetic Blend X (NSX)	Consumers Co-operative [Regina Upgrader]
	High Sour	Moose Jaw Tops (MJT)	Plains [South Saskatchewan Pipeline]
	Heavy	Fosterton (F)	Plains [South Saskatchewan Pipeline]
Cromer	NGL	Natural Gas Liquids (NGL)	Enbridge [Westspur Pipeline]
	Sweet	Mixed Blend Sweet (SW)	Tundra [Tundra Pipeline]
	Light Sour	Light Sour Blend (LSB)[1]	Enbridge [Virden Pipeline, Westspur Pipeline], Penn West [Waskada Pipeline], Tundra [Tundra Pipeline]
	Medium	Midale (M)[1]	Enbridge [Virden Pipeline, Westspur Pipeline]
Sarnia	Condensate	BP Condensate Blend (ACB)	BP [Sarnia Extraction Plant]

[1] **Component streams indicated represent the current feeder components for each stream respectively.**

Table lB
Commodity Receipt Summary- United States

Receipt Location	Quality Category	Transport Commodity	Feeder Pipeline or Transfer Facility Company Name [Facility Name]
Clearbrook	Sweet	U.S. Sweet-Clearbrook (UHC)	Enbridge Energy Partners [North Dakota]
Mokena	Sweet	U.S. Sweet-Mokena (UHM)	Chicap Pipeline Company [Chicap Pipeline]
	High Sour	U.S. High Sour-Mokena (UOM)	Chicap Pipeline Company [Chicap Pipeline]
	Heavy	U.S. Heavy-Mokena (UVM)	Chicap Pipeline Company [Chicap Pipeline]
Rapid River	NGL	Natural Gas Liquids (NGL)	BP [Rapid River]
Lewiston	Sweet	U.S. Sweet-Lewiston (UHL)	Markwest Pipelines [Michigan Crude Pipeline]

Table 2

Commodity Routing Summary by Pipeline Segment

Receipt Location	Quality Category	Transport Commodity	Line 1	Line 2	Line 3	Line 4	Line 67	Line 65	Line 5	Line 14/64	Line 6A	Line 6B	Line 61	Line 62	Line 17	Line 7	Line 10	Line 11
Edmonton	NGL	Natural Gas Liquids (NGL)	☒						☒									
	Refined Products	Gasoline	☒															
		Distillate	☒															
	Condensate	Condensate Blend (CRW)		☒	☒				◆	◆	◆		◆			◆	◆	◆
	Light Synthetic	Suncor A (OSA)	☒	☒	☒				☒	☒	☒		☒			◆	◆	◆
		Suncor C (OSC)	◆	☒	☒				☒	◆	◆		◆			◆	◆	◆
		Syncrude (SYN)	☒	☒	☒				☒	☒	☒		☒			☒	☒	☒
		Premium Albian Synthetic (PAS)	◆	☒	☒				☒	☒	◆		◆			◆	◆	◆
		Shell Premium Synthetic (SPX)		☒	☒				☒	☒	◆		◆			◆	◆	◆
		Shell Synthetic Light (SSX)		☒	☒				☒	☒	◆		◆			◆	◆	◆
		CNRL Synthetic Custom Blend (CNC)		☒														
		CNRL Light Sweet Synthetic Blend (CNS)		☒	☒				☒	☒	☒					☒	☒	☒
	Sweet	Mixed Blend Sweet (SW)		☒	☒				☒	☒	◆		☒			☒	☒	☒
	Light Sour	Low Sulphur Sour (SLE)		☒	☒	◆			☒	☒	◆	◆	☒			◆	◆	◆
	High Sour	High Sulfur Sour (SHE)		◆	☒	◆				☒	◆	☒	☒		◆	☒	☒	◆
	Heavy	Albian Heavy Synthetic (AHS)				☒				◆	☒	☒	☒	☒	☒	◆	◆	◆
		Albian Residual Blend (ARB)				◆				◆	☒	☒	☒	☒	☒	◆	◆	◆
		Cold Lake (CL)				☒				☒	☒	☒	☒	☒	☒	☒	☒	☒
		Wabasca Heavy (WH)				☒				◆	☒	☒	☒	☒	☒	☒	☒	☒
	Heavy High Tan	Peace Heavy (PH)				☒				◆	☒	☒	☒	◆	☒	☒	☒	☒
		Seal Heavy (SH)				☒				◆	☒	☒	☒	◆	☒	☒	☒	☒
		Access Western Blend (AWB)				☒				◆	☒	☒	☒	◆	☒	☒	☒	☒
		Albian Muskeg River Heavy (AMH)				◆				◆	☒	☒	☒	◆	☒			
		Statoil Cheecham Blend (SCB)				☒				◆	☒	☒	☒	◆	☒			
		Surmont Heavy Blend (SHB)				☒				◆	☒	☒	☒	◆	☒			
	Heavy Low Resid	Suncor H (OSH)				◆				☒	☒	☒	☒	◆	☒			
		Albian Vacuum Blend (AVB)				◆				☒	☒	☒	☒	◆	☒			
	Cracked	CNRL Heavy Sour Synthetic Blend (CNH)				☒												
	Other	Caroline Condensate (CCA)		☒	☒													
		Sarnia Special (SSS)				◆				☒	☒	☒				◆		◆

Table 2 Continued

Commodity Routing Summary by Pipeline Segment

Receipt Location	Quality Category	Transport Commodity	Line 1	Line 2	Line 3	Line 4	Line 67	Line 65	Line 5	Line 14/64	Line 6A	Line 6B	Line 61	Line 62	Line 17	Line 7	Line 10	Line 11
Hardisty	Light Synthetic	Suncor A (OSA)		⊠	⊠				⊠	⊠	⊠		⊠			◆	◆	◆
		Suncor C (OSC)		⊠	⊠				⊠	◆	◆		◆			◆	◆	◆
		Husky Synthetic Blend (HSB)		⊠	⊠				⊠	⊠	⊠		⊠			⊠	⊠	⊠
		BP Sweet Synthetic Blend (BSS)		⊠	⊠				◆	⊠	◆					◆	◆	◆
		Long Lake Light Synthetic Blend (PSC)		⊠	⊠				⊠	⊠	◆		⊠			⊠	⊠	⊠
	Sweet	Long Lake Sweet Blend (PSW)		⊠	⊠				⊠	⊠	◆		◆			⊠	⊠	⊠
	Light Sour	BP Sour Blend (BSO)		◆	⊠	◆	◆		◆	⊠	◆	◆	◆		◆	◆	◆	◆
		Long Lake Sour Blend (PSO)		◆	⊠	◆	◆		◆	⊠	⊠	⊠	◆		◆	⊠	⊠	⊠
	High Sour	Hardisty Sour (SO)		◆	⊠	◆	◆			⊠	◆	⊠	⊠		◆	⊠	⊠	⊠
	Heavy	Cold Lake (CL)				⊠	⊠			◆	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠
		BP Synthetic Heavy Blend (BSH)				⊠	◆			◆	⊠	⊠	◆	◆	⊠	◆	◆	◆
		BP Conventional Heavy Blend (BCH)				⊠	◆			◆	⊠	⊠	◆	◆	⊠	◆	◆	◆
		Western Canadian Blend (WCB)				⊠	◆			◆	⊠	⊠	◆	◆	⊠	⊠	⊠	⊠
		Western Canadian Select (WCS)				⊠	⊠			◆	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠
		Bow River (BR)				⊠	◆			◆	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠
		Lloydminister Hardisty (LLB)				⊠	⊠			◆	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠
	Heavy High Tan	MacKay River Heavy (MKH)				⊠	◆			◆	⊠	⊠	⊠	◆	◆	⊠	⊠	⊠
		Long Lake Heavy SynBit Blend (PSH)				⊠	◆			◆	⊠	⊠	⊠	◆	◆	⊠	⊠	⊠
		Christina SynBit (CSB)				⊠	◆			◆	⊠	⊠	⊠	◆	◆	⊠	⊠	⊠
		Borealis Heavy Blend (BHB)				⊠	◆			◆	⊠	⊠	⊠	◆	◆	⊠	⊠	⊠
	Heavy Low Resid	Suncor H (OSH)				⊠	◆			⊠	⊠	⊠	⊠	◆	⊠			
	Cracked	Pine Blend Special (PBS)				⊠	◆											
		Suncor J (OSJ)				⊠	◆											
		Suncor Cracked C (OCC)				⊠	◆											

Table 2 Continued

Commodity Routing Summary by Pipeline Segment

Receipt Location	Quality Category	Transport Commodity	Line 1	Line 2	Line 3	Line 4	Line 67	Line 65	Line 5	Line 14/64	Line 6A	Line 6B	Line 61	Line 62	Line 17	Line 7	Line 10	Line 11
Kerrobert	NGL	Natural Gas Liquids (NGL)	⊠						⊠									
	Sweet	Mixed Blend Sweet (SW)		⊠					⊠	⊠	◆							
	Heavy	Lloydminister Kerrobert (LLK)				⊠				◆	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠
		Smiley Coleville (SC)				⊠				◆	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠
Regina	Refined Products	Gasoline	⊠															
		Distillate	⊠															
	Light Synthetic	Newgrade Synthetic Blend A (NSA)		⊠	◆				⊠	⊠	◆					⊠	⊠	⊠
		Newgrade Synthetic Blend X (NSX)		◆	◆	⊠												
	High Sour	Moose Jaw Tops (MJT)		⊠	◆				⊠									
	Heavy	Fosterton (F)				⊠				◆	⊠	⊠	⊠	⊠	⊠	⊠	⊠	⊠
Cromer	NGL	Natural Gas Liquids (NGL)	⊠						⊠									
	Sweet	Mixed Blend Sweet (SW)		⊠				◆	⊠	⊠	◆		⊠			⊠	⊠	⊠
	Light Sour	Light Sour Blend (LSB)		⊠	◆			⊠	⊠	⊠	⊠	◆	⊠	◆	◆	⊠	⊠	⊠
	Medium	Midale (M)		◆	◆			⊠		⊠	⊠	⊠	⊠	◆	◆	⊠	◆	⊠
Clearbrook	Sweet	U.S. Sweet-Clearbrook (UHC)		⊠	⊠	◆			⊠	⊠	◆		⊠			⊠	⊠	⊠
Mokena	Sweet	U.S. Sweet-Mokena (UHM)									⊠	⊠				⊠	◆	⊠
	High Sour	U.S. High Sour-Mokena (UOM)									⊠	⊠			◆	⊠	◆	⊠
	Heavy	U.S. Heavy-Mokena (UVM)									⊠	⊠			⊠	⊠	◆	⊠
Rapid River	NGL	Natural Gas Liquids (NGL)							⊠									
Lewiston	Sweet	U.S. Sweet-Lewiston (UHL)							⊠									
Sarnia	Condensate	BP Condensate Blend (ACB)														⊠	⊠	

5/2/2011

Commodity Routing Legend

Routing	Receipt	Definition
Existing Routing	⊠	"Existing Routing" reflects the expected nominal crude routing for each commodity by pipeline.
Permissible Routing	◆	"Permissible Routing" reflects the nominal crude routing for each commodity by pipeline that is not typical and is at the discretion of Enbridge.
No Routing Indicated		Movements not indicated as Existing Routing require prior authorization from Enbridge.

5/2/2011

Table 2 Disclaimer

1. The Commodity Routing Summary by Pipeline Segment Table is intended for reference only and is based on typical movements by commodity at the moment this document is issued.

2. The Commodity Routing Summary by Pipeline Segment Table considers only the injection of commodities at the Original Approved Receipt Locations and it does not cover injections from Commercial Storage Facilities, Merchant Tankage or Breakout Tankage.

3. The Commodity Routing Summary by Pipeline Segment Table does not include commodity routings that Enbridge can adopt during abnormal or extraordinary operational conditions.

4. Confirmation on specific commodity routings please contact your Enbridge pipeline scheduler.

Table 3
Instructions for Using the OM2/SIS Transit Time Calculator

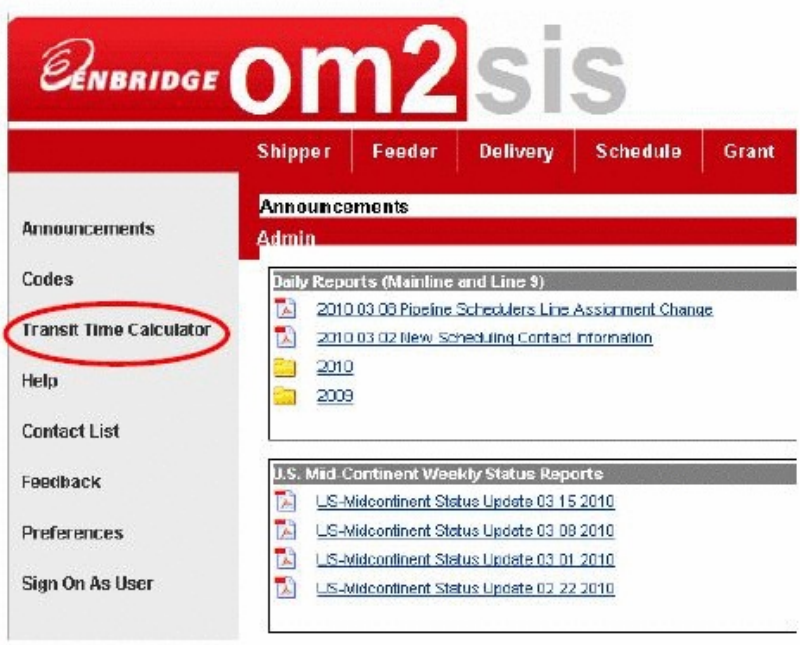
1	Internet connection and privilege to access into the OM2/SIS Portal
2	On the OM2/SIS home page click "Transit Time Calculator" at up left corner 
3	Select "Single or Multiple Lines" depending on the section of the Mainline that you want to check and "Time Period" (NOS month in which you want to calculate the transit time) 

Table 3 Continued
Instructions for Using the SIS Transit Time Calculator

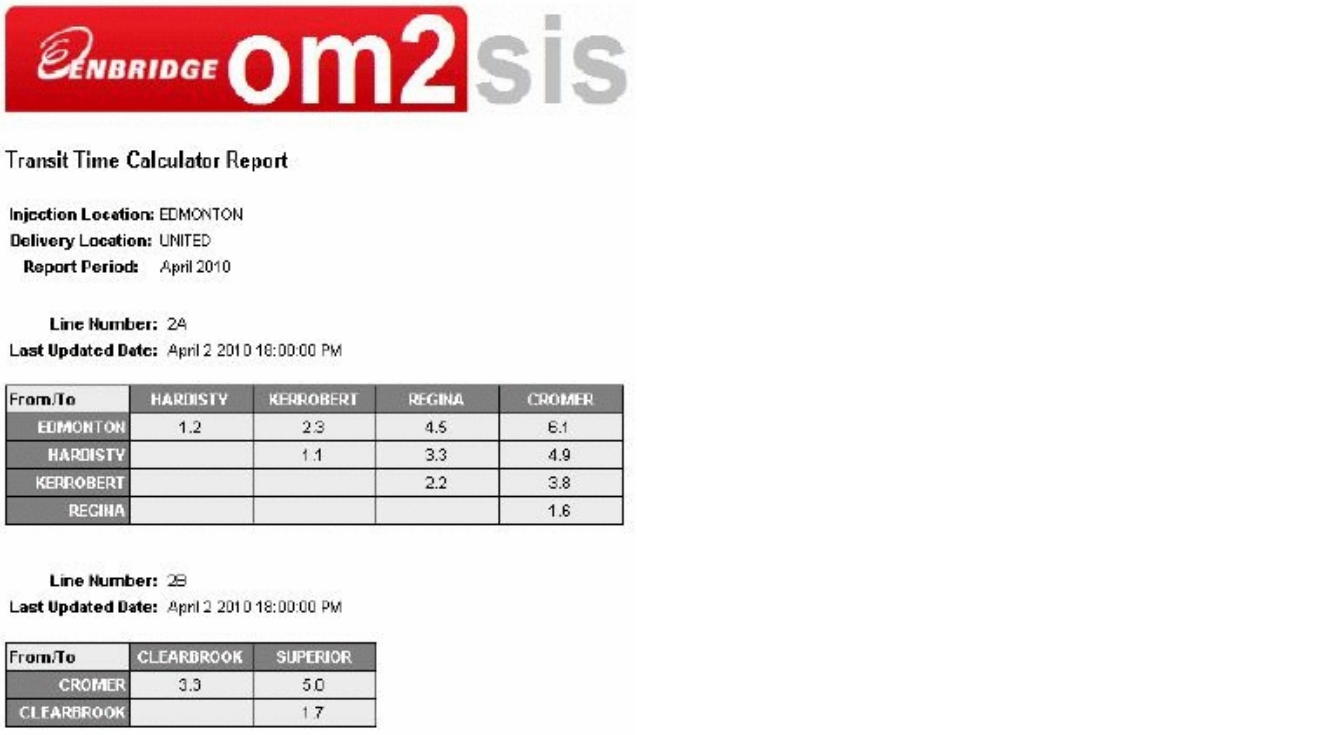
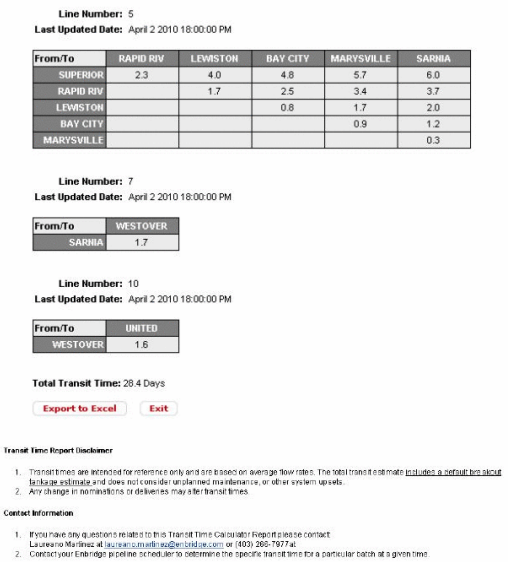
4	For example, to calculate the transit time from Edmonton to United for a particular commodity in the month of April 2010, you must know the routing: lines 2A/2B/5/7/10 (see commodity routing on Table 2) and click on "Create Report" 
5	See the report 

Table 3 Continued

Instructions for Using the SIS Transit Time Calculator

5	See the report (continued) 
6	"Export to Excel" or "Exit" to start a new calculation

Line Number: 5
Last Updated Date: April 2 2010 18:00:00 PM

From/To	RAPID RIV	LEWISTON	BAY CITY	MARYSVILLE	SARNIA
SUPERIOR	2.3	4.0	4.8	5.7	6.0
RAPID RIV		1.7	2.5	3.4	3.7
LEWISTON			0.8	1.7	2.0
BAY CITY				0.9	1.2
MARYSVILLE					0.3

Line Number: 7
Last Updated Date: April 2 2010 18:00:00 PM

From/To	WESTOVER
SARNIA	1.7

Line Number: 10
Last Updated Date: April 2 2010 18:00:00 PM

From/To	UNITED
WESTOVER	1.6

Total Transit Time: 28.4 Days

Export to Excel Exit

Transit Time Report Disclaimer

1. Transit times are intended for reference only and are based on average flow rates. The total transit estimate includes a default bet about leakage estimate and does not consider unplanned maintenance, or other system upsets.
2. Any change in nominations or deliveries may alter transit times.

Contact Information

1. If you have any questions related to this Transit Time Calculator Report please contact Laureano Martinez at laureano.martinez@enbridge.com or (403) 266-7977 at.
2. Contact your Enbridge pipeline scheduler to determine the specific transit time for a particular batch at a given time.

Table 4
Minimum Batch Size

Shippers are requested to sup ply a certain minimum volume to the Enbridge/L.a kehead system such that thevolume of the commodity tendered wi II be equal to or exceed the minimum batch size set for the required transportation route of the batch. The nominal batch size on the Enbridge system is 10,000 m3, however the minimum batch volume for each pipeline segment is provided below.

Line	Minimum Batch Size (m^3)	Comments
1	3,500	Refined Products deliveries. NGLs and buffers have their own set of guidelines
2A	5,000	All deliveries
2B	8,000	All deliveries
3	8,000	All deliveries except Hardisty, which is allowed 5,000 m^3
4	10,000	All deliveries
67	8,000	All deliveries
65	8,000	All deliveries
5	8,000	All deliveries except NGLs, which have their own set of guidelines
6A	8,000	All deliveries
14	8,000	All deliveries
61	8,000	All deliveries
62	8,000	All deliveries
6B	8,000	All deliveries
7	8,000	All deliveries
10	8,000	All deliveries
11	8,000	All deliveries
17	8,000	All deliveries

Table 5
Tank Utilization by Commodity Type

Transport Commodity	Crude Quality Category	Edmonton	Hardisty	Regina	Cromer	Clearbrook	Superior	Flanagan	Griffith	Stockbridge	Sarnia	Westover
Condensate Blend (CRW)	Condensate	Note 2			B/B^{G,F}		B/B^{G,F}	B/B^{G,F}	B/B^{G,F}		B/B^{G,F}	
BP Condensate Blend (ACB)											R/B	B/B^{G,F}
Suncor A (OSA)	Light Synthetic	R/S	R/S		B/B^{G}		B/B^{G}	B/B^{G,F,H}	B/B^{G}			B/B^{G,F,H}
Suncor C (OSC)		R/B	R/B		B/B^{G}		B/B^{G}	B/B^{G,F,H}	B/B^{G}			B/B^{G,F,H}
Syncrude (SYN)		R/S			B/B^{G}		B/B^{G}	B/B^{G,F,H}	B/B^{G}		B/B^{G,H}	B/B^{G,F,H}
Premium Albian Synthetic (PAS)		R/S			B/B^{G}		B/B^{G}	B/B^{G,F,H}	B/B^{G}		B/B^{G,H}	B/B^{G,F,H}
Shell Premium Synthetic (SPX)		R/S			B/B^{G}		B/B^{G}	B/B^{G,F,H}	B/B^{G}		B/B^{G,H}	B/B^{G,F,H}
Shell Synthetic Light (SSX)		R/S			B/B^{G}		B/B^{G}	B/B^{G,F,H}	B/B^{G}		B/B^{G,H}	B/B^{G,F,H}
CNRL Light Sweet Synthetic Blend (CNS)		R/S			B/B^{G}		B/B^{G}	B/B^{G,F,H}	B/B^{G}		B/B^{G,H}	B/B^{G,F,H}
CNRL Synthetic Custom Blend (CNC)		R/B										
Husky Synthetic Blend (HSB)			R/S		B/B^{G}		B/B^{G}	B/B^{G,F,H}	B/B^{G}		B/B^{G,H}	B/B^{G,F,H}
BP Sweet Synthetic Blend (BSS)					B/B^{G}		B/B^{G}		B/B^{G}			
Long Lake Light Synthetic Blend (PSC)			R/S		B/B^{G}		B/B^{G}	B/B^{G,F,H}	B/B^{G}		B/B^{G,H}	B/B^{G,F,H}
New grade Synthetic Blend A (NSA)				R/S	B/B^{G}		B/B^{G}	B/B^{G,F,H}	B/B^{G}		B/B^{G,H}	B/B^{G,F,H}
New grade Synthetic Blend X (NSX)				R/B								
Mixed Blend Sweet (SW)	Sweet	Note 2			B/C		B/B^{F}	B/B^{G,F,H}	B/B^{F}		B/B^{F,G,H}	B/B^{F,G,H}
Long Lake Sweet Blend (PSW)			R/S		B/B^{F}		B/B^{F}	B/B^{G,F,H}	B/B^{F}		B/B^{F,G,H}	B/B^{F,G,H}

As a first option, a commodity will cross bottoms with the s arne commodity. Second, third, and fourth choices are noted ins upers cript in preferential order.
Commodity Group Codes- **A**-Heavy, **B**-Heavy High Tan, **C**-Cracked, **D**-Medium, **E**-High Sour, **F**-Sweet, **G**-Light Synthetic, **H**-Condensate, **1**-Light Sour, **J**-Heavy Low Resid

Table 5 Continued
Tank Utilization by Commodity Type

Transport Commodity	Crude Quality Category	Edmonton	Hardisty	Regina	Cromer	Clearbrook	Superior	Flanagan	Griffith	Stockbridge	Sarnia	Westover
U.S. Sweet-Clearbrook (UHC) U.S. Sweet-Lewiston (UHL) U.S. Sweet-Mokena (UHM)	Sweet					Note 5						
Edmonton Light Sour (SLE)	Light Sour	Note 2			B/B		B/B	B/B^{I,E,D}	B/B^{I,E,D}		B/B^{I,E}	B/B^{I,E,D,A}
BP Sour Blend (BSO)					B/B		B/B	B/B^{I,E,D}	B/B^{I,E,D}			
Long Lake Sour Blend (PSO)			R/S		B/B^{I}		B/B^{I}	B/B^{I,E,D}	B/B^{I,E,D}		B,B^{I,E,D}	B/B^{I,E,D,A}
Light Sour Blend (LSB)					Note 2	B/B^{I}	B/B^{I}	B/B^{I,E,D}	B/B^{I,E,D}		B/B^{I,E,D}	B/B^{I,E,D,A}
High Sulfur Sour (SHE)	High Sour	Note 2			B/C		B/C	BB^{E,I,D}	B/B^{E,I,D}		B/B^{E,I,D}	B/B^{E,I,D,A}
Moose Jaw Tops (MJT)				R/S	B/B^{E}		B/B^{E}	BB^{E,I,D}				
Hardisty Sour (SO)					B/C		B/C	BB^{E,I,D}	B/B^{E,I,D}		B/B^{E,I,D}	B/B^{E,I,D,A}
U.S. High Sour-Mokena (UOM)									Note 5			
Midale (M)	Medium				Note 2	B/S	B/B^{D,E,A}	B/B^{D,E,A}	B/B^{D,E,A}		B/B^{D,E,A}	B/B^{D,E,A,I}
Albian Heavy Synthetic (AHS)	Heavy	R/S					B/B^{A,B}	B/B^{A,B}	B/B^{A,B}	B/B^{A,B}	B/B^{A}	B/B^{A,D,E,I}
Albian Residual Blend (ARB)		R/B					B/B^{A,B}	B/B^{A,B}	B/B^{A,B}	B/B^{A,B}	B/B^{A}	B/B^{A,D,E,I}
Cold Lake (CL)		R/S				B/B^{A,B}	B/B^{A,B}	B/B^{A,B}	B/B^{A,B}	B/B^{A,B}	B/B^{A}	B/B^{A,D,E,I}
Wabasca Heavy (WH)		R/S					B/B^{A,B}	B/B^{A,B}	B/B^{A,B}	B/B^{A,B}	B/B^{A}	B/B^{A,D,E,I}
BP Synthetic Heavy Blend (BSH)							B/B^{A,B}		B/B^{A,B}	B/B^{A,B}	B/B^{A}	B/B^{A,D,E,I}
BP Conventional Heavy Blend (BCH)							B/B^{A,B}		B/B^{A,B}	B/B^{A,B}		
Western Canadian Blend (WCB)							B/B^{A,B}	B/B^{A,B}	B/B^{A,B}	B/B^{A,B}	B/B^{A}	B/B^{A,D,E,I}
Western Canadian Select (WCS)							B/B^{A,B}	B/B^{A,B}	B/B^{A,B}	B/B^{A,B}	B/B^{A}	B/B^{A,D,E,I}

As a first option, a commodity will cross bottoms with the s arne commodity. Second, third, and fourth choices are noted ins upers cript in preferential order.
Commodity Group Codes- **A**-Heavy, **B**-Heavy High Tan, **C**-Cracked, **D**-Medium, **E**-High Sour, **F**-Sweet, **G**-Light Synthetic, **H**-Condensate, **1**-Light Sour, **J**-Heavy Low Resid

Table 5 Continued
Tank Utilization by Commodity Type

Transport Commodity	Crude Quality Category	Edmonton	Hardisty	Regina	Cromer	Clearbrook	Superior	Flanagan	Griffith	Stockbridge	Sarnia	Westover
Bow River (BR)	Heavy						B/B^{A,B}	B/B^{A,B}	B/B^{A,B}	B/B^{A,B}	B/B^{A}	B/B^{A,D,E,I}
Lloydminister Hardisty (LLB)							B/B^{A,B}	B/B^{A,B}	B/B^{A,B}	B/B^{A,B}	B/B^{A}	B/B^{A,D,E,I}
Lloydminister Kerrobert (LLK)							B/B^{A,B}	B/B^{A,B}	B/B^{A,B}	B/B^{A,B}	B/B^{A}	B/B^{A,D,E,I}
Smiley Coleville (SC)							B/B^{A,B}	B/B^{A,B}	B/B^{A,B}	B/B^{A,B}	B/B^{A}	B/B^{A,D,E,I}
Fosterton (F)				R/S			B/B^{A,B}	B/B^{A,B}	B/B^{A,B}	B/B^{A,B}	B/B^{A}	B/B^{A,D,E,I}
U.S. Heavy-Mokena (UVM)									Note 5			
Peace Heavy (PH)	Heavy High Tan	R/S					B/B^{B},B/C^{B}	B/B^{B,A}	B/B^{B,A}	B/B^{B,A}	B/B^{B,A}	B/B^{B,A,D,E,I}
Seal Heavy (SH)		R/C					B/B^{B},B/C^{B}	B/B^{B,A}	B/B^{B,A}	B/B^{B,A}	B/B^{B,A}	B/B^{B,A,D,E,I}
Access Western Blend (AWB)		R/S					B/B^{B},B/C^{B}	B/B^{B,A}	B/B^{B,A}	B/B^{B,A}	B/B^{B,A}	B/B^{B,A,D,E,I}
Albian Muskeg River Heavy (AMH)		R/B					B/B^{B},B/C^{B}	B/B^{B,A}	B/B^{B,A}	B/B^{B,A}	B/B^{B,A}	B/B^{B,A,D,E,I}
Surmont Heavy Blend (SHB)		R/S					B/B^{B},B/C^{B}	B/B^{B,A}	B/B^{B,A}	B/B^{B,A}	B/B^{B,A}	B/B^{B,A,D,E,I}
MacKay River Heavy (MKH)			R/S				B/B^{B},B/C^{B}	B/B^{B,A}	B/B^{B,A}	B/B^{B,A}	B/B^{B,A}	B/B^{B,A,D,E,I}
Long Lake Heavy SynBit Blend (PSH)			R/S				B/B^{B},B/C^{B}	B/B^{B,A}	B/B^{B,A}		B/B^{B,A}	B/B^{B,A,D,E,I}
Christina Syn-Bit (CSB)							B/B^{B},B/C^{B}	B/B^{B,A}	B/B^{B,A}	B/B^{B,A}	B/B^{B,A}	B/B^{B,A,D,E,I}
Borealis Heavy Blend (BHB)							B/B^{B},B/C^{B}	B/B^{B,A}	B/B^{B,A}		B/B^{B,A}	B/B^{B,A,D,E,I}
Statoil Cheecham Blen (SCB)		R/S,R/B^{B},R/C^{B}					B/B^{B},B/C^{B}	B/B^{B,A}	B/^{BB,A}		B/B^{B,A}	B/B^{B,A,D,E,I}
Suncor H (OSH)	Heavy Low Resid	R/S	R/S				B/B^{J,B,A}	B/B^{J,B,A}	B/B^{J,B,A}	B/B^{J,B,A}	B/B^{J,B,A}	
Albian Vacuum Blend (AVB)		R/B					B/B^{J,B,A}	B/B^{J,B,A}	B/B^{J,B,A}	B/B^{J,B,A}	B/B^{J,B,A}	
Pine Blend Special (PBS)	Cracked		Note 3									
Suncor Cracked C (OCC)			R/S$^{Note 3}$									
CNRL Heavy Sour Synthetic Blend (CNH)		R/S$^{Note 3}$										
Caroline Condensate (CCA)	Other	R/S$^{Note 3}$										
Sarnia Special (SSS)		R/B^{A}					B/B^{D,A,B}		B/B^{D,A,B}	B/B^{D,A,B}		

As a first option, a commodity will cross bottoms with the same commodity. Second, third, and fourth choices are noted in superscript in preferential order.

Commodity Group Code s – **A**-Heavy, **B** -Heavy High Tan, **C**-Cracked, **D**-Medium, **E**-High Sour, **F**-Sweet, **G**-Light Synthetic, **H**-Condensate, **I**-Light Sour, **J**-Heavy Low Resid

Table 5 Continued
Tank Utilization by Commodity Type

Tank Service Legend

Service	Receipt	Breakout	Tank Service Definitions
Segregated	R/S	B/S	Crude streams that does not share tankage with other crude streams.
Share Common Bottoms	R/B	B/B	Crude streams that can share tank bottoms with other crude types; -As a first option, a commodity will cross bottoms with the same commodity. -As second option, a commodity will cross bottoms within its identified Commodity Group. -Third, fourth, and fifth choices are noted in superscript in preferential order.
Commingled	R/C	B/C	Crude components that share tankage with other like-cruide components to form single commingled streams e.g. SW, SLE, SHE, SO, CRW, LSB, M. Crude streams that can be commingled with a given commodity are noted in superscript in preferential order.
No Tankage Requirement			

General Notes

1. Above tankage references Enbridge facilities only.
2. The CRW, SW, SLE, SHE, LSB and M commodities are blended from their individual components and are combined on receipt and segregated receipt service is provided for these streams.
3. OCC, PBS, CNH and CCA require buffering.
4. SHE and SO will be commingled as required at breakout locations. Once commingled, they are treated as a single commodity and may cross bottoms with compatible sours.
5. US and Foreign crude is received at Clearbrook, Mokena, and Lewiston on the Enbridge system.
   - US sweet crude will cross bottoms with commodity group “F”.
   - US Sour crude will cross bottoms with commodity groups, in the order of "E", "D", and "I".
   - US medium crudes will move through the system the same as Midale.
   - US heavy crude streams will move through the system the same as heavy streams.
6. Natural Gas Liquids, Gasoline, and Distillate do not utilize Enbridge tankage and are therefore not included in this table.

5/31/2010

Table 6
Commodity Testing Summary

Transport Commodity	Quality Category	Test
Refined Products (Gasoline and Distillate)	Products	2
Condensate Blend (CRW)	Condensate	3,6,7
Amoco Condensate (ACB)		1,2,3
Suncor A, Suncor C (OSA, OSC)	Light Synthetic	1,2,3,8*
Syncrude (SYN)		1,2,3,8*
Premium Albian Synthetic (PAS)		1,2,3
Shell Premium Synthetic (SPX)		1,2,3
Shell Synthetic Light (SSX)		1,2,3
CNRL Light Sweet Synthetic Blend (CNS)		1,2,3
CNRL Synthetic Custom Blend (CNC)		1,2,3
Husky Synthetic Blend (HSB)		1,2,3
BP Sweet Synthetic Blend (BSS)		1,2,3
Long Lake Light Synthetic Blend (PSC)		1,2,3
Newgrade Synthetic Blend (NSA, NSX)		1,2,3
Mixed Blend Sweet (SW)	Sweet	1,2,3,4
Long Lake Sweet Blend (PSW)		1,2,3,4
U.S. Sweet-Clearbrook (UHC)		1,2,3,4
U.S. Sweet-Lewiston (UHL)		1,2,3,4
U.S. Sweet-Mokena (UHM)		1,2,3,4
Low Sulphur Sour (SLE)	Light Sour	1,2,3,5
BP Sour Blend (BSO)		1,2,3,5
Long Lake Sour Blend (PSO)		1,2,3
Light Sour Blend (LSB)		1,2,3,5
High Sulfur Sour (SHE)	High Sour	1,2,3,5
Moose Jaw Tops (MJT)		1,2,3
Hardisty Sour (SO)		1,2,3,5
U.S. Sour-Mokena (UOM)		1,2,3
Midale (M)	Medium	1,2,3

General Notes:

Crude tests referenced in Table 6 are detailed in Tables 6A through 6E respectively. Test 3A on Table 6A and phosphorus testing listed under Test 4 on table 6B are incrrerental to base Service Levels and the testing costs are being recovered separately.

*Test only performed when commodity used as line 1buffer.

Table 6 Continued
Commodity Testing Summary

Transport Commodity	Quality Category	Test
Albian Heavy Synthetic (AHS)	Heavy	1,2,3
Albian Residual Blend (ARB)		1,2,3
Cold Lake (CL)		1,2,3
Wabasca Heavy (WH)		1,2,3
BP Synthetic Heavy Blend (BSH)		1,2,3
BP Conventional Heavy Blend (BCH)		1,2,3
Western Canadian Blend (WCB)		1,2,3
Western Canadian Select (WCS)		1,2,3
Bow River (BR)		1,2,3
Lloydminster Hardisty (LLB)		1,2,3
Lloydminster Kerrobert (LLK)		1,2,3
Smiley Coleville (SC)		1,2,3
Fosterton (F)		1,2,3
U.S. Heavy-Mokena (UVM)		1,2,3
Peace Heavy (PH)	Heavy High Tan	1,2,3
Seal Heavy (SH)		1,2,3
Access Western Blend (AWB)		1,2,3
Albian Muskeg River Heavy (AMH)		1,2,3
Surmont Heavy Blend (SHB)		1,2,3
MacKay River Heavy (MKH)		1,2,3
Long Lake Heavy SynBit Blend (PSH)		1,2,3
Christina Syn-Bit (CSB)		1,2,3
Borealis Heavy Blend (BHB)		1,2,3
Statoil Cheecham Blend (SCB)		1,2,3
Suncor H (OSH)	Heavy Low Resid	1,2,3
Albian Vacuum Blend (AVB)		1,2,3
Pine Blend Special (PBS)	Cracked	1,2,3
CNRL Heavy Sour Synthetic Blend (CNH)		1,2,3
Suncor Cracked C (OCC)		1,2,3
Caroline Condensate (CCA)	Other	1,2,3
Sarnia Special (SSS)		1,2,3

General Notes:

Crude tests referenced in Table 6 are detailed in Tables 6A through 6E respectively. Test 3A on Table 6A and phosphorus testing listed under Test 4 on table 6B are incremental to base Service Levels and the testing costs are being recovered separately.

* Test only performed when commodity used as Line 1 buffer.

Table 6A - General Testing

Test	Frequency	Crude Types	Tests	Reporting
1	On Receipt	All	S&W, density	Reported by receipt ticket to feeder pipeline.
		All heavy crudes	Viscosity	Reported to feeder on exception basis only on violation of tariff quality specifications.
		Select light and medium crudes	Viscosity-tested during winter months to determine tariff category	Reported to feeder on exception basis only on violation of tariff quality specifications.
2	On Delivery	All	S&W, density	Reported by delivery ticket to delivery facility.
	On Receipt and Delivery	Refined products and NGL	Testing and reporting are in accordance with Enbridge's Line 1 Operations Manual.	
3	Annual Crude Characteristics	All	Density, RVP, sulphur, viscosity (10°C, 20°C	Annual crude characteristics report.
3A	Annual	Random	Organic Chloride, Olefinic content	Reported to feeder on exception basis only on violation of quality specifications.

4/15/2011

Table 6B – Sweet Streams Testing

Test	Location	Frequency	Test	Comments	Reporting
4	Receipt	All receipt batches	Density, sulphur, phosphorus	Selected batch receipt composite for SW components (SW component feeders defined in Table 1)	☒ Reported to feeder on exception basis only on violation of stream quality specifications per SW Receipt Quality Standard procedures ☒ Enbridge issues monthly Crude Equalization Program report by the 15th day of the following month
		Selected receipt batches	Density, sulphur	U.S. Sweet (UHC, UHL)	Reported to feeder on exception basis only on violation of stream quality specifications per SW Receipt Sulphur Standard procedures
		All receipt batches	Density, sulphur	U.S. Sweet (UHM)	Reported to feeder on exception basis only on violation of stream quality specifications per SW Receipt Sulphur Standard procedures

Table 6C – Sour Streams Testing

Test	Location	Frequency	Test	Comments	Reporting
5	Receipt	Weekly	Density, sulphur	Selected batch receipt composite for Edmonton SLE & SHE and Cromer LSB feeder components	☒ Reported to feeder on exception basis only on violation of respective stream quality specifications per SLE Receipt Sulphur Standard procedures ☒ Enbridge issues monthly Crude Equalization Program report by the 15th day of the following month

Table 6D – Condensate Sampling Procedures and Testing – Edmonton Terminal

		Composite Sample		Monthly Testing		Bimonthly Testing		Quarterly Testing		
Test	**Location**	Collection Frequency	Tests	Sample Type	Test	Sample Type	Test	Sample Type	Test	**Reporting**
6	Receipts	1/week-continuous & batched feeders	S&W density and Sulfur	1 spot/mo	Vapour pressure	Select weekly composite	Butane	Random Compositeper CRW component stream	Viscosity, Olefins, Organic Chlorides, Aromatics, Meracptans, H_2S, Benzene, Mercury, Oxygenates, Total Suspended Solids, Phosphorous (Volatile)	Enbridge issues monthly Condensate Equalization Program report by the 15th day of the following
						1 spot/mo	Sulphur			
7	Delivery at Edmonton	1/week	S&W and density	1 spot/mo	Vapour pressure	1 spot/mo	Butane			S &W and density reported by delivery ticket to delivery facility

Table 6E – Line 1 Synthetic Buffer Testing

Test	Location	Frequency	Test	Reporting
8	Edmonton	Batch pump out	Density, copper strip and sediment content	Reported to feeder on exception basis only on violation of Line 1 Quality Guidelines

Table 7
Scheduling Calendar

Business Day	Activity IF NO Apportionment	Activity IF Apportionment
1	Notices of shipment due to Enbridge (Notice of shipment dates issued by Enbridge per COLC calendar)	Notices of shipment due to Enbridge (Notice of shipment dates issued by Enbridge per COLC calendar)
1	If no apportionment is determined, so announced	If apportionment is determined, verification procedures commence
2	Commence compiling new month's schedule	Twenty-four (24) hours after feeder verification procedures commence, apportionment announced and revised notices of shipment requested
3		Revised notices of shipment received
4	Complete scheduling sequence for Lines 1, 2, 3, 4, 67 and 65 and issue via OM2/SIS	Commence compiling new months schedule
5	Complete scheduling sequence for Lines 5, 6, 14, 61, 62, 16 and 17 and issue via OM2/SIS	
6	Complete scheduling sequence for Lines 7, 10 and 11 and issue via OM2/SIS	Complete scheduling sequence for Lines 1, 2, 3, 4, 67 and 65 and issue via OM2/SIS
7		Complete scheduling sequence for Lines 5, 6, 14, 61, 62, 16 and 17 and issue via OM2/SIS
8		Complete scheduling sequence for Lines 7, 10 and 11 and issue via OM2/SIS

5/4/2010

Table 7 Continued
Scheduling Calendar

Scheduling Notes

1. Schedule Updates and Changes
Pipeline schedules are updated on a daily basis, including the processing of changes resulting from shipper requests and due to varying operating conditions. All changes submitted through OM2/SIS affecting pump orders (next 48 hours) will be prompted to give proper notification to the Pipeline Schedulers as per the Line Space Queue rules. - Any changes or updates that directly affect the next 48 hours of business must be received no later than 2:00 pm MST. - Charges as a result of emergency may be accepted after 2:00pm MST if accompanied by a direct telephone communication, and must be acknowledged by Enbridge.
2. Accepting Increases in Nominations
Pipeline Initially Apportioned Batch requests located in the line space queue will be honored if the pipeline, or any segment thereof was initially apportioned, and space has become available either due to shippers reducing volumes or an increase in capacity occurs. "When either condition occurs, the first shipper in the queue will be contacted and given mtification t::l-Ere is spare capacity and option of adding a batch In all cases prior to beirg accepted by Enbridge, the feeder pipeline mrnt verifY any extra volumes tendered. If the total remains less than the available capacity, the volumes will be accepted. If spare capacity still remains, the next shipper in the queue will be contacted. Pipeline At or Below Capacity If nominations for t::l-E pipeline, or any segment thereof indicates that space is available for the month, or in the case of a pipeline initially at capacity and space becomes available, shippers may increase volumes, on a first come basis, at any time up to the point that the increase brings that segment to capacity. Any volume increases that cannot be accommodated at this time should be submitted to our line space queue. "When space becomes available on a pipeline that is initially at capacity shippers will be notified through the Oil Movement Manager/Shipper Information System (OM2/SIS) Portal that increases to nominations will be accepted.

Table 8A
Supply Management

Process	Activity	Reporting
Nominations	Due on a specific date and time as specified on the Crude Oil Logistics Committee (COLC) Forecast Reporting Calendar.	Enbridge issues letter to all shippers, feeders and interested parties by November 30 each year for the following year's nomination calendar.
Apportionment	☒ All nomination information is compiled to determine if apportionment required. ☒ If required, announced by the end of first business day after initial nominations are due (as outlined in the COLC forecast-reporting calendar). Revised Notices of Shipment due back 24 hours from time of announcement. ☒ If not required, announcement is made the afternoon of the day Notices of Shipment are due	Enbridge issues letter to all shippers, feeders and interested parties in accordance with Scheduling Calendar (Table 7).
Ticketing	Tickets are pulled each Monday morning or as specified per COLC forecast reporting calendar.	No Enbridge reporting for this activity.
Weekly Splits	Weekly splits are required to be provided to Enbridge by 12:00 pm each Tuesday or as specified by the COLC forecast reporting calendar.	Enbridge issues Splits Reports to all shippers by end of respective week.
Month-end Splits	☒ Feeders notified of month-end total deliveries to Enbridge by end of day on 2nd working day of the new month for the previous month. ☒ Feeders provide to Enbridge month-end splits (within 24 hours after notified by Enbridge) 3rd working day of new month for previous month.	No Enbridge reporting for this activity.
Month-end Close	Supply management month-end close occurs on the 4th working day of the new month for the previous month. **Note:** Timely completion is dependent on all industry information being provided to Enbridge on time.	Enbridge issues reports to all shippers and feeders with information pertaining to previous month's activities by 12:00 pm on the 6th working day of the following month.
Non-Performance Penalty (NPP) Process	Refer to tariff Rules and Regulations under Non-Performance.	☒ Enbridge issues Shipper Nomination and Actual Supply Report to all shippers and interested parties. ☒ For a shipper(s) in violation of NPP, Detail of Shipper Performance Report issued after month end close.

Table 8B
Carriers Inventory

Process	Activity	Reporting
Supply Control Shippers Position Report	☒ Summarizes shipper activity in the system. ☒ Sent out at month-end after close off is completed. **Note:** Timely completion is dependent on all industry information being provided to Enbridge on time.	Reporting for this activity is included in Month-end Close reporting.
Retention Stock	Calculated quarterly using a combination of 2 months actual receipts and 1 month nominations.	Enbridge issues Retention Stock Report to shippers quarterly via OM2/SIS.
Balancing Shipper's Positions	☒ Automatic Balancing procedure available in the Tariffs and Tolls section at www.enbridge.com ☒ Performed on an on going basis.	No Enbridge reporting for this activity.

Table 8C
Oil Accounting

Process	Activity	Reporting
Monthly Shippers Balance	Preliminary statements issued the 6th/7th working day, with final statements including Automatic Balancing transactions and pricing by the 15th working day. **Note:** Timely completion is dependent on all industry information being provided to Enbridge on time.	Enbridge issues Monthly Shippers Balance Statement.
Tariff Invoicing	Issued on the 4th working day after the 15th; and the 4th working day after the last working day of each month.	Enbridge issues Tariff Invoices.

SCHEDULE "O" – LINE 9 CAPITAL REPORTING TEMPLATE

	A	B	C	D
1	**Capital Project AFE Number**	**Capital Project Expenditure in Prior year**	**Capital Project Expenditure during Past Calendar Year**	**Capital Project Expenditure Forecast for Current Calendar Year**
2	Line 9: Each Project AFE in excess of $5 M in Canadian $			
3	Project A	CDN $ in 2010 & prior	CDN $ in 2011	CDN $ in 2012
4	Project B	CDN $ in 2010 & prior	CDN $ in 2011	CDN $ in 2012
5	Project C	CDN $ in 2010 & prior	CDN $ in 2011	CDN $ in 2012
6	Line 9: Total of Line 9 Shipper Supported Capital Projects less than $5 M per project in Canadian $			
7	Sum of all other AFEs			
8	**Total**			

EXHIBIT 10.2

ENBRIDGE INC.

EXECUTIVE EMPLOYMENT AGREEMENT

BETWEEN

ENBRIDGE INC.

- and -

[ ]

Dated as of [ ]

Pre-2014 Form of Executive Employment Agreement

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EXECUTIVE EMPLOYMENT AGREEMENT

THIS AGREEMENT made effective the [ ] day of [ ] between:

ENBRIDGE INC., a body corporate under the Canada Business Corporations Act, with offices in the City of Calgary, in the Province of Alberta (hereinafter called the "**Corporation**")

- and -

[ ], of the City of Calgary, in the Province of Alberta (hereinafter called the "**Executive**").

WHEREAS:

(a) the Executive is an executive of the Corporation and is considered by the Board of Directors of the Corporation to be a valued employee of the Corporation and has acquired outstanding and special skills and abilities and an extensive background in and knowledge of the Corporation's business and the industry in which it is engaged; and

(b) the Board of Directors recognizes that it is essential, in the best interests of the Corporation, that the Corporation retain the continuing dedication of the Executive to his office and employment and that this can best be accomplished if the personal uncertainty facing the Executive in the event of a Corporation initiated termination of employment of the Executive is alleviated;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants herein contained, it is hereby agreed as set forth below.

ARTICLE 1

DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

(a) "**affiliate**" a person shall be deemed to be an affiliate of another person if one of them is controlled by the other or both are controlled by the same person, and if two persons are affiliates of the same person at the same time they are deemed to be affiliates of each other;

(b) "**Annual Compensation**" means the sum of the Annual Salary and the Annual Incentive Bonus;

(c) "**Annual Salary**" means the annual salary of the Executive established by the HRCC and payable by the Corporation or its affiliates, determined as at the end of the month immediately preceding the month in which the termination of employment occurs and if at the relevant time an annual salary level has not been established, it shall be calculated by multiplying by 12 the monthly salary of the Executive in effect for the month preceding the month in which a termination of employment occurs pursuant to Article 2. Notwithstanding the foregoing, and in the event that the termination of employment occurs pursuant to Section 2.5(a)(ii), the Annual Salary shall be deemed to be the annual salary of the Executive established by the HRCC and payable by the Corporation or its affiliates, determined as at the end of the month immediately preceding the first event or series of events constituting the constructive dismissal of the Executive, as contemplated by Section 2.5(a)(ii) herein;

(d) "**Annual Incentive Bonus**" means the annual incentive bonus of the Executive under the Corporation's short term incentive plan;

(e) "**Confidential Information**" means the information, processes, know how, data, trade secrets, techniques, knowledge and other confidential information not generally known or lawfully available to the public relating to or connected with the business or corporate affairs and operations of the Corporation and its affiliates;

(f) "**constructive dismissal**" means, unless expressly consented to in writing by the Executive, any action that constitutes constructive dismissal (as defined at common law) of the Executive, including without limiting the generality of the foregoing;

(i) a decrease in the title, position or reporting relationships of the Executive, including without limiting the generality of the foregoing, ceasing to directly report to the board of directors of the Corporation and of its control person, if any, or ceasing to be a full member of the most senior formal groups or committees (as of the effective date hereof its Executive Leadership Team, its Corporate Leadership Team, its Operations and Integrity Committee and its Investment Committee) involved in corporate stewardship of the Corporation and of its control person, if any;

(ii) a material decrease in the Executive's responsibilities or powers;

(iii) a reduction in the Annual Salary of the Executive;

(iv) a reduction in the value of the Executive's pension benefits (including without limiting the generality of the forgoing the defined benefit pension plan or the supplemental benefit pension plan); or

(v) any material reduction in the value of the Executive's other employee benefits, plans and programs, other than a reduction in the value of the Executive's Annual Incentive Bonus as a result of the normal application of the performance criteria under the Annual Incentive Bonus.

(g) "**control person**" means a person, or a group of persons acting jointly or in concert, that are in a position to exercise, directly or indirectly, effective control of another person, whether through:

(i) the ownership or control of:

A. a majority of, or

B. in the case of a person whose voting securities or interests are widely held or publicly traded, 20% or more of,

the voting securities or interests of such other person(including without limiting the generality of the foregoing of any securities or interests which are convertible or exchangeable into voting securities or interests forming part of the holdings of the person or group of persons, whether or not at relevant time such conversation or exchange has taken place, and including securities or interests of a person or group of persons which carry the right to vote under circumstances that have occurred and are continuing); or

(ii) contract or other legal rights,

and "**control**" in respect of a person shall have a corresponding meaning;

provided that a person holding voting securities or interests in the ordinary course of business as an investment manager and who is not, individually or acting jointly or in concert with other persons,

using such holding to exercise effective control shall not be considered a control person;

(h) "**defined benefit pension plan**" means the Corporation's registered pension plan, entitled "Retirement Plan for the Employees of Enbridge Inc. and Affiliates" and dated July 1, 2001, as amended or replaced from time to time in accordance with the terms of such registered pension plan;

(i) "**Human Resources and Compensation Committee**" or "**HRCC**" means the committee of the Board of Directors of the Corporation from time to time appointed to fix the remuneration of executives of the Corporation or, if such committee has not been appointed, means the Board of Directors of the Corporation;

(j) "**Pensionable Bonus**" means the portion of Annual Incentive Bonus which is used under the defined benefit pension plan and the supplemental benefit pension plan to determine final or best average earnings;

(k) "**person**" means an individual, a partnership or incorporated or unincorporated association, syndicate or organization, a company, corporation or other body corporate wherever or however incorporated, a trust or any government or governmental authority or instrumentality;

(l) "**RCA**" shall have the meaning set out in Section 2.7;

(m) "**Retiring Allowance**" shall have the meaning set out in Section 2.5(b);

(n) "**supplemental benefit pension plan**" means the non-registered supplemental pension plan, entitled "The Enbridge Supplemental Pension Plan" and dated January 1, 2000, as amended or replaced from time to time in accordance with the terms of such supplemental pension plan; and

(o) "**supplementary undertaking**" shall have the meaning set out in Section 2.7.

1.2 Headings

The headings of the articles, sections, clauses and paragraphs herein are inserted for convenience of reference only and shall not affect the meaning or interpretation hereof. Unless otherwise stated, all references to articles, sections, clauses or paragraphs in this Agreement are to those set out in this Agreement.

1.3 Governing Law and Attornment

This Agreement shall be construed and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Each of the parties hereby irrevocably attorns to the jurisdiction of the courts of the Province of Alberta with respect to any matters arising out of this Agreement.

1.4 Singular; Gender

All words importing the singular number include the plural and vice versa, and all words importing gender include the masculine, feminine and neuter genders.

ARTICLE 2

EMPLOYMENT

2.1 Position, Duties and Responsibilities of Executive

The Executive shall have such responsibilities and powers as the Board of Directors or the bylaws of the Corporation may from time to time prescribe and are currently contemplated by his position as [ ] or substantially equivalent duties and responsibilities. Except as may be authorized by the Board of Directors of the Corporation, the Executive shall devote the whole of his time to the Executive's duties hereunder and shall use his best efforts to promote the interests of the Corporation and its affiliates.

2.2 Term of Agreement

The term of this Agreement shall commence on the effective date hereof and, subject to Section 2.8, shall continue in effect to and including the earliest of:

(a) the effective date of voluntary retirement of the Executive in accordance with the retirement policies established for senior employees of the Corporation;

(b) the effective date of voluntary resignation of the Executive other than pursuant to Section 2.5(a)(ii);

(c) the death of the Executive; or

(d) the effective date of termination of the employment of the Executive by the Corporation, including pursuant to Section 2.5 (a)(ii).

2.3 Termination of Agreement upon Disability of Executive

If at the end of any month the Executive is and has been for a period of more than 12 consecutive months unable to perform the essential duties specified

pursuant to this Agreement in the normal and regular manner due to mental or physical disability, this Agreement may be terminated by the Corporation on 30 days' prior written notice. Notwithstanding anything contained in this Section 2.3, the Executive shall, after such termination, continue to be entitled to all benefits provided under the disability and pension plans of the Corporation or its affiliates applicable to the Executive at the date of and during the time of this Agreement.

2.4 Termination of Agreement by the Corporation for Cause

The Corporation may terminate this Agreement at any time without notice in the event the Executive shall be convicted of a criminal act of dishonesty resulting or intending to result directly or indirectly in gain or personal enrichment of the Executive at the expense of the Corporation, or for just cause as defined at common law, pursuant to written notice setting forth particulars of such cause.

2.5 Termination of Employment by the Corporation or the Executive

(a) Except where such termination is pursuant to Sections 2.2(a), 2.2(b), 2.2(c), 2.4 or 2.6 the provisions of this Section 2.5 shall apply:

(i) where the Corporation terminates the employment of the Executive for any reason;

(ii) where the Executive terminates his employment with the Corporation within a period of 180 days following constructive dismissal of the Executive. For this purpose the Executive may within a period of 180 days following the constructive dismissal of the Executive terminate his employment with the Corporation upon 30 days' prior written notice to the Corporation. For greater clarity, the said 30 day notice may be given at any time up to the 150th day of the said 180-day period; or

(iii) where the Corporation terminates this Agreement pursuant to Section 2.3.

(b) In the event of termination of employment as provided in Section 2.5(a), the Executive shall be entitled to receive, and the Corporation shall pay to the Executive, a retiring allowance (the "Retiring Allowance") computed as hereinafter provided, which shall include all statutory entitlement under employment standards legislation and all common law entitlement to reasonable notice. The Retiring Allowance shall be that amount which is equal to three times the sum of:

(i) the Annual Salary; and

(ii) the average of the last two payments of the Annual Incentive Bonus paid to the Executive immediately preceding the date of such termination of employment.

(c) In addition to the Retiring Allowance calculated in accordance with Section 2.5(b):

(i) the Corporation shall pay to the Executive the cash value of three times the last annual flex credit allowance provided to the Executive immediately preceding the date of such termination of employment under the Corporation's flexible benefit program unless the Executive continues to be covered through the Corporation's annuitant benefit program or the benefits program of another employer of equal value (and in the case that such other employer's benefit program is of lesser value, the Executive shall be paid the difference in such values). Alternatively, at the Executive's election, the Corporation shall provide continuation of the benefit coverage, for three years, with the exception of those benefits which may not be continued pursuant to the applicable plan text, including long term disability coverage;

(ii) the Corporation shall pay to the Executive an Annual Incentive Bonus for the calendar year in which the termination of employment occurs, prorated based upon the number of days of employment of the Executive in the calendar year to the total number of days in the year and calculated based on the last Annual Incentive Bonus payment received by the Executive. In addition, the Executive shall receive all accrued and unpaid annual vacation pay to the date of termination. In addition, where the Executive holds rights under other plans to cash incentive compensation (including without limiting the generality of the foregoing, any performance stock units) the Executive shall be paid for the period in which he was employed a pro-rated amount based upon the number of days in the applicable period under the plan the Executive was employed to the number of days in the applicable plan period and such amounts shall be paid to the Executive within 30 days of the date on which amounts so payable under such plans are determined;

(iii) the Corporation shall pay to the Executive the cash value of three times the last annual flexible perquisite allowance

provided to the Executive immediately preceding the date of such termination of employment under the Corporation's executive flexible perquisites program less any amounts prepaid to the Executive but unearned by virtue of such termination of employment (as of the effective date of this Agreement this amount is $49,500);

(iv) the Corporation shall pay to the Executive a lump sum payment equivalent to the Corporation's portion of contributions on behalf of the Executive to the Corporation's employee savings plan for a three year period based upon the base salary of the Executive as at the effective date of termination; and

(v) the Corporation shall pay for financial counselling and/or career counselling assistance for the Executive to a maximum of $20,000.

(d) The Executive shall have, and shall be deemed to have had, as of the effective date of termination, three years of additional service added to the service (calculated at 2% accrual rate) already accrued at the effective date of termination under the Corporation's defined benefit pension plan and supplemental benefit pension plan. In addition, in the event of termination pursuant to Section 2.5 (a) prior to January 9, 2014, the Executive shall be credited with an additional .5% accrual rate under the Corporation's defined benefit pension plan and supplemental pension plan for each year of service between 2008 and 2014, up to a maximum of 3%.

(e) Notwithstanding the provisions of any plan under which such options have been issued, if at the effective date of termination of employment as provided in Section 2.5(a) the Executive holds exercisable but unexercised options for the purchase of shares or other securities under any of the Corporation's or its affiliates' stock option plans, the Executive shall be entitled to exercise all options so held in accordance with the terms of such plans; provided further that any provision in any such plan which purports to terminate such options in the event of termination of employment for any reason shall not be applicable or, if such provision is applicable under such plan to prevent such exercise, the provisions of Section 4.4 shall apply. If the Executive holds options for the purchase of shares or other securities under any of the Corporation's or its affiliates' stock option plans which are not vested or otherwise not exercisable at the date of termination of employment in circumstances where this Section 2.5 applies, the Corporation shall

pay to the Executive a cash amount representing the excess, if any, of the fair market value of the shares or other securities on the date of termination of employment over the exercise price for such options. Fair market value on the date of termination of employment shall mean the last board lot sale price on the Toronto Stock Exchange (or such other exchange on which the greatest volume of trading of such shares or other securities takes place for the 30 trading days prior to the date of termination) on the last trading day prior to the date of termination of employment.

(f) The Corporation and the Executive agree that the provisions of Section 2.5 are fair and reasonable and that the amounts payable by the Corporation to the Executive pursuant to Section 2.5 are reasonable estimates of the damages which will be suffered by the Executive in the event of the termination of his employment with the Corporation in the circumstances set out in Section 2.5, and shall not be construed as a penalty, nor shall the Executive be required to mitigate any loss resulting from the termination, including without limiting the generality of the foregoing, any amounts required to be paid pursuant to this Agreement.

(g) The amounts payable by the Corporation to the Executive pursuant to Section 2.5 shall not be reduced by any amounts earned by the Executive after the termination of the employment of the Executive.

(h) All amounts paid by the Corporation to the Executive pursuant to Section 2.5 shall satisfy and forever discharge all liabilities, claims or actions that the Executive may or shall have against the Corporation arising from the termination of employment of the Executive whether at common law or under statute or otherwise.

(i) Subject to the provisions of Sections 2.5(c) and 2.5(e), the Corporation shall, at the option of the Executive, pay the amounts provided under this Section 2.5 to the Executive on the effective date that the employment of the Executive is terminated, or as soon thereafter as reasonably practical, but in any event within 30 days of the effective date of such termination, less all applicable statutory deductions, or arrange a schedule of instalment payments of such amounts as determined by the Executive. Upon payment to the Executive of the amounts provided for under this Section 2.5 and, if applicable, a duly signed written agreement of the Corporation to make all instalment payments thereof on a timely basis in accordance with the Executive's determinations as provided for in the foregoing sentence, the Executive and the Corporation shall

execute and deliver to the other the releases in the forms of Schedules A and B, respectively.

2.6 Other Termination by Executive

Notwithstanding anything to the contrary herein, in addition to the right of the Executive to terminate his employment under the circumstances described in Section 2.5, the Executive shall be entitled to terminate this Agreement and his employment with the Corporation at his pleasure upon 30 days' prior written notice to such effect. In such event, the Executive shall not be entitled to any further compensation from the effective date of his termination of employment, except for such compensation as accrued prior to and on the effective date of termination of employment. The Corporation acknowledges and agrees that the Corporation shall have no remedy against the Executive, in law or otherwise, upon the termination of this Agreement and the Executive's employment with the Corporation in accordance with this Section 2.6.

2.7 Pension Plans

The Corporation undertakes and agrees with the Executive (herein, the "supplementary undertaking") to pay or cause to be paid to the Executive the amounts provided for in the supplemental benefit pension plan as modified by this Section 2.7, which amounts are supplemental to the amounts to be paid to the Executive under the defined benefit pension plan, such that the Executive will receive an annual pension equal to the annual pension that the Executive would be entitled to under the defined benefit pension plan but for the fact that retirement benefits under the defined benefit pension plan are subject to a maximum pension limitation as fixed from time to time under the Income Tax Act (Canada) and the rules and regulations from time to time promulgated by Canada Revenue Agency thereunder. In particular, the Executive (or the Executive's spouse or beneficiary as defined in the supplemental benefit pension plan) is entitled to receive:

(a) benefits determined in accordance with the supplemental benefit pension plan, being certain amounts that would be payable from the defined benefit pension plan but for limitations imposed by the Income Tax Act (Canada), all as specified in the supplemental benefit pension plan; and

(b) if Section 2.5(d) applies, benefits determined in accordance with the supplemental benefit pension plan pursuant to Section 2.7 (a) above as if:

(i) three additional years of credited service were applied in the lifetime retirement income formula in the defined benefit pension plan, and three additional years of continuous service were granted for other purposes of the defined

benefit pension plan (calculated at 2% accrual rate). In addition, in the event of termination pursuant to Section 2.5 (a) prior to January 9, 2014, the Executive shall be credited with an additional .5% accrual rate for each year of service between 2008 and 2014, up to a maximum of 3%.

(ii) for the purposes of determining final or best average earnings, for each of the three additional years of credited service provided for pursuant to Section 2.7 (b) (i) above:

A. the Executive's salary for such years shall be deemed to be his annual salary as at the date of termination of employment, and

B. the Annual Incentive Bonus used in calculating the Pensionable Bonus for each of such additional years shall be deemed to be the average of the last two payments of Annual Incentive Bonus paid to the Executive.

Notwithstanding the provisions of Section 2.5(d) and this Section 2.7, the defined benefit pension plan and the supplemental benefit pension plan, the aggregate pension payable to the Executive (or the Executive's spouse or beneficiary as defined in the supplemental benefit pension plan) under such pension plans shall not exceed $1,750,000 per annum; provided that the Executive may request that the Board of Directors of the Corporation or the HRCC consider increasing the amount of $1,750,000 per annum in the following circumstances:

(a) where in any period of 12 consecutive months the increase in the Consumer Price Index (all items) for Canada (as published by Statistics Canada) is greater than 10%; or

(b) where any other member of the Executive Leadership Team with approximately the same number of credited years of service for purposes of the defined benefit pension plan and the supplemental benefit pension plan would receive an annual pension greater than $1,750,000 per annum;

and the Board or the HRCC may in its discretion determine within 90 days of the request being made by the Executive if such an increase will be made and, if so, the amount of such increase.

The Corporation represents and undertakes to the Executive that the supplementary undertaking is and shall hereafter be maintained fully funded in a retirement compensation arrangement (as referred to in the Income Tax Act (Canada)) separately maintained under a trust arrangement established by the Corporation (the

"RCA"). The supplementary undertaking shall be funded from amounts in the RCA with any amount that cannot be funded from the RCA being paid by the Corporation. In addition, the Corporation agrees that the portion of the Annual Incentive Bonus used in calculating Pensionable Bonus for all years of credited service shall not be less than 50% of Annual Incentive Bonus for each applicable year.

2.8 Continuing Provisions

Notwithstanding the termination of this Agreement under Article 2, the provisions of Sections 2.5, 2.6, 2.7 and 2.8 and Article 3 and all other provisions hereof which by their terms are to be performed following the termination hereof shall survive such termination and be continuing obligations, and all rights of the Executive to compensation and benefits which have accrued prior to such termination shall remain payable and enforceable regardless of such termination.

ARTICLE 3

NON-COMPETITION AND CONFIDENTIALITY

3.1 Non-Competition While Employed

The Executive recognizes and understands that in performing the duties and responsibilities of his employment as outlined in this Agreement, he will occupy a position of high fiduciary trust and confidence, pursuant to which he has developed and will develop and acquire wide experience and knowledge with respect to the businesses carried on by the Corporation and its affiliates and the manner in which such businesses are conducted. It is the expressed intent and agreement of the Executive and of the Corporation that such knowledge and experience shall be used solely and exclusively in the furtherance of the business interests of the Corporation and its affiliates and not in any manner detrimental to them. The Executive therefore agrees that so long as he is employed by the Corporation pursuant to this Agreement he shall not engage in any practice or business in competition with the business of the Corporation or any of its affiliates.

3.2 Non-Competition Following Termination of Employment

In the event of termination of the Executive's employment for any reason, the Executive agrees that he will not, directly or indirectly, for a period of 12 months from the date of termination of employment, without the prior written consent of the Corporation (not to be unreasonably withheld) either alone or in partnership or in conjunction with any person or persons, firm, association, syndicate, company or corporation (collectively, a "Business Entity") as principal, agent, shareholder, employee, director or in any other manner whatsoever carry on or be engaged in or concerned with or interested in, or advise, lend money to, guarantee the debts or obligations of or permit his name or any part thereof to be used or employed by any Business Entity engaged or interested in the transportation, distribution or marketing of crude oil, natural

gas or natural gas liquids, the gathering or processing of natural gas including the extraction of natural gas liquids, power generation, transmission, distribution or marketing, the production, transmission, distribution or marketing of renewable or green energy including wind, solar or thermal: (i) within any province of Canada; (ii) within Canada; (iii) within any state of the continental United States of America, including Alaska; (iv) within the continental United States of America, including Alaska; or (v) within North America. If any covenant or provision in this Section 3.2 is determined to be void or unenforceable in whole or in part, it shall be deemed not to affect or impair the validity of any other covenant or provision, and each of Sections 3.2(i) to (v) are hereby declared to be separate and distinct covenants (and for this purpose each province or state intended to be named in Sections 3.2(i) and (iii) shall be considered to be set forth in a separate subclause of Section 3.2 and to be a separate and distinct covenant). The Executive agrees that the provisions of this Section 3.2 are reasonable in the interests of the Corporation and its continuing business and operations. The foregoing provisions of Section 3.2 shall not apply to the acquisition by the Executive, directly or indirectly, or through any Business Entity of up to 1% of the shares or other securities of a Business Entity quoted or traded on any public stock exchange in Canada or the United States of America.

If the Executive fails to comply with this Section 3.2, the Corporation shall be entitled to cancel all unvested or unexercised options or performance share units and to terminate the payment to the Executive of any amounts the Executive is entitled to under the Corporation's supplemental benefit pension plan.

3.3 Non-Solicitation of Employees

Except with the prior written consent of the Corporation, the Executive shall not solicit or cause to be solicited for employment any officer or employee of the Corporation, any of its subsidiaries or any partnership where the Corporation or one of its subsidiaries acts as the general partner for a period of 24 months from the termination of the employment of the Executive with the Corporation. For this purpose, solicitation does not include advertising in periodicals or newspapers of general circulation.

If the Executive fails to comply with this Section 3.3, the Corporation shall be entitled to cancel all unvested or unexercised options or performance share units and to terminate the payment to the Executive of any amounts the Executive is entitled to under the Corporation's supplemental benefit pension plan.

3.4 Confidentiality

The Executive further recognizes and understands that in the performance of his employment duties and responsibilities outlined in this Agreement, he will become knowledgeable, aware and possessed of Confidential Information concerning the business of the Corporation and its affiliates. The Executive agrees that, except with the consent of the Board of Directors of the Corporation or his superior, or as required

by applicable law, he will not disclose such Confidential Information to any unauthorized persons so long as he is employed by the Corporation pursuant to this Agreement and for a period of two years thereafter; provided that the foregoing shall not apply to any Confidential Information which is or becomes known or available to the public or to the competitors of the Corporation or its affiliates other than by a breach of this Agreement by the Executive.

ARTICLE 4

GENERAL

4.1 Notices

Any notice required or permitted to be given to a party hereunder shall be in writing and may be given by mailing the same (provided there is no threatened or pending disruption of postal services), postage prepaid, or delivering the same, addressed to such party at the following address:

To the Corporation:

Enbridge Inc.
3000, 425 - 1st Street SW
Calgary, Alberta T2P 3L8

Attention: Chairman of the Board of Directors

To the Executive:

[ ]
[ ]
[ ]

Any notice aforesaid if delivered shall be deemed to have been delivered on the first business day following the date on which it was delivered or if mailed shall be deemed to have been received on the third business day following the date on which it was mailed. Any party may change its address for service from time to time by a notice given in accordance with the foregoing.

4.2 Time

Time shall be of the essence of this Agreement.

4.3 Legal Fees and Expenses

The Corporation shall pay all reasonable costs incurred by the Executive, as determined in the sole discretion of the President and Chief Executive Officer, in respect of legal, consulting and accounting expenses in connection with the negotiation

and execution of this Agreement. The Corporation shall pay all costs, charges and expenses incurred in respect of legal, consulting and accounting expenses (including legal fees, charges and disbursements on an as between a solicitor and his own client basis) incurred by the Executive or his estate in taking any action or enforcing any right or benefit provided to the Executive by this Agreement; provided only that the Executive is substantially successful in any such action or in enforcing any such right or benefit, and providing further that payments pursuant to this Section 4.3 shall not exceed a maximum amount of $20,000 or such greater amount as may be ordered by any court or other competent authority.

4.4 Replacement and Integration

The provisions of this Agreement replace and supersede the Executive Employment Agreement dated as of January 9, 2008 and the offer of employment dated March 19, 2008 each between the Executive and the Corporation. The provisions of this Agreement are in addition to and not in substitution for the other terms, conditions and provisions concerning the employment of the Executive by the Corporation, whether contained in benefit or incentive plans (including without limiting the generality of the foregoing, short term incentive plans, performance incentive plans and long term incentive plans) or otherwise, and where there is any conflict between this Agreement and such other terms, conditions and provisions this Agreement shall govern and prevail. In the event any plan under which any benefit or incentive is granted does not permit a benefit or incentive to be received in circumstances contemplated by this Agreement, the Corporation shall pay to the Executive a cash amount equal to the value of the benefit or incentive provided for in this Agreement. This Agreement together with such other terms, conditions and provisions constitute the entire Agreement between the parties hereto pertaining to the subject matter hereof.

4.5 Amendment

This Agreement may not be amended or modified in any respect except by written instrument signed by the parties hereto. This Agreement shall, if the Executive so requests in writing, be amended to modify its provisions to provide the Executive with the same rights in respect of circumstances where a person becomes a control person of the Corporation or its affiliates as may be provided for in any agreement entered into after the effective date of this Agreement (other than amended and restated employment agreements that may be entered into after the effective date hereof with employees who were members of the Executive Management Team on January 9, 2008) with any other employee of the Corporation or any of its affiliates. The Corporation shall, within 10 days of the entering into of any such agreement with another employee, notify the Executive in writing of the details of such provisions (but shall not be required to disclose the identity of the other employee).

4.6 Waivers

No waiver by either party hereto of any breach of any of the provisions of this Agreement shall take effect or be binding upon the party unless in writing and signed by such party. Unless otherwise expressly provided therein, such waiver shall not limit or affect the rights of such party with respect to any other breach.

4.7 Further Assurances

The parties hereto agree to execute and deliver such further and other documents and perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part hereof.

4.8 Severability

If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

4.9 Enurement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, legal personal representatives, successors and permitted assigns.

IN WITNESS WHEREOF the Corporation has hereunto affixed its corporate seal and caused this Agreement to be duly executed and delivered by its duly authorized officers in that behalf and the Executive has hereunto set his hand and seal this _____ day of February, 2013 and effective as of the day and year first written above.

ENBRIDGE INC.

Per: /s/ [ ]
[ ]
[ ]

Per: /s/ [ ]
[ ]
[ ]

SIGNED AND DELIVERED in the presence of:	)	
/s/ [ ]	)	[ ]
Witness	)	**[ ]**
[ ]	)	

SCHEDULE A

Release

KNOW ALL MEN BY THESE PRESENTS that I, [ ], of the City of Calgary, in the Province of Alberta, in consideration of the amounts (including without limiting the generality of the foregoing, if applicable, payment of instalments of such amounts) provided in Sections 2.5 and 2.7 of the Executive Employment Agreement (the "**Contract**") dated as of [ ] between me and Enbridge Inc. (the "**Corporation**") and for other good and valuable consideration, inclusive of any statutory severance or benefits in accordance with the Employment Standards Code (Alberta), the receipt (other than in respect of the future instalments referred to above, if any) and sufficiency of which is hereby acknowledged, do for myself, my executors and assigns hereby remise, release and forever discharge the Corporation, its respective predecessors, successors and assigns, from all manner of actions, causes of action, claims or demands, past, present or future, which against the Corporation, its respective predecessors, successors and assigns, I ever had, now have, or can, shall or may hereafter have, by reason of or arising out of any cause, matter or thing whatsoever done or admitted to be done, occurring or existing up to and inclusive of the date of this Release and in particular, without in any way restricting the generality of the foregoing, in respect of all claims, past, present or future, directly or indirectly related to or arising out of or in connection with my relationship with the Corporation, its respective predecessors, successors and assigns, as an employee, officer, director or trustee, and the termination of my employment from the Corporation, on [ ]. Words or terms defined in the Contract and not otherwise defined herein shall have the meanings ascribed to them in the Contract.

AND FOR THE SAID CONSIDERATION I represent and warrant that I have not assigned to any person any of the actions, causes of action, claims, suits, executions or demands which I release by this Release, or with respect to which I agree not to make any claim or take any proceeding herein.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN, this Release shall not extend to or affect, or constitute a release of, my right to sue, claim against or recover from the Corporation and shall not constitute an agreement to refrain from bringing, taking or maintaining any action against the Corporation in respect of:

(a) any corporate indemnity existing by statute or contract or pursuant to any of the constating documents of the Corporation provided in my favour in respect of my having acted at any time as a director, trustee or officer or any of such positions with the Corporation or any of its affiliates or of any person for which I acted as a director, trustee or officer of at the request of the Corporation or any of its affiliates;

(b) my entitlement to any insurance maintained for the benefit or protection of the directors, trustees or officers of the Corporation or of any of its

affiliates or of any person for which I acted as a director, trustee or officer of at the request of the Corporation or any of its affiliates, including without limitation, directors', trustees' and officers' liability insurance; or

(c) my entitlement to any amounts that may arise under the Sections and Articles of the Contract referred to in Section 2.8 of the Contract.

IT IS HEREBY AGREED that, except as provided herein, the terms of the Contract and of this Release will be kept confidential. Subject to the following, I shall not communicate any such terms to any third party under any circumstances whatsoever, although I shall be at liberty to disclose to third parties that a mutually acceptable release was agreed upon. Notwithstanding the foregoing, I shall be permitted to disclose the terms of the Contract and this Release to my spouse, and my tax, financial and legal advisors, and to make any disclosures of the terms of the Contract and this Release as may be required to allow me to comply with any applicable provision of the law. In such event, I shall require that my spouse, and any such tax, financial or legal advisor execute the undertaking provided in Schedule C to the Contract prior to the disclosure of the terms of the Contract and this Release and shall advise the Corporation of such disclosure and provide the Corporation with a copy of such undertaking. In the event of any disclosure required by law, upon becoming aware of any such I shall, provided I am legally permitted to do so, promptly advise the Corporation of the required disclosure prior to making such disclosure and shall, to the extent legally permitted to do so, provide the Corporation with reasonable opportunity to seek protective orders or other assurances that confidential treatment will be afforded to such information. The invalidity or unenforceability of any provision of this Release shall not affect the validity or enforceability of any other provision of this Release, which shall remain in full force and effect.

I HEREBY DECLARE that I have read all of this Release, fully understand the terms of this Release and voluntarily accept the consideration stated herein as the sole consideration for this Release for the purpose of making a full and final settlement with the Corporation. I further acknowledge and confirm that I have been given an adequate period of time to obtain independent legal counsel upon the meaning and the significance of the terms herein.

IN WITNESS WHEREOF, I have hereunto
set my hand this [ ] day of [ ].

Witness	[ ]

SCHEDULE B

Release

KNOW ALL MEN BY THESE PRESENTS that Enbridge Inc. (the "**Corporation**"), a corporation incorporated under the laws of Canada, in consideration of the delivery by [ ] (the "**Executive**") of a Release dated the date hereof and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, for itself, its affiliates and it and their respective predecessors, successors and assigns, hereby remises, releases and forever discharges the Executive and his heirs, legal personal representatives and assigns from all manner of actions, causes of action, claims or demands, past, present or future, against the Executive or his heirs, legal personal representatives and assigns which the Corporation, its affiliates or its or their respective predecessors, successors and assigns ever had, now have, or can, shall or may hereafter have, by reason of or arising out of any cause, matter or thing whatsoever done or omitted to be done, occurring or existing up to and inclusive of the date of this Release and in particular, without in any way restricting the generality of the foregoing, in respect of all claims, past, present or future, directly or indirectly related to or arising out of or in connection with the Corporation's or its affiliates' relationship with the Executive, as an employee, officer, director or trustee of the Corporation or its affiliates. Words or terms defined in the Contract (as defined below) and not otherwise defined herein shall have the meanings ascribed to them in the Contract.

AND FOR THE SAID CONSIDERATION the Corporation represents and warrants that neither it nor its affiliates has assigned to any person any of the actions, causes of action, claims, suits, executions or demands which it releases by this Release, or with respect to which it and its affiliates agrees not to make any claim or take any proceeding herein. .

IT IS HEREBY AGREED that, except as provided herein or as required by law, the terms of the Executive Employment Agreement (the "**Contract**") dated as of
[ ] between the Corporation and the Executive and of this Release will be kept confidential. None of the Corporation or its affiliates, or any of their employees, officers, directors or trustees shall communicate any such terms to any third party under any circumstances whatsoever, although the Corporation shall be at liberty to disclose to third parties that a mutually acceptable release was agreed upon. In the event of disclosure required by law, upon becoming aware of such the Corporation shall , provided it is legally permitted to do so, promptly advise the Executive of the required disclosure prior to making such disclosure and shall, to the extent legally permitted to do so, provide the executive with reasonable opportunity to seek protective orders or other assurances that confidential treatment will be afforded to such information. The invalidity or unenforceability of any provision of this Release shall not affect the validity or enforceability of any other provision of this Release, which shall remain in full force and effect.

IN WITNESS WHEREOF, the Corporation has duly executed and delivered this Release this ● day of ●, 20●

ENBRIDGE INC.

Per: _____

●

Chair, Board of Directors

Per: _____

●

●

SCHEDULE C

Undertaking

I, _____ of_____
[print name of person giving the undertaking] [suite number and street address]

_____, _____, _____ [city, town, etc.] [province/state]
[country]

being the _____, of ●
[describe relationship to the "Executive", as defined hereinafter, eg: spouse, tax, financial or legal advisor]
(the "Executive") for good and valuable consideration, the receipt and sufficiency of which I hereby acknowledge, agree to keep strictly confidential the terms and conditions of the Executive Employment Agreement dated as of October 1, 2012 made between Enbridge Inc. and the Executive, and any release thereof, all as may be disclosed to me by the Executive.

I further acknowledge that I will make no use whatsoever of the information comprising the terms and conditions of such Executive Employment Agreement, and any release thereof, except as may be required for the purposes of my providing advice and direction to the Executive in my aforesaid capacity.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 20●.

_____ _____
[witness' signature] [signature of person giving the undertaking]

_____
[print name of witness]

_____
[suite number and street address]

_____
[city, town]

_____
[province, country]

_____
[postal code]

EXHIBIT 10.3

ENBRIDGE INC.

EXECUTIVE EMPLOYMENT AGREEMENT

EXECUTIVE EMPLOYMENT AGREEMENT

BETWEEN

ENBRIDGE INC.

-and -

[ ]

Dated as of [ ]

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EXECUTIVE EMPLOYMENT AGREEMENT

THIS AGREEMENT made effective the [ ] day of [ ] between:

ENBRIDGE INC., a body corporate under the *Canada Business Corporations Act,* with offices in the City of Calgary, in the Province of Alberta (hereinafter called the "**Corporation**")

- and -

[ ], of the City of Calgary, in the Province of Alberta (hereinafter called the "**Executive**")

WHEREAS:

(a) the Executive is an executive of the Corporation and is considered by the Board of Directors of the Corporation to be a valued employee of the Corporation and has acquired outstanding and special skills and abilities and an extensive background in and knowledge of the Corporation's business and the industry in which it is engaged; and

(b) the Board of Directors recognizes that it is essential, in the best interests of the Corporation, that the Corporation retain the continuing dedication of the Executive to his office and employment and that this can best be accomplished if the personal uncertainty facing the Executive in the event of a Corporation initiated termination of employment of the Executive is alleviated;

IN CONSIDERATION of the mutual advantages accruing to both the Corporation and the Executive, the parties agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

(a) "**affiliate**" a person shall be deemed to be an affiliate of another person if one of them is controlled by the other or both are controlled by the same person, and if two persons are affiliates of the same person at the same time they are deemed to be affiliates of each other;

(b) "**Annual Compensation**" means the sum of the Annual Salary and the Annual Incentive Bonus;

(c) "**Annual Salary**" means the annual salary of the Executive established by the HRCC and payable by the Corporation or its affiliates, determined as at the end of the month immediately preceding the month in which the termination of employment occurs and if at the relevant time an annual salary level has not been established, it shall be calculated by multiplying by 12 the monthly salary of the Executive in effect for the month preceding the month in which a termination of employment occurs pursuant to Article 2;

(d) "**Annual Incentive Bonus**" means the annual incentive bonus of the Executive under the Corporation's short term incentive plan;

(e) "**Confidential Information**" means the records, information, processes, know-how, data, trade secrets, techniques, knowledge and other confidential information, either electronic or not electronic, not generally known or lawfully available to the public relating to or connected with the business or corporate affairs and operations of the Corporation and its affiliates;

(f) "**constructive dismissal**" means unless expressly consented to in writing by the Executive, any action that constitutes constructive dismissal (as defined at common law) of the Executive, including a:

(i) material decrease in the Executive's title, position, responsibilities or powers;

(ii) reduction in the Annual Salary (excluding the Annual Incentive Bonus) of the Executive;

(iii) reduction in the value of the Executive's pension benefits (including the defined benefit pension plan or the supplemental benefit pension plan);

(iv) material reduction in the value of the Executive's other employee benefits, plans and programs, other than a reduction in the value of the Executive's Annual Incentive Bonus as a result of the normal application of the performance criteria under the Annual Incentive Bonus; or

(v) material decrease in the reporting relationships of the Executive, **excluding** a change whereby the Executive ceases to directly report to the most senior executive officer of the Corporation (as of the date hereof, the President and Chief Executive Officer) and of its control person, if any, and directly reports to another senior executive officer of the Corporation or of its control person, if any, provided the Executive remains a member of the most senior formal groups or committees (as of the effective date hereof its Executive Leadership Team) involved in corporate stewardship of the Corporation and of its control person, if any.

(g) "**control person**" means a person, or a group of persons acting jointly or in concert, that is or are in a position to exercise, directly or indirectly, effective control of another person, whether through:

(i) the ownership or control of:

A. a majority of, or

B. in the case of a person whose voting securities or interests are widely held or publicly traded, 20% or more of,

the voting securities or interests of such other person (including any securities or interests which are convertible or exchangeable into voting securities or interests forming part of the holdings of the person or group of persons, whether or not at the relevant time such conversion or exchange has taken place, and including securities or interests of a person or group of persons which carry the right to vote under circumstances that have occurred and are continuing); or

(ii) contract or other legal rights,

and "**control**" in respect of a person shall have a corresponding meaning provided that a person holding voting securities or interests in the ordinary course of business as an investment manager and who is not, individually or acting jointly or in concert with other persons, using such holding to exercise effective control, shall not be considered a control person;

(h) "**defined benefit pension plan**" means the Corporation's registered pension plan, entitled "Retirement Plan for the Employees of Enbridge Inc. and Affiliates" dated July 1, 2001, as amended or replaced from time to time in accordance with the terms of such registered pension plan;

(i) "**Human Resources and Compensation Committee**" **or** "**HRCC**" means the committee of the Board of Directors of the Corporation from time to time appointed to fix the remuneration of executives of the Corporation or, if such committee has not been appointed, means the Board of Directors of the Corporation;

(j) "**Pensionable Bonus**" means the portion of Annual Incentive Bonus which is used under the defined benefit pension plan and the supplemental benefit pension plan to determine final or best average earnings;

(k) "**person**" means an individual, a partnership or incorporated or unincorporated association, syndicate or organization, a company, corporation or other body corporate wherever or however incorporated, a trust or any government or governmental authority or instrumentality;

(l) "**RCA**" shall have the meaning set out in Section 2.7;

(m) "**Retiring Allowance**" shall have the meaning set out in Section 2.5(b);

(n) "**supplemental benefit pension plan**" means the non-registered supplemental pension plan, entitled "The Enbridge Supplemental Pension Plan" dated January 1, 2000, as amended or replaced from time to time in accordance with the terms of such supplemental benefit pension plan; and

(o) "**supplementary undertaking**" shall have the meaning set out in Section 2.7.

1.2 Headings

The headings of the articles, sections, clauses and paragraphs herein are inserted for convenience of reference only and shall not affect the meaning or interpretation hereof. Unless otherwise stated, all references to articles, sections, clauses or paragraphs in this Agreement are to those set out in this Agreement.

1.3 Governing Law and Attornment

This Agreement shall be construed and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Each of the parties hereby irrevocably attorns to the jurisdiction of the courts of the Province of Alberta with respect to any matters arising out of this Agreement.

1.4 Singular; Gender

All words importing the singular number include the plural and vice versa, and all words importing gender include the masculine, feminine and neuter genders.

ARTICLE 2
EMPLOYMENT

2.1 Position, Duties and Responsibilities of Executive

The Executive shall have such responsibilities and powers as the Board of Directors or the bylaws of the Corporation or the Executive's superiors may from time to time prescribe and are currently contemplated by his position as [ ], or substantially equivalent duties and responsibilities. Except as may be authorized by the Board of Directors of the Corporation, or by the Executive's superiors from time to time, the Executive shall devote the whole of his time to the Executive's duties hereunder and shall use his best efforts to promote the interests of the Corporation and its affiliates.

2.2 Term of Agreement

The term of this Agreement shall commence on the effective date hereof and, subject to Section 2.8, shall continue in effect to and including the earliest of:

(a) the effective date of voluntary retirement of the Executive in accordance with the retirement policies established for senior employees of the Corporation;

(b) the effective date of voluntary resignation of the Executive other than pursuant to Section 2.5(a)(ii);

(c) the death of the Executive; or

(d) the effective date of termination of the employment of the Executive by the Corporation, including pursuant to Section 2.5 (a)(ii).

2.3 Termination of Agreement upon Disability of Executive

If at the end of any month the Executive is and has been for a period of more than 12 consecutive months unable to perform the essential duties of the Executive as determined under Section 2.1 in the normal and regular manner due to mental or physical disability, this Agreement may be terminated by the Corporation on 30 days' prior written notice. Notwithstanding anything contained in this Section 2.3, the Executive shall, after such termination, continue to be entitled to all benefits provided under the disability and pension plans of the Corporation or its affiliates applicable to the Executive at the date of and during the time of this Agreement.

2.4 Termination of Agreement by the Corporation for Cause

The Corporation may terminate this Agreement at any time without notice in the event the Executive shall be convicted of a criminal act of dishonesty resulting or intending to result directly or indirectly in gain or personal enrichment of the Executive at the expense of the Corporation, or for just cause as defined at common law, pursuant to written notice setting forth particulars of such cause.

2.5 Termination of Employment by the Corporation or the Executive

(a) Except where such termination is pursuant to Sections 2.2(a), 2.2(b), 2.2(c), 2.4 or 2.6 the provisions of this Section 2.5 shall apply:

(i) where the Corporation terminates the employment of the Executive for any reason;

(ii) where the Executive terminates his employment with the Corporation within a period of 180 days following constructive dismissal of the Executive. For this purpose the Executive may within a period of 180 days following the constructive dismissal of the Executive terminate his employment with the Corporation upon 30 days' prior written notice to the Corporation. For greater clarity, the said 30 day notice may be given at any time up to the 150th day of the said 180-day period; or

(iii) where the Corporation terminates this Agreement pursuant to Section 2.3.

(b) In the event of termination of employment as provided in Section 2.5(a), the Executive shall be entitled to receive, and the Corporation shall pay to the Executive, a retiring allowance (the "**Retiring Allowance**") computed as hereinafter provided, which shall include all statutory entitlement under employment standards legislation and all common law entitlement to reasonable notice. The Retiring Allowance shall be that amount which is equal to two times the sum of:

(i) the Annual Salary; and

(ii) the average of the last two payments of the Annual Incentive Bonus paid to the Executive (or the last payment if there has not been more than one Annual Incentive Bonus paid to the Executive) immediately preceding the date of such termination of employment.

(c) In addition to the Retiring Allowance calculated in accordance with Section 2.5(b) the Corporation shall pay to the Executive:

(i) the cash value of two times the last annual flex credit allowance provided to the Executive immediately preceding the date of such termination of employment under the Corporation's flexible benefit program unless the Executive continues to be covered through the Corporation's annuitant benefit program or the benefits program of another employer of equal value (and in the case that such other employer's benefit program is of lesser value, the Executive shall be paid the difference in such values). Alternatively, at the Executive's election, the Corporation shall provide continuation of the benefit coverage, for the applicable notice period, with the exception of those benefits which may not be continued pursuant to the applicable plan text, including long term disability coverage;

(ii) an Annual Incentive Bonus for the calendar year in which the termination of employment occurs, pro-rated based upon the number of days of employment of the Executive in the calendar year to the total number of days in the year and calculated based on the last Annual Incentive Bonus payment received by the Executive. In addition, the Executive shall receive all accrued and unpaid annual vacation pay to the date of termination. In addition, where the Executive holds rights under other plans to cash incentive compensation (including without limiting the generality of the foregoing, any performance stock units) the

Executive shall be paid for the period in which he was employed a pro-rated amount based upon the number of days in the applicable period under the plan the Executive was employed to the number of days in the applicable plan period and such amounts shall be paid to the Executive within 30 days of the date on which amounts so payable under such plans are determined;

(iii) the cash value of two times the last annual flexible perquisite allowance provided to the Executive immediately preceding the date of such termination of employment under the Corporation's executive flexible perquisites program less any amounts prepaid to the Executive but unearned by virtue of such termination of employment (as of the effective date of this Agreement this amount is $35,000);

(iv) a lump sum payment equivalent to the Corporation's portion of contributions on behalf of the Executive to the Corporation's employee savings plan for a two year period based upon the base salary of the Executive as at the effective date of termination; and

(v) for financial counselling and/or career counselling assistance for the Executive to a maximum of $20,000.

(d) The Executive shall have, and shall be deemed to have had, as of the effective date of termination, two years of additional service added to the service already accrued at the effective date of termination under the Corporation's defined benefit pension plan and supplemental benefit pension plan.

(e) Notwithstanding the provisions of any plan under which such options have been issued, if at the effective date of termination of employment as provided in Section 2.5(a) the Executive holds exercisable but unexercised options for the purchase of shares or other securities under any of the Corporation's or its affiliates' stock option plans, the Executive shall be entitled to exercise all options so held in accordance with the terms of such plans; provided further that any provision in any such plan which purports to terminate such options in the event of termination of employment for any reason shall not be applicable or, if such provision is applicable under such plan to prevent such exercise, the provisions of Section 4.4 shall apply. If the Executive holds options for the purchase of shares or other securities under any of the Corporation's or its affiliates' stock option plans which are not vested or otherwise not exercisable at the date of termination of employment in circumstances where this Section 2.5 applies, the Corporation shall pay to the Executive a cash amount representing the excess, if any, of the fair market value of the shares or other securities on the date of termination of employment over the exercise price for such options. Fair market value on the date of termination of employment shall mean the last board lot sale price on the Toronto Stock Exchange (or such other exchange on which the greatest volume of trading of such shares or other securities takes place for the 30 trading days prior to the date of termination) on the last trading day prior to the date of termination of employment.

(f) The Corporation and the Executive agree that the provisions of Section 2.5 are fair and reasonable and that the amounts payable by the Corporation to the Executive pursuant to Section 2.5 are reasonable estimates of the damages which will be suffered by the Executive in the event of the termination of his employment with the Corporation in the circumstances set out in Section 2.5, and shall not be construed as a penalty, nor shall the Executive be required to mitigate any loss resulting from the termination, including any amounts required to be paid pursuant to this Agreement.

(g) The amounts payable by the Corporation to the Executive pursuant to Section 2.5 shall not be reduced by any amounts earned by the Executive after the termination of the employment of the Executive.

(h) All amounts paid by the Corporation to the Executive pursuant to Section 2.5 shall satisfy and forever discharge all liabilities, claims or actions that the Executive may or shall have against the Corporation arising from the termination of employment of the Executive whether at common law or under statute or otherwise.

(i) Subject to the provisions of Sections 2.5(c) and 2.5(e), the Corporation shall, at the option of the Executive, pay the amounts provided under this Section 2.5 to the Executive on the effective date that the employment of the Executive is terminated, or as soon thereafter as reasonably practical, but in any event within 30 days of the effective date of such termination, less all applicable statutory deductions, or arrange a schedule of instalment payments of such amounts as determined by the Executive. Upon payment to the Executive of the amounts provided for under this Section 2.5 and, if applicable, a duly signed written agreement of the Corporation to make all instalment payments thereof on a timely basis in accordance with the Executive's determinations as provided for in the foregoing sentence, the Executive and the Corporation shall execute and deliver to the other the releases in the forms of Schedules A and B, respectively.

2.6 Other Termination by Executive

Notwithstanding anything to the contrary herein, in addition to the right of the Executive to terminate his employment under the circumstances described in Section 2.5, the Executive shall be entitled to terminate this Agreement and his employment with the Corporation at his pleasure upon 30 days' prior written notice to such effect. In such event, the Executive shall not be entitled to any further compensation from the effective date of his termination of employment, except for such compensation as accrued prior to and on the effective date of termination of employment. The Corporation acknowledges and agrees that the Corporation shall have no remedy against the Executive, in law or otherwise, upon the termination of this Agreement and the Executive's employment with the Corporation in accordance with this Section 2.6.

2.7 Pension Plans

The Corporation undertakes and agrees with the Executive (herein, the "**supplementary undertaking**") to pay or cause to be paid to the Executive the amounts provided for in the supplemental benefit pension plan as modified by this Section 2.7, which amounts are supplemental to the amounts to be paid to the Executive under the defined benefit pension plan, such that the Executive will receive an annual pension equal to the annual pension that the Executive would be entitled to under the defined benefit pension plan but for the fact that retirement benefits under the defined benefit pension plan are subject to a maximum pension limitation as fixed from time to time under the *Income Tax Act* (Canada) and the rules and regulations from time to time promulgated by Canada Revenue Agency thereunder (the "**ITA**"). In particular, the Executive (or the Executive's spouse or beneficiary as defined in the supplemental benefit pension plan) is entitled to receive:

(a) benefits determined in accordance with the supplemental benefit pension plan, being certain amounts that would be payable from the defined benefit pension plan but for limitations imposed by the ITA, all as specified in the supplemental benefit pension plan; and

(b) if Section 2.5(d) applies, benefits determined in accordance with the supplemental benefit pension plan pursuant to Section 2.7 (a) above as if:

(i) two additional years of credited service were applied in the lifetime retirement income formula in the defined benefit pension plan, and two additional years of continuous service were granted for other purposes of the defined benefit pension plan;

(ii) for the purposes of determining final or best average earnings, for each of the two additional years of credited service provided for pursuant to Section 2.7 (b) (i) above:

A. the Executive's salary for such years shall be deemed to be his Annual Salary as at the date of termination of employment, and

B. the Annual Incentive Bonus used in calculating the Pensionable Bonus for each of such additional years shall be deemed to be the average of the last two payments of Annual Incentive Bonus paid to the Executive (or the last payment if there has not been more than one Annual Incentive Bonus paid to the executive immediately preceding the date of termination of employment).

The Corporation represents and undertakes to the Executive that the supplementary undertaking is and shall hereafter be maintained in a "retirement compensation arrangement" (as referred to in the ITA) separately maintained under a trust arrangement established by the Corporation (the "**RCA**"). The supplementary undertaking shall be funded from amounts in the RCA with any amount that cannot be funded from the RCA being paid by the Corporation.

2.8 Continuing Provisions

Notwithstanding the termination of this Agreement under Article 2, the provisions of Sections 2.5, 2.6, 2.7 and 2.8 and Article 3 and all other provisions hereof which by their terms are to be performed following the termination hereof shall survive such termination and be continuing obligations, and all rights of the Executive to compensation and benefits which have accrued prior to such termination shall remain payable and enforceable regardless of such termination.

2.9 [Taxes and Reporting

All amounts paid to the Executive pursuant to this Agreement shall be subject to withholding taxes as required by the applicable legislation in effect at the time of the payments.

Notwithstanding the aforementioned, the Executive shall be responsible for the payment of all taxes applicable to payments made pursuant to this Agreement and the Corporation, its employees and agents shall bear no liability in connection with the payment of such taxes.]

ARTICLE 3
NON-COMPETITION AND CONFIDENTIALITY

3.1 Non-Competition While Employed

The Executive recognizes and understands that in performing the duties and responsibilities of his employment as outlined in this Agreement, he will occupy a position of high fiduciary trust and confidence, pursuant to which he has developed and will develop and acquire wide experience and knowledge with respect to the businesses carried on by the Corporation and its affiliates and the manner in which such businesses are conducted. It is the expressed intent and agreement of the Executive and of the Corporation that such knowledge and experience shall be used solely and exclusively in the furtherance of the business interests of the Corporation and its affiliates and not in any manner detrimental to them. The Executive therefore agrees that so long as he is employed by the Corporation pursuant to this Agreement he shall not engage in any practice or business in competition with the business of the Corporation or any of its affiliates.

3.2 Non-Competition Following Termination of Employment

In the event of termination of the Executive's employment for any reason, the Executive agrees that he will not, directly or indirectly, for a period of 12 months from the date of termination of employment, without the prior written consent of the Corporation (not to be unreasonably withheld) either alone or in partnership or in conjunction with any person or persons, firm, association, syndicate, company or corporation (collectively a "**Business Entity**") as principal, agent, shareholder, employee, director or in any other manner whatsoever carry on or be engaged in or concerned with or interested in, or advise, lend money to, guarantee the debts or obligations of or permit his name or any part thereof to be used or employed by any Business Entity engaged or interested in the transportation, distribution or marketing of crude oil, natural gas or natural gas liquids, the gathering or processing of natural gas including the extraction of natural gas liquids, power generation, transmission, distribution or marketing, the production, transmission, distribution or marketing of renewable or green energy including wind, solar or thermal:

(a) within any province of Canada;

(b) within Canada;

(c) within any state of the continental United States of America, including Alaska;

(d) within the continental United States of America, including Alaska; or

(e) within North America.

If any covenant or provision in this Section 3.2 is determined to be void or unenforceable in whole or in part, it shall be deemed not to affect or impair the validity of any other covenant or provision, and each of Sections 3.2(a) to (e) are hereby declared to be separate and distinct covenants (and for this purpose each province or state intended to be named in Section 3.2 (a) and (c) shall be considered to be set forth in a separate subclause of Section 3.2 and to be separate and distinct covenants). The Executive agrees that all the provisions of this Section 3.2 are reasonable in the interests of the Corporation and its continuing business and operations. The foregoing provisions of Section 3.2 shall not apply to the acquisition by the Executive, directly or indirectly, or through any Business Entity of up to 1% of the shares or other securities of a Business Entity quoted or traded on any public stock exchange in Canada or the United States.

If the Executive fails to comply with this Section 3.2, the Corporation shall be entitled to cancel all unvested or unexercised options or performance share units and to terminate the payment to the Executive of any amounts the Executive is entitled to under the Corporation's supplemental benefit pension plan.

3.3 Non-Solicitation of Employees

Except with the prior written consent of the Corporation, the Executive shall not solicit or cause to be solicited for employment any officer or employee of the Corporation, any of its subsidiaries or any partnership where the Corporation or one of its subsidiaries acts as the general partner for a period of 24 months from the termination of the employment of the Executive with the Corporation. For this purpose, solicitation does not include advertising in periodicals or newspapers of general circulation.

If the Executive fails to comply with this Section 3.3, the Corporation shall be entitled to cancel all unvested or unexercised options or performance share units and to terminate the payment to the Executive of any amounts the Executive is entitled to under the Corporation's supplemental benefit pension plan.

3.4 Confidentiality

The Executive further recognizes and understands that in the performance of his employment duties and responsibilities outlined in this Agreement, he will become knowledgeable, aware and possessed of Confidential Information concerning the business of the Corporation and its affiliates. The Executive agrees that, except with the consent of the Board of Directors of the Corporation or his superior, or as required by applicable law, he will not disclose such Confidential Information to any unauthorized persons so long as he is employed by the Corporation pursuant to this Agreement and for a period of two years thereafter; provided that the foregoing shall not apply to any Confidential Information which is or becomes known or available to the public or to the competitors of the Corporation or its affiliates other than by a breach of this Agreement by the Executive.

ARTICLE 4
GENERAL

4.1 Notices

Any notice required or permitted to be given to a party hereunder shall be in writing and may be given by mailing the same (provided there is no threatened or pending disruption of postal services), postage prepaid, or delivering the same, addressed to such party at the following address:

To the Corporation:

Enbridge Inc.
200, 425 – 1st Street S.W.
Calgary, Alberta T2P 3L8
Attention: President and Chief Executive Officer

To the Executive:

[ ]
[ ]
[ ]

Any notice aforesaid if delivered shall be deemed to have been delivered on the first business day following the date on which it was delivered or if mailed shall be deemed to have been received on the third business day following the date on which it was mailed. Any party may change its address for service from time to time by a notice given in accordance with the foregoing.

4.2 Time

Time shall be of the essence of this Agreement.

4.3 Legal Fees and Expenses

The Corporation shall pay all reasonable costs incurred by the Executive, as determined in the sole discretion of the President and Chief Executive Officer, in respect of legal, consulting and accounting expenses in connection with the negotiation and execution of this Agreement. The Corporation shall pay all costs, charges and expenses incurred in respect of legal, consulting and accounting expenses (including legal fees, charges and disbursements on an as between a solicitor and his own client basis) incurred by the Executive or his estate in taking any action or enforcing any right or benefit provided to the Executive by this Agreement; provided only that the Executive is substantially successful in any such action or in enforcing any such right or benefit, and providing further that payments pursuant to this Section 4.3 shall not exceed a maximum amount of $20,000 or such greater amount as may be ordered by any court or other competent authority.

4.4 Integration

The provisions of this Agreement are in addition to and not in substitution for the other terms, conditions and provisions concerning the employment of the Executive by the Corporation, whether contained in benefit or incentive plans (including short term incentive plans, performance incentive plans and long term incentive plans) or otherwise, and where there is any conflict between this Agreement and such other terms, conditions and provisions this Agreement shall govern and prevail. In the event any plan under which any benefit or incentive is granted does not permit a benefit or incentive to be received in circumstances contemplated by this Agreement, the Corporation shall pay to the Executive a cash amount equal to the value of the benefit or incentive provided for in this Agreement. This Agreement together with such other terms, conditions and provisions and the offer of employment dated [ ], constitute the entire Agreement between the parties hereto pertaining to the subject matter hereof.

4.5 Amendment

[This Agreement may not be amended or modified in any respect except by written instrument signed by the parties hereto.][The Agreement shall, if the Executive so requests in writing, be amended to modify its provisions to provide the Executive with the same rights in respect of circumstances where a person becomes a control person of the Corporation or its affiliates as may be provided for in any agreement entered into after the effective date of this Agreement (other than amended and restated employment agreements that may be entered into after the effective date hereof with employees who were members of the Executive Leadership Team on the effective date of this Agreement (with any other employee of the Corporation (other than its President and Chief Executive Officer or its Chief Financial Officer) or any of its affiliates. The Corporation shall, within 10 days of entering into any such agreement with another employee, notify the Executive in writing of the details of such provisions (but shall not be required to disclose the identity of the other employee].

4.6 Waivers

No waiver by either party hereto of any breach of any of the provisions of this Agreement shall take effect or be binding upon the party unless in writing and signed by such party. Unless otherwise expressly provided therein, such waiver shall not limit or affect the rights of such party with respect to any other breach.

4.7 Further Assurances

The parties hereto agree to execute and deliver such further and other documents and perform and cause to be performed such further and other acts and things as may be necessary or advisable in order to give full effect to this Agreement.

4.8 Severability

If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

4.9 Enurement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, legal personal representatives, successors and permitted assigns.

The Corporation and the Executive have duly executed and delivered this Agreement to each other effective as of the day and year first written above.

ENBRIDGE INC.

Per: /s/ [ ]
[ ]
President and Chief Executive Officer

Per: /s/ [ ]
[ ]
Chief Human Resources Officer

SIGNED AND DELIVERED in the presence of:	)	
/s/ [ ]	)	/s/ [ ]
WITNESS as to the signature of [ ]	)	**[ ]**

SCHEDULE A

Release

I, [ ], of the City of Calgary, in the Province of Alberta, in consideration of the amounts (including without limiting the generality of the foregoing, if applicable, payment of instalments of such amounts) provided in Sections 2.5 and 2.7 of the Executive Employment Agreement dated as of [ ] (the "**Agreement**") between me and Enbridge Inc. (the "**Corporation**") and for other good and valuable consideration, inclusive of any statutory severance or benefits in accordance with the *Employment Standards Code* (Alberta), the receipt (other than in respect of the future instalments referred to above, if any) and sufficiency of which is hereby acknowledged, do for myself, my executors and assigns hereby remise, release and forever discharge the Corporation, its respective predecessors, successors and assigns, from all manner of actions, causes of action, claims or demands, past, present or future, which against the Corporation, its respective predecessors, successors and assigns, I ever had, now have, or can, shall or may hereafter have, by reason of or arising out of any cause, matter or thing whatsoever done or admitted to be done, occurring or existing up to and inclusive of the date of this Release and in particular, without in any way restricting the generality of the foregoing, in respect of all claims, past, present or future, directly or indirectly related to or arising out of or in connection with my relationship with the Corporation, its respective predecessors, successors and assigns, as an employee, officer, director or trustee, and the termination of my employment from the Corporation, on [ ]. Words or terms defined in the Agreement and not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

For the above mentioned consideration, I represent and warrant that I have not assigned to any person any of the actions, causes of action, claims, suits, executions or demands which I release by this Release, or with respect to which I agree not to make any claim or take any proceeding herein.

Notwithstanding anything contained in this Release, this Release shall not extend to or affect, or constitute a release of, my right to sue, claim against or recover from the Corporation and shall not constitute an agreement to refrain from bringing, taking or maintaining any action against the Corporation in respect of:

(a) any corporate indemnity existing by statute or contract or pursuant to any of the constating documents of the Corporation provided in my favour in respect of my having acted at any time as a director, trustee or officer or any of such positions with the Corporation or any of its affiliates or of any person I acted as a director, trustee or officer of at the request of the Corporation or any of its affiliates;

(b) my entitlement to any insurance maintained for the benefit or protection of the directors, trustees or officers of the Corporation or of any of its affiliates or of any person I acted as a director, trustee or officer of at the request of the Corporation or any of its affiliates, including without limitation, directors', trustees' and officers' liability insurance; or

(c) my entitlement to any amounts that may arise under the Sections and Articles of the Agreement referred to in Section 2.8 of the Agreement.

I agree that, except as provided herein, the terms of the Agreement and of this Release will be kept confidential. Subject to the following, I shall not communicate any such terms to any third party under any circumstances whatsoever, although I shall be at liberty to disclose to third parties that a mutually acceptable release was agreed upon. Notwithstanding the foregoing, I shall be permitted to disclose the terms of the Agreement and this Release to my spouse, and my tax, financial and legal advisors, and to make any disclosures of the terms of the Agreement and this Release as may be required to allow me to comply with any applicable provision of the law. In such event, I shall require that my spouse, and any such tax, financial or legal advisor execute the undertaking provided in Schedule C

to the Agreement prior to the disclosure of the terms of the Agreement and this Release and shall advise the Corporation of such disclosure and provide the Corporation with a copy of such undertaking. In the event of any disclosure required by law, upon becoming aware of any such I shall, provided I am legally permitted to do so, promptly advise the Corporation of the required disclosure prior to making such disclosure and shall, to the extent legally permitted to do so, provide the Corporation with reasonable opportunity to seek protective orders or other assurances that confidential treatment will be afforded to such information. The invalidity or unenforceability of any provision of this Release shall not affect the validity or enforceability of any other provision of this Release, which shall remain in full force and effect.

I acknowledge that I have read all of this Release, fully understand the terms of this Release and voluntarily accept the consideration stated herein as the sole consideration for this Release for the purpose of making a full and final settlement with the Corporation. I further acknowledge and confirm that I have been given an adequate period of time to obtain independent legal counsel upon the meaning and the significance of the terms herein.

	[ ]
[witness' signature]	
[print name of witness]	[date]
[Suite number and street address]	
[city, town etc.]	[city]
[province/state, country]	
[postal code]	[province]

SCHEDULE B

Release

Enbridge Inc. (the "**Corporation**"), a corporation continued under the laws of Canada, in consideration of the delivery by [ ] (the "**Executive**") of this Release dated the date hereof and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, for itself, its affiliates and it and their respective predecessors, successors and assigns, hereby remises, releases and forever discharges the Executive and his heirs, legal personal representatives and assigns from all manner of actions, causes of action, claims or demands, past, present or future, against the Executive or his heirs, legal personal representatives and assigns which the Corporation, its affiliates or its or their respective predecessors, successors and assigns ever had, now have, or can, shall or may hereafter have, by reason of or arising out of any cause, matter or thing whatsoever done or omitted to be done, occurring or existing up to and inclusive of the date of this Release and in particular, without in any way restricting the generality of the foregoing, in respect of all claims, past, present or future, directly or indirectly related to or arising out of or in connection with the Corporation's or its affiliates' relationship with the Executive, as an employee, officer, director or trustee of the Corporation or its affiliates. Words or terms defined in the Executive Employment Agreement dated as of [ ] (the "**Agreement**") between the Corporation and the Executive and not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

For the above mentioned consideration, the Corporation represents and warrants that neither it nor its affiliates has assigned to any person any of the actions, causes of action, claims, suits, executions or demands which it releases by this Release, or with respect to which it and its affiliates agrees not to make any claim or take any proceeding herein.

It is agreed that, except as provided herein or as required by law, the terms of the Agreement and this Release will be kept confidential. None of the Corporation or its affiliates, or any of their employees, officers, directors or trustees shall communicate any such terms to any third party under any circumstances whatsoever, although the Corporation shall be at liberty to disclose to third parties that a mutually acceptable release was agreed upon. In the event of disclosure required by law, upon becoming aware of such the Corporation shall, provided it is legally permitted to do so, promptly advise the Executive of the required disclosure prior to making such disclosure and shall, to the extent legally permitted to do so, provide the Executive with reasonable opportunity to seek protective orders or other assurances that confidential treatment will be afforded to such information. The invalidity or unenforceability of any provision of this Release shall not affect the validity or enforceability of any other provision of this Release, which shall remain in full force and effect.

[Signature page to follow]

The Corporation has duly executed and delivered this Release this _____ day of _____, 20__.

ENBRIDGE INC.

Per: _____

Per: _____

SCHEDULE C

Undertaking

I, _____ of _____
[print name of person giving the undertaking] [suite number and street address]

_____, _____, _____
[city, town, etc.] [province/state] [country]

being the _____, of
[describe relationship to the "Executive", as defined hereinafter, e.g.: spouse, tax, financial or legal advisor]
[ ] (the "**Executive**") for good and valuable consideration, the receipt and sufficiency of which I hereby acknowledge, agree to keep strictly confidential the terms and conditions of the Executive Employment Agreement dated as of [ ] made between Enbridge Inc. and the Executive (the "**Agreement**"), and any release related to the Agreement, all as may be disclosed to me the Executive.

I further acknowledge that I will make no use whatsoever of the information comprising the terms and conditions of such Agreement, and any release related to the Agreement, except as may be required for the purposes of my providing advice and direction to the Executive in my above mentioned capacity.

SIGNED at _____, _____, this _____ day of _____, 20__.

_____

_____ _____
[witness' signature] [signature of person giving the undertaking]

_____
[print name of witness]

[Suite number and street address]

_____
[city, town etc.]

[province/state, country]

_____
[postal code]

ENBRIDGE INC.

EXECUTIVE EMPLOYMENT AGREEMENT

EXECUTIVE EMPLOYMENT AGREEMENT

BETWEEN

ENBRIDGE INC.

- and -

[ ]

Dated as of [ ]

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EXECUTIVE EMPLOYMENT AGREEMENT

THIS AGREEMENT made effective the [ ] day of [ ] between:

ENBRIDGE INC., a body corporate under the *Canada Business Corporations Act,* with offices in the City of Calgary, in the Province of Alberta (hereinafter called the "**Corporation**")

- and -

[ ], of the City of Calgary, in the Province of Alberta (hereinafter called the "**Executive**")

WHEREAS:

(a) the Executive is an executive of the Corporation and is considered by the Board of Directors of the Corporation to be a valued employee of the Corporation and has acquired outstanding and special skills and abilities and an extensive background in and knowledge of the Corporation's business and the industry in which it is engaged; and

(b) the Board of Directors recognizes that it is essential, in the best interests of the Corporation, that the Corporation retain the continuing dedication of the Executive to his office and employment and that this can best be accomplished if the personal uncertainty facing the Executive in the event of a Corporation initiated termination of employment of the Executive is alleviated;

IN CONSIDERATION of the mutual advantages accruing to both the Corporation and the Executive, the parties agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

(a) "**affiliate**" a person shall be deemed to be an affiliate of another person if one of them is controlled by the other or both are controlled by the same person, and if two persons are affiliates of the same person at the same time they are deemed to be affiliates of each other;

(b) "**Annual Compensation**" means the sum of the Annual Salary and the Annual Incentive Bonus;

(c) "**Annual Salary**" means the annual salary of the Executive established by the HRCC and payable by the Corporation or its affiliates, determined as at the end

of the month immediately preceding the month in which the termination of employment occurs and if at the relevant time an annual salary level has not been established, it shall be calculated by multiplying by 12 the monthly salary of the Executive in effect for the month preceding the month in which a termination of employment occurs pursuant to Article 2;

(d) "**Annual Incentive Bonus**" means the annual incentive bonus of the Executive under the Corporation's short term incentive plan;

(e) "**Confidential Information**" means the records, information, processes, know-how, data, trade secrets, techniques, knowledge and other confidential information, either electronic or not electronic, not generally known or lawfully available to the public relating to or connected with the business or corporate affairs and operations of the Corporation and its affiliates;

(f) "**constructive dismissal**" means unless expressly consented to in writing by the Executive, any action that constitutes constructive dismissal (as defined at common law) of the Executive, including a:

(i) material decrease in the Executive's title, position, responsibilities or powers;

(ii) reduction in the Annual Salary (excluding the Annual Incentive Bonus) of the Executive;

(iii) reduction in the value of the Executive's pension benefits (including the defined benefit pension plan or the supplemental benefit pension plan);

(iv) material reduction in the value of the Executive's other employee benefits, plans and programs, other than a reduction in the value of the Executive's Annual Incentive Bonus as a result of the normal application of the performance criteria under the Annual Incentive Bonus; or

(v) [change in the reporting relationship of the Executive whereby the Executive ceases to directly report to the most senior executive officer of the Corporation (as of the date hereof, the President and Chief Executive Officer)]

(i) [material decrease in the reporting relationships of the Executive, excluding a change whereby the Executive ceases to directly report to the most senior executive officer of the Corporation (as of the date hereof, the President and Chief Executive Officer) or its control person, if any, and directly reports to another senior executive officer of the Corporation or of its control person, if any, provided the Executive remains a member of the most senior formal groups or committees (as of the effective date hereof its Executive Leadership Team) involved in corporate stewardship of the Corporation and of its control person, if any];

(g) "**control person**" means a person, or a group of persons acting jointly or in concert, that is or are in a position to exercise, directly or indirectly, effective control of another person, whether through:

(i) the ownership or control of:

A. a majority of, or

B. in the case of a person whose voting securities or interests are widely held or publicly traded, 20% or more of,

the voting securities or interests of such other person (including any securities or interests which are convertible or exchangeable into voting securities or interests forming part of the holdings of the person or group of persons, whether or not at the relevant time such conversion or exchange has taken place, and including securities or interests of a person or group of persons which carry the right to vote under circumstances that have occurred and are continuing); or

(ii) contract or other legal rights,

and "**control**" in respect of a person shall have a corresponding meaning provided that a person holding voting securities or interests in the ordinary course of business as an investment manager and who is not, individually or acting jointly or in concert with other persons, using such holding to exercise effective control, shall not be considered a control person;

(h) "**defined benefit pension plan**" means the Corporation's registered pension plan, entitled "Retirement Plan for the Employees of Enbridge Inc. and Affiliates" dated July 1, 2001, as amended or replaced from time to time in accordance with the terms of such registered pension plan;

(i) "**Human Resources and Compensation Committee**" or "**HRCC**" means the committee of the Board of Directors of the Corporation from time to time appointed to fix the remuneration of executives of the Corporation or, if such committee has not been appointed, means the Board of Directors of the Corporation;

(j) "**Pensionable Bonus**" means the portion of Annual Incentive Bonus which is used under the defined benefit pension plan and the supplemental benefit pension plan to determine final or best average earnings;

(k) "**person**" means an individual, a partnership or incorporated or unincorporated association, syndicate or organization, a company, corporation or other body corporate wherever or however incorporated, a trust or any government or governmental authority or instrumentality;

(l) "**RCA**" shall have the meaning set out in Section 2.7;

(m) "**Retiring Allowance**" shall have the meaning set out in Section 2.5(b);

(n) "**supplemental benefit pension plan**" means the non-registered supplemental pension plan, entitled 'The Enbridge Supplemental Pension Plan" dated January 1, 2000, as amended or replaced from time to time in accordance with the terms of such supplemental benefit pension plan; and

(o) "**supplementary undertaking**" shall have the meaning set out in Section 2.7.

1.2 Headings

The headings of the articles, sections, clauses and paragraphs herein are inserted for convenience of reference only and shall not affect the meaning or interpretation hereof. Unless otherwise stated, all references to articles, sections, clauses or paragraphs in this Agreement are to those set out in this Agreement.

1.3 Governing Law and Attornment

This Agreement shall be construed and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Each of the parties hereby irrevocably attorns to the jurisdiction of the courts of the Province of Alberta with respect to any matters arising out of this Agreement.

1.4 Singular; Gender

All words importing the singular number include the plural and vice versa, and all words importing gender include the masculine, feminine and neuter genders.

ARTICLE 2
EMPLOYMENT

2.1 Position, Duties and Responsibilities of Executive

The Executive shall have such responsibilities and powers as the Board of Directors (the "Board") or the bylaws of the Corporation or the Executive's superiors may from time to time prescribe and are currently contemplated by his position as [ ], or substantially equivalent duties and responsibilities.

Except as may be authorized by the Board of Directors of the Corporation, or by the Executive's superiors from time to time, the Executive shall devote the whole of his time to the Executive's duties hereunder and shall use his best efforts to promote the interests of the Corporation and its affiliates.

Notwithstanding the foregoing, the Corporation agrees that the Executive may continue to serve on corporate, civic or charitable boards of directors or committees listed on Appendix "A" to this Agreement subject to the Corporation's right to give the Executive (at the sole discretion of the President and Chief Executive Officer or the Board) 6 months advance notice of a decision to revoke this approval, and in such case the Executive must remove himself/herself within the 6 month time period.

Further, the Executive may serve on other corporate, civic or charitable boards of directors or committees only with prior written approval and at the sole discretion of the

President and Chief Executive Officer or Board (excluding any which would create a conflict of interest or which are competitors of the Corporation), subject to the Corporation's right to give the Executive (at the sole discretion of the President and Chief Executive Officer or the Board) 3 months advance notice of a decision to revoke this approval.

2.2 Term of Agreement

The term of this Agreement shall commence on the effective date hereof and, subject to Section 2.8, shall continue in effect to and including the earliest of:

(a) the effective date of voluntary retirement of the Executive in accordance with the retirement policies established for senior employees of the Corporation;

(b) the effective date of voluntary resignation of the Executive other than pursuant to Section 2.5(a)(ii);

(c) the death of the Executive; or

(d) the effective date of termination of the employment of the Executive by the Corporation, including pursuant to Section 2.5(a)(ii).

2.3 Termination of Agreement upon Disability of Executive

If at the end of any month the Executive is and has been for a period of more than 12 consecutive months unable to perform the essential duties of the Executive as determined under Section 2.1 in the normal and regular manner due to mental or physical disability, this Agreement may be terminated by the Corporation on 30 days' prior written notice. Notwithstanding anything contained in this Section 2.3, the Executive shall, after such termination, continue to be entitled to all benefits provided under the disability and pension plans of the Corporation or its affiliates applicable to the Executive at the date of and during the time of this Agreement.

2.4 Termination of Agreement by the Corporation for Cause

The Corporation may terminate this Agreement at any time without notice in the event the Executive shall be convicted of a criminal act of dishonesty resulting or intending to result directly or indirectly in gain or personal enrichment of the Executive at the expense of the Corporation, or for just cause as defined at common law, pursuant to written notice setting forth particulars of such cause.

2.5 Termination of Employment by the Corporation or the Executive

(a) Except where such termination is pursuant to Sections 2.2(a), 2.2(b), 2.2(c), 2.4 or 2.6 the provisions of this Section 2.5 shall apply:

(i) where the Corporation terminates the employment of the Executive for any reason;

(ii) where the Executive terminates his employment with the Corporation within a period of 180 days following constructive dismissal of the

Executive. For this purpose the Executive may within a period of 180 days following the constructive dismissal of the Executive terminate his employment with the Corporation upon 30 days' prior written notice to the Corporation. For greater clarity, the said 30 day notice may be given at any time up to the 150th day of the said 180-day period; or

(iii) where the Corporation terminates this Agreement pursuant to Section 2.3.

(b) In the event of termination of employment as provided in Section 2.5(a), the Executive shall be entitled to receive, and the Corporation shall pay to the Executive, a retiring allowance (the "**Retiring Allowance**") computed as hereinafter provided, which shall include all statutory entitlement under employment standards legislation and all common law entitlement to reasonable notice. The Retiring Allowance shall be that amount which is equal to two times the sum of:

(i) the Annual Salary; and

(ii) the average of the last two payments of the Annual Incentive Bonus paid to the Executive (or the last payment if there has not been more than one Annual Incentive Bonus paid to the Executive) immediately preceding the date of such termination of employment.

(c) In addition to the Retiring Allowance calculated in accordance with Section 2.5(b) the Corporation shall pay to the Executive:

(i) the cash value of two times the last annual flex credit allowance provided to the Executive immediately preceding the date of such termination of employment under the Corporation's flexible benefit program unless the Executive continues to be covered through the Corporation's annuitant benefit program or the benefits program of another employer of equal value (and in the case that such other employer's benefit program is of lesser value, the Executive shall be paid the difference in such values). Alternatively, at the Executive's election, the Corporation shall provide continuation of the benefit coverage, for two years from the date of termination, with the exception of those benefits which may not be continued pursuant to the applicable plan text, including long term disability coverage;

(ii) an Annual Incentive Bonus for the calendar year in which the termination of employment occurs, pro-rated based upon the number of days of employment of the Executive in the calendar year to the total number of days in the year and calculated based on the last Annual Incentive Bonus payment received by the Executive. In addition, the Executive shall receive all accrued and unpaid annual vacation pay to the date of termination. In addition, where the Executive holds rights under other plans to cash incentive

compensation (including without limiting the generality of the foregoing, any performance stock units) the Executive shall be paid for the period in which he was employed a prorated amount based upon the number of days in the applicable period under the plan the Executive was employed to the number of days in the applicable plan period and such amounts shall be paid to the Executive within 30 days of the date on which amounts so payable under such plans are determined;

(iii) the cash value of two times the last annual flexible perquisite allowance provided to the Executive immediately preceding the date of such termination of employment under the Corporation's executive flexible perquisites program less any amounts prepaid to the Executive but unearned by virtue of such termination of employment (as of the effective date of this Agreement the annual flexible perquisite allowance is $35,000);

(iv) a lump sum payment equivalent to the Corporation's portion of contributions on behalf of the Executive to the Corporation's employee savings plan for a two year period based upon the base salary of the Executive as at the effective date of termination; and

(v) for financial counselling and/or career counselling assistance for the Executive to a maximum of $20,000.

(d) The Executive shall have, and shall be deemed to have had, as of the effective date of termination, two years of additional service added to the service already accrued at the effective date of termination under the Corporation's defined benefit pension plan and supplemental benefit pension plan.

(e) Notwithstanding the provisions of any plan under which such options have been issued, if at the effective date of termination of employment as provided in Section 2.5(a) the Executive holds exercisable but unexercised options for the purchase of shares or other securities under any of the Corporation's or its affiliates' stock option plans, the Executive shall be entitled to exercise all options so held in accordance with the terms of such plans; provided further that any provision in any such plan which purports to terminate such options in the event of termination of employment for any reason shall not be applicable or, if such provision is applicable under such plan to prevent such exercise, the provisions of Section 4.4 shall apply. If the Executive holds options for the purchase of shares or other securities under any of the Corporation's or its affiliates' stock option plans which are not vested or otherwise not exercisable at the date of termination of employment in circumstances where this Section 2.5 applies, the Corporation shall pay to the Executive a cash amount representing the excess, if any, of the fair market value of the shares or other securities on the date of termination of employment over the exercise price for such options. Fair market value on the date of termination of employment shall mean the last board lot sale price on the Toronto Stock Exchange (or such other exchange on which the greatest volume of trading of such shares or other securities takes place for the

30 trading days prior to the date of termination) on the last trading day prior to the date of termination of employment.

(f) The Corporation and the Executive agree that the provisions of Section 2.5 are fair and reasonable and that the amounts payable by the Corporation to the Executive pursuant to Section 2.5 are reasonable estimates of the damages which will be suffered by the Executive in the event of the termination of his employment with the Corporation in the circumstances set out in Section 2.5, and shall not be construed as a penalty, nor shall the Executive be required to mitigate any loss resulting from the termination, including any amounts required to be paid pursuant to this Agreement.

(g) The amounts payable by the Corporation to the Executive pursuant to Section 2.5 shall not be reduced by any amounts earned by the Executive after the termination of the employment of the Executive.

(h) All amounts paid by the Corporation to the Executive pursuant to Section 2.5 shall satisfy and forever discharge all liabilities, claims or actions that the Executive may or shall have against the Corporation arising from the termination of employment of the Executive whether at common law or under statute or otherwise, subject to any ongoing rights of the Executive expressly contemplated by the release at Schedule A.

(i) Subject to the provisions of Sections 2.5(c) and 2.5(e), the Corporation shall, at the option of the Executive, pay the amounts provided under this Section 2.5 to the Executive on the effective date that the employment of the Executive is terminated, or as soon thereafter as reasonably practical, but in any event within 30 days of the effective date of such termination, less all applicable statutory deductions, or arrange a schedule of instalment payments of such amounts as determined by the Executive. The Corporation will pay such amounts to the Executive in a lawful and tax efficient manner if and as directed by the Executive. Upon payment to the Executive of the amounts provided for under this Section 2.5 and, if applicable, a duly signed written agreement of the Corporation to make all instalment payments thereof on a timely basis in accordance with the Executive's determinations as provided for in the foregoing sentence, the Executive and the Corporation shall execute and deliver to the other the releases in the forms of Schedules A and B, respectively.

2.6 Other Termination by Executive

Notwithstanding anything to the contrary herein, in addition to the right of the Executive to terminate his employment under the circumstances described in Section 2.5, the Executive shall be entitled to terminate this Agreement and his employment with the Corporation at his pleasure upon 30 days' prior written notice to such effect. In such event, the Executive shall not be entitled to any further compensation from the effective date of his termination of employment, except for such compensation as accrued prior to and on the effective date of termination of employment. The Corporation acknowledges and agrees that the Corporation shall have no remedy against the Executive, in law or otherwise, upon the termination of this

Agreement and the Executive's employment with the Corporation in . accordance with this Section 2.6.

2.7 Pension Plans

The Corporation undertakes and agrees with the Executive (herein, the "**supplementary undertaking**") to pay or cause to be paid to the Executive the amounts provided for in the supplemental benefit pension plan as modified by this Section 2.7, which amounts are supplemental to the amounts to be paid to the Executive under the defined benefit pension plan, such that the Executive will receive an annual pension equal to the annual pension that the Executive would be entitled to under the defined benefit pension plan but for the fact that retirement benefits under the defined benefit pension plan are subject to a maximum pension limitation as fixed from time to time under the *Income Tax Act* (Canada) and the rules and regulations from time to time promulgated by Canada Revenue Agency thereunder (the "**ITA**"). In particular, the Executive (or the Executive's spouse or beneficiary as defined in the supplemental benefit pension plan) is entitled to receive:

(a) benefits determined in accordance with the supplemental benefit pension plan, being certain amounts that would be payable from the defined benefit pension plan but for limitations imposed by the ITA, all as specified in the supplemental benefit pension plan; and

(b) if Section 2.5(d) applies, benefits determined in accordance with the supplemental benefit pension plan pursuant to Section 2.7(a) above as if:

(i) two additional years of credited service were applied in the lifetime retirement income formula in the defined benefit pension plan, and two additional years of continuous service were granted for other purposes of the defined benefit pension plan;

(ii) for the purposes of determining final or best average earnings, for each of the two additional years of credited service provided for pursuant to Section 2.7(b)(i) above:

A. the Executive's salary for such years shall be deemed to be his Annual Salary as at the date of termination of employment, and

B. the Annual Incentive Bonus used in calculating the Pensionable Bonus for each of such additional years shall be deemed to be the average of the last two payments of Annual Incentive Bonus paid to the Executive (or the last payment if there has not been more than one Annual Incentive Bonus paid to the executive immediately preceding the date of termination of employment).

The Corporation represents and undertakes to the Executive that the supplementary undertaking is and shall hereafter be maintained in a "retirement compensation arrangement" (as referred to in the ITA) separately maintained under a trust arrangement established by the Corporation (the "**RCA**"). The supplementary undertaking shall be funded from amounts in the RCA with any amount that cannot be funded from the RCA being paid by the Corporation.

2.8 Continuing Provisions

Notwithstanding the termination of this Agreement under Article 2, the provisions of Sections 2.5, 2.6, 2.7 and 2.8 and Article 3 and all other provisions hereof which by their terms are to be performed following the termination hereof shall survive such termination and be continuing obligations, and all rights of the Executive to compensation and benefits which have accrued prior to such termination shall remain payable and enforceable regardless of such termination.

2.9 Taxes and Reporting

All amounts paid to the Executive pursuant to this Agreement shall be subject to withholding taxes as required by the applicable legislation in effect at the time of the payments.

Notwithstanding the aforementioned, the Executive shall be responsible for the payment of all taxes applicable to payments made pursuant to this Agreement and the Corporation, its employees and agents shall bear no liability in connection with the payment of such taxes.

ARTICLE 3
NON-COMPETITION AND CONFIDENTIALITY

3.1 Non-Competition While Employed

The Executive recognizes and understands that in performing the duties and responsibilities of his employment as outlined in this Agreement, he will occupy a position of high fiduciary trust and confidence, pursuant to which he has developed and will develop and acquire wide experience and knowledge with respect to the businesses carried on by the Corporation and its affiliates and the manner in which such businesses are conducted. It is the expressed intent and agreement of the Executive and of the Corporation that such knowledge and experience shall be used solely and exclusively in the furtherance of the business interests of the Corporation and its affiliates and not in any manner detrimental to them. The Executive therefore agrees that so long as he is employed by the Corporation pursuant to this Agreement he shall not engage in any practice or business in competition with the business of the Corporation or any of its affiliates.

3.2 Non-Competition Following Termination of Employment

In the event of termination of the Executive's employment for any reason, the Executive agrees that he will not, directly or indirectly, for a period of 12 months from the date of termination of employment, without the prior written consent of the Corporation (not to be unreasonably withheld) either alone or in partnership or in conjunction with any person or persons, firm, association, syndicate, company or corporation (collectively a "**Business Entity**") as principal, agent, shareholder, employee, director or in any other manner whatsoever carry on or be engaged in or concerned with or interested in, or advise, lend money to, guarantee the debts or obligations of or permit his name or any part thereof to be used or employed by any Business Entity engaged or interested in the transportation, distribution or marketing of crude oil, natural gas or natural gas liquids, the gathering or processing of natural gas including the extraction of natural gas liquids, power generation, transmission, distribution or marketing, the

production, transmission, distribution or marketing of renewable or green energy including wind, solar or thermal:

(a) within any province of Canada;

(b) within Canada;

(c) within any state of the continental United States of America, including Alaska;

(d) within the continental United States of America, including Alaska; or

(e) within North America.

If any covenant or provision in this Section 3.2 is determined to be void or unenforceable in whole or in part, it shall be deemed not to affect or impair the validity of any other covenant or provision, and each of Sections 3.2(a) to (e) are hereby declared to be separate and distinct covenants (and for this purpose each province or state intended to be named in Section 3.2(a) and (c) shall be considered to be set forth in a separate subclause of Section 3.2 and to be separate and distinct covenants). The Executive agrees that all the provisions of this Section 3.2 are reasonable in the interests of the Corporation and its continuing business and operations. The foregoing provisions of Section 3.2 shall not apply to the acquisition by the Executive, directly or indirectly, or through any Business Entity of up to 1% of the shares or other securities of a Business Entity quoted or traded on any public stock exchange in Canada or the United States.

If the Executive fails to comply with this Section 3.2, the Corporation shall be entitled to cancel all unvested or unexercised options or performance share units and to terminate the payment to the Executive of any amounts the Executive is entitled to under the Corporation's supplemental benefit pension plan.

3.3 Non-Solicitation of Employees

Except with the prior written consent of the Corporation, the Executive shall not solicit or cause to be solicited for employment any officer or employee of the Corporation, any of its subsidiaries or any partnership where the Corporation or one of its subsidiaries acts as the general partner for a period of 24 months from the termination of the employment of the Executive with the Corporation. For this purpose, solicitation does not include advertising in periodicals or newspapers of general circulation.

If the Executive fails to comply with this Section 3.3, the Corporation shall be entitled to cancel all unvested or unexercised options or performance share units and to terminate the payment to the Executive of any amounts the Executive is entitled to under the Corporation's supplemental benefit pension plan.

3.4 Confidentiality

The Executive further recognizes and understands that in the performance of his employment duties and responsibilities outlined in this Agreement, he will become knowledgeable, aware and possessed of Confidential Information concerning the business of the Corporation and its affiliates. The Executive agrees that, except with the consent of the

Board of Directors of the Corporation or his superior, or as required by applicable law, he will not disclose such Confidential Information to any unauthorized persons so long as he is employed by the Corporation pursuant to this Agreement and for a period of two years thereafter; provided that the foregoing shall not apply to any Confidential Information which is or becomes known or available to the public or to the competitors of the Corporation or its affiliates other than by a breach of this Agreement by the Executive.

3.5 No Previous Restrictive Agreements

The Executive represents that, except as disclosed in writing to the Corporation prior to the effective date of this Agreement, he is not bound by the terms of any agreement with any previous employer or other person to (a) refrain from using or disclosing any trade secret or confidential or proprietary information in the course of Executive's employment by the Corporation or (b) refrain from competing, directly or indirectly, with the business of such previous employer or any other person, or to solicit any employee, representative or customer of any previous employer. The Executive further represents that his performance under this Agreement will not breach any (i) agreement to keep in confidence proprietary information, knowledge or data acquired by the Executive in confidence prior to Executive's employment with the Corporation, or (ii) non-competition or non-solicitation restrictive covenant or any other similar type of agreement with any previous employer. Executive agrees that he will not disclose to the Corporation or induce the Corporation to use any confidential or proprietary information or material belonging to any previous employer or any other person.

ARTICLE 4
GENERAL

4.1 Notices

Any notice required or permitted to be given to a party hereunder shall be in writing and may be given by mailing the same (provided there is no threatened or pending disruption of postal services), postage prepaid, or delivering the same, addressed to such party at the following address:

To the Corporation:

Enbridge Inc.
200, 425 – 1st Street S.W.
Calgary, Alberta T2P 3L8
Attention: President and Chief Executive Officer

To the Executive:

[ ]
[ ]
[ ]

Any notice aforesaid if delivered shall be deemed to have been delivered on the first business day following the date on which it was delivered or if mailed shall be deemed to have been received on the third business day following the date on which it was mailed. Any

party may change its address for service from time to time by a notice given in accordance with the foregoing.

4.2 Time

Time shall be of the essence of this Agreement.

4.3 Legal Fees and Expenses

The Corporation shall pay all reasonable costs incurred by the Executive, as determined in the sole discretion of the President and Chief Executive Officer, in respect of legal, consulting and accounting expenses in connection with the negotiation and execution of this Agreement. The Corporation shall pay all costs, charges and expenses incurred in respect of legal, consulting and accounting expenses (including legal fees, charges and disbursements on an as between a solicitor and his own client basis) incurred by the Executive or his estate in taking any action or enforcing any right or benefit provided to the Executive by this Agreement; provided only that the Executive is substantially successful in any such action or in enforcing any such right or benefit, and providing further that payments pursuant to this Section 4.3 shall not exceed a maximum amount of $20,000 or such greater amount as may be ordered by any court or other competent authority.

4.4 Integration

The provisions of this Agreement are in addition to and not in substitution for the other terms, conditions and provisions concerning the employment of the Executive by the Corporation, whether contained in benefit or incentive plans (including short term incentive plans, performance incentive plans and long term incentive plans) or otherwise, and where there is any conflict between this Agreement and such other terms, conditions and provisions this Agreement shall govern and prevail. In the event any plan under which any benefit or incentive is granted does not permit a benefit or incentive to be received in circumstances contemplated by this Agreement, the Corporation shall pay to the Executive a cash amount equal to the value of the benefit or incentive provided for in this Agreement. This Agreement together with such other terms, conditions and provisions and the offer of employment dated
[ ], constitute the entire Agreement between the parties hereto pertaining to the subject matter hereof.

4.5 Amendment

This Agreement may not be amended or modified in any respect except by written instrument signed by the parties hereto.

4.6 Waivers

No waiver by either party hereto of any breach of any of the provisions of this Agreement shall take effect or be binding upon the party unless in writing and signed by such party. Unless otherwise expressly provided therein, such waiver shall not limit or affect the rights of such party with respect to any other breach.

4.7 Further Assurances

The parties hereto agree to execute and deliver such further and other documents and perform and cause to be performed such further and other acts and things as may be necessary or advisable in order to give full effect to this Agreement.

4.8 Severability

If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

4.9 Enurement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, legal personal representatives, successors and permitted assigns.

The Corporation and the Executive have duly executed and delivered this Agreement to each other effective as of the day and year first written above.

ENBRIDGE INC.

Per: /s/ [ ]
[ ]
[ ]

Per: /s/ [ ]
[ ]
[ ]

SIGNED AND DELIVERED in the presence of:	)	
/s/ [ ]	)	/s/ [ ]
WITNESS as to the signature of	)	[ ]
[ ]	)	

APPENDIX "A"

Service on Boards of Directors or Committees

SCHEDULE A

Release

I, [ ], of the City of [ ], in the Province of [ ], in consideration of the amounts (including without limiting the generality of the foregoing, if applicable, payment of instalments of such amounts) provided in Sections 2.5 and 2.7 of the Executive Employment Agreement dated as of [ ] (the "**Agreement**") between me and Enbridge Inc. (the "**Corporation**") and for other good and valuable consideration, inclusive of any statutory severance or benefits in accordance with the *Employment Standards Code* (Alberta), the receipt (other than in respect of the future instalments referred to above, if any) and sufficiency of which is hereby acknowledged, do for myself, my executors and assigns hereby remise, release and forever discharge the Corporation, its respective predecessors, successors and assigns, from all manner of actions, causes of action, claims or demands, past, present or future, which against the Corporation, its respective predecessors, successors and assigns, I ever had, now have, or can, shall or may hereafter have, by reason of or arising out of any cause, matter or thing whatsoever done or admitted to be done, occurring or existing up to and inclusive of the date of this Release and in particular, without in any way restricting the generality of the foregoing, in respect of all claims, past, present or future, directly or indirectly related to or arising out of or in connection with my relationship with the Corporation, its respective predecessors, successors and assigns, as an employee, officer, director or trustee, and the termination of my employment from the Corporation, on [ ]. Words or terms defined in the Agreement and not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

For the above mentioned consideration, I represent and warrant that I have not assigned to any person any of the actions, causes of action, claims, suits, executions or demands which I release by this Release, or with respect to which I agree not to make any claim or take any proceeding herein.

Notwithstanding anything contained in this Release, this Release shall not extend to or affect, or constitute a release of, my right to sue, claim against or recover from the Corporation and shall not constitute an agreement to refrain from bringing, taking or maintaining any action against the Corporation in respect of:

(a) any corporate indemnity existing by statute or contract or pursuant to any of the constating documents of the Corporation provided in my favour in respect of my having acted at any time as a director, trustee or officer or any of such positions with the Corporation or any of its affiliates or of any person I acted as a director, trustee or officer of at the request of the Corporation or any of its affiliates;

(b) my entitlement to any insurance maintained for the benefit or protection of the directors, trustees or officers of the Corporation or of any of its affiliates or of any person I acted as a director, trustee or officer of at the request of the Corporation or any of its affiliates, including without limitation, directors', trustees' and officers' liability insurance; or

(c) my entitlement to any amounts that may arise under the Sections and Articles of the Agreement referred to in Section 2.8 of the Agreement.

I agree that, except as provided herein, the terms of the Agreement and of this Release will be kept confidential. Subject to the following, I shall not communicate any such terms to any third party under any circumstances whatsoever, although I shall be at liberty to disclose to third parties that a mutually acceptable release was agreed upon. Notwithstanding the foregoing, I shall be permitted to disclose the terms of the Agreement and this Release to my spouse, and my tax, financial and legal advisors, and to make any disclosures of the terms of the Agreement and this Release as may be required to allow me to comply with any applicable provision of the law. In such event, I shall require that my spouse, and any such tax, financial or legal advisor execute the undertaking provided in Schedule C to the Agreement prior to the disclosure of the terms of the Agreement and this Release and shall advise the Corporation of such disclosure and provide the Corporation with a copy of such undertaking. In the event of any disclosure required by law, upon becoming aware of any such I shall, provided I am legally permitted to do so, promptly advise the Corporation of the required disclosure prior to making such disclosure and shall, to the extent legally permitted to do so, provide the Corporation with reasonable opportunity to seek protective orders or other assurances that confidential treatment will be afforded to such information. The invalidity or unenforceability of any provision of this Release shall not affect the validity or enforceability of any other provision of this Release, which shall remain in full force and effect.

I acknowledge that I have read all of this Release, fully understand the terms of this Release and voluntarily accept the consideration stated herein as the sole consideration for this Release for the purpose of making a full and final settlement with the Corporation. I further acknowledge and confirm that I have been given an adequate period of time to obtain independent legal counsel upon the meaning and the significance of the terms herein.

[witness' signature]	**[ ]**
[print name of witness]	
	[date]
[Suite number and street address]	
[city, town etc.]	
	[city]
[province/state, country]	
[postal code]	[province]

SCHEDULE B

Release

Enbridge Inc. (the "**Corporation**"), a corporation continued under the laws of Canada, in consideration of the delivery by [ ] (the "**Executive**") of this Release dated the date hereof and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, for itself, its affiliates and it and their respective predecessors, successors and assigns, hereby remises, releases and forever discharges the Executive and his heirs, legal personal representatives and assigns from all manner of actions, causes of action, claims or demands, past, present or future, against the Executive or his heirs, legal personal representatives and assigns which the Corporation, its affiliates or its or their respective predecessors, successors and assigns ever had, now have, or can, shall or may hereafter have, by reason of or arising out of any cause, matter or thing whatsoever done or omitted to be done, occurring or existing up to and inclusive of the date of this Release and in particular, without in any way restricting the generality of the foregoing, in respect of all claims, past, present or future, directly or indirectly related to or arising out of or in connection with the Corporation's or its affiliates' relationship with the Executive, as an employee, officer, director or trustee of the Corporation or its affiliates. Words or terms defined in the Executive Employment Agreement dated as of [ ] (the "**Agreement**") between the Corporation and the Executive and not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

For the above mentioned consideration, the Corporation represents and warrants that neither it nor its affiliates has assigned to any person any of the actions, causes of action, claims, suits, executions or demands which it releases by this Release, or with respect to which it and its affiliates agrees not to make any claim or take any proceeding herein.

It is agreed that, except as provided herein or as required by law, the terms of the Agreement and this Release will be kept confidential. None of the Corporation or its affiliates, or any of their employees, officers, directors or trustees shall communicate any such terms to any third party under any circumstances whatsoever, although the Corporation shall be at liberty to disclose to third parties that a mutually acceptable release was agreed upon. In the event of disclosure required by law, upon becoming aware of such the Corporation shall, provided it is legally permitted to do so, promptly advise the Executive of the required disclosure prior to making such disclosure and shall, to the extent legally permitted to do so, provide the Executive with reasonable opportunity to seek protective orders or other assurances that confidential treatment will be afforded to such information. The invalidity or unenforceability of any provision of this Release shall not affect the validity or enforceability of any other provision of this Release, which shall remain in full force and effect.

[Signature page to follow]

The Corporation has duly executed and delivered this Release this _____ day of _____, 20__.

ENBRIDGE INC.

Per: _____

Per: _____

SCHEDULE C

Undertaking

I, _____ of _____

[print name of person giving the undertaking] [suite number and street address]

_____, _____, _____

[city, town, etc.] [province/state] [country]

being the _____, of

[describe relationship to the "Executive", as defined hereinafter, e.g.: spouse, tax, financial or legal advisor]

[ ] (the "**Executive**") for good and valuable consideration, the receipt and sufficiency of which I hereby acknowledge, agree to keep strictly confidential the terms and conditions of the Executive Employment Agreement dated as of [ ] made between Enbridge Inc. and the Executive (the "**Agreement**"), and any release related to the Agreement, all as may be disclosed to me the Executive.

I further acknowledge that I will make no use whatsoever of the information comprising the terms and conditions of such Agreement, and any release related to the Agreement, except as may be required for the purposes of my providing advice and direction to the Executive in my above mentioned capacity.

SIGNED at _____,_____,this _____ day of _____,20__.

_____

_____ _____

[witness' signature] [signature of person giving the undertaking]

_____

[print name of witness]

_____

[Suite number and street address]

_____

[city, town etc.]

_____

[province/state, country]

_____

[postal code]

EXHIBIT 10.5

ENBRIDGE INC.

PERFORMANCE STOCK OPTION PLAN (2007)

1. PURPOSE

The purpose of the Performance Stock Option Plan (2007) (the "**Plan**") is to:

(a) focus Participants on the attainment of the Corporation's long-term strategy and share price appreciation;

(b) assist in attracting, retaining, engaging and rewarding senior executives of the Corporation and its Subsidiaries; and

(c) provide an opportunity for Participants to earn competitive total compensation based on achieving the performance goals set out in this Plan.

2. DEFINED TERMS

In this Plan (including any schedules to this Plan):

(a) "**affiliate**" has the meaning ascribed to that term in the *Securities Act* (Alberta);

(b) **"associate"** has the meaning ascribed to that term in the *Securities Act* (Alberta);

(c) **"Blackout Period"** means a period of time imposed by the Corporation where Participants holding Options may not trade in securities of the Corporation;

(d) "**Board**" means the Board of Directors of the Corporation;

(e) "**CEO**" means the Chief Executive Officer of the Corporation;

(f) "**Change of Control**" means:

(i) the sale to a person or acquisition by a person not affiliated with the Corporation or its Subsidiaries of assets of the Corporation or its Subsidiaries having a value greater than 50% of the fair market value of the assets of the Corporation and its Subsidiaries determined on a consolidated basis prior to such sale whether such sale or acquisition occurs by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise;

(ii) any change in the holding, direct or indirect, of shares of the Corporation by a person not affiliated with the Corporation as a result of which such person, or a group of persons, or persons acting in concert, or persons

associated or affiliated with any such person or group within the meaning of the Securities Act (Alberta), are in a position to exercise effective control of the Corporation whether such change in the holding of such shares occurs by way of takeover bid, reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise; and for the purposes of this Plan, a person or group of persons holding shares or other securities in excess of the number which, directly or following conversion thereof, would entitle the holders thereof to cast 20% or more of the votes attaching to all shares of the Corporation which, directly or following conversion of the convertible securities forming part of the holdings of the person or group of persons noted above, may be cast to elect directors of the Corporation shall be deemed, other than a person holding such shares or other securities in the ordinary course of business as an investment manager who is not using such holding to exercise effective control, to be in a position to exercise effective control of the Corporation;

(iii) any reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction involving the Corporation where shareholders of the Corporation immediately prior to such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction hold less than 50% of the shares of the Corporation or of the continuing corporation following completion of such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, transfer, sale or other transaction;

(iv) the Corporation ceases to be a distributing corporation as that term is defined in the Canada Business Corporations Act;

(v) any event or transaction which the Board, in its discretion, deems to be a Change of Control; or

(vi) Incumbent Directors ceasing to be a majority of the Board;

provided that:

(i) any transaction whereby shares held by shareholders of the Corporation are transferred or exchanged for units or securities of a trust, partnership or other entity which trust, partnership or other entity continues to own directly or indirectly all of the shares of the Corporation previously owned by the shareholders of the Corporation and the former shareholders of the Corporation continue to be beneficial holders of such units or securities in the same proportions following the transaction as they were beneficial holders of shares of the Corporation prior to the transaction will be deemed not to constitute a change of control; and

(ii) any change of control initiated or commenced by the Board (and whether or not such transaction was initiated or commenced by the Board shall be conclusively determined by the Board) will not constitute a change of control for purposes of this Plan;

(g) "**Code**" means the United States Internal Revenue Code of 1986, as amended;

(h) "**constructive dismissal**" means, unless consented to by the Participant, any action that constitutes constructive dismissal of the Participant, including without limiting the generality of the foregoing:

(i) where the Participant ceases to be an officer of the Corporation, unless the Participant is appointed as an officer of a successor to a material portion of the assets of the Corporation;

(ii) a material decrease in the title, position, responsibilities, powers or reporting relationships of the Participant;

(iii) a reduction in the base salary (excluding any annual incentive bonus) of the Participant; or

(iv) any material reduction in the value of the Participant's employee benefits, plans and programs (other than any annual incentive bonus);

(i) "**Corporation**" means Enbridge Inc., and includes any successor entity thereto;

(j) "**Director**" means a director of the Corporation;

(k) "**Fair Market Value**" means, as of a particular day, the weighted average of the board lot trading prices per Share on the Toronto Stock Exchange, or the New York Stock Exchange, for the last five Trading Days immediately prior to such day;

(l) "**For Cause**" includes "just cause" as defined in the common law and also includes any circumstance in which the Participant shall have been convicted of a criminal act of dishonesty resulting or intending to result directly or indirectly in gain or personal enrichment of the Participant;

(m) "**Grant Date**" has the meaning set forth in Section 7(c);

(n) **"Grant Price"** has the meaning set forth in Section 7(c);

(o) "**HRC Committee**" means the Human Resources & Compensation Committee of the Board, established and duly authorized to act in accordance with the By-Laws of the Corporation;

(p) "**Incumbent Director**" means any member of the Board who was a member of the Board immediately prior to the occurrence of the transaction, elections or appointments giving rise to a Change of Control and any successor to an Incumbent Director who was recommended for election at a meeting of shareholders of the Corporation, or elected or appointed to succeed any Incumbent Director, by the affirmative vote of the Directors, which affirmative vote includes a majority of the Incumbent Directors then on the Board;

(q) "**Insider**" means:

(i) an insider, as defined in the *Securities Act* (Alberta); and

(ii) an associate of any person who is an insider by virtue of (i) above;

(r) **"Notice Period"** means the notice period for termination of employment agreed to between the Corporation (or its Subsidiary) and the Participant, or, in the absence of any such agreement, the notice period required under applicable law;

(s) **"Option"** means an Option to purchase Shares granted to the Participant in accordance with the terms and conditions of this Plan;

(t) "**Participant**" means any employee, including an officer, of the Corporation or a Subsidiary who has been designated by the HRC Committee to receive and be granted Options in accordance with Section 5;

(u) "**Plan**" means the Performance Stock Option Plan (2007) of the Corporation described in this document, and as the same may be duly amended or varied from time to time in accordance with the provisions of this Plan;

(v) "**Retirement Plan**" means a pension plan of the Corporation established or in effect from time to time which applies when an employee retires from the employment of the Corporation or any of its Subsidiaries;

(w) "**Share**" means a common share in the capital of the Corporation;

(x) "**Share Reserve**" has the meaning ascribed to that term in Section 4;

(y) "**Subsidiary"** means:

(i) any corporation that is a subsidiary (as such term is defined in the *Canada Business Corporations Act*) of the Corporation, as such provision is from time to time amended, varied or re-enacted;

(ii) any partnership or limited partnership that is controlled by the Corporation (the Corporation will be deemed to control a partnership or limited partnership if the Corporation possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such

partnership or limited partnership, whether through the ownership of voting securities, by contract or otherwise); and

(iii) subject to regulatory approval, any corporation, partnership, limited partnership, trust, limited liability company or other form of business entity that the HRC Committee determines ought to be treated as a subsidiary for purposes of the Plan, provided that the HRC Committee shall have the sole discretion to determine that any such entity has ceased to be a subsidiary for purposes of the Plan;

(z) "**Term**" has the meaning ascribed to that term in Section 7;

(aa) "**Trading Day**" means any day on which the Toronto Stock Exchange or the New York Stock Exchange, as the case may be, is open for trading; and

(bb) "**United States Incentive Stock Option**" has the meaning set forth in Section 9(a).

3. GOVERNANCE

(a) Subject to any determinations or approvals required to be made by the Board, the HRC Committee will administer the Plan in its sole discretion. The HRC Committee shall have the full power and sole responsibility to interpret the provisions of the Plan and to make regulations and formulate administrative provisions for its implementation, and to make such changes in the regulations and administrative procedures as, from time to time, the HRC Committee deems proper and in the best interests of the Corporation. Such regulations and provisions may include the delegation to any Director or Directors or any officer or officers of the Corporation or its Subsidiaries of such administrative duties and powers of the HRC Committee as it may, in its sole discretion, deem fit. The determinations of the HRC Committee in the administration of the Plan shall be final and conclusive.

(b) Prior to the CEO requesting any grants under the Plan, the CEO will recommend to the HRC Committee for its approval the performance measures and the levels of achievement for 100% of the Options to vest and the level below which no Options will vest. The HRC Committee is authorized to approve, for each Option granted under the plan, the terms for vesting any Option granted under the Plan. The HRC Committee shall also have the authority to approve any amendments to such performance measures and the expected levels of performance.

(c) Subject to Section 13, the HRC Committee may waive any restrictions with respect to participation in the Plan or vesting with respect to any specific Participants where, in the opinion of the HRC Committee, it is reasonable to do so and such waiver does not prejudice the rights of the Participant under the Plan.

(d) Subject to Section 13, the HRC Committee may amend the Plan for any general administrative matters, correct, remedy or reconcile any errors, inconsistencies or ambiguities, cashless exercise, vesting or termination provisions or any performance measures and recommend to the Board for its approval any other amendments.

(e) Grants to Participants will be made in the sole discretion of the HRC Committee.

4. SHARES AND SHARE RESERVE

The Shares subject to the Options and other provisions of the Plan shall be authorized and unissued common shares of the Corporation. The total number of Shares reserved to be issued under the Plan and the Incentive Stock Option Plan (2007) (and its predecessors) shall not exceed in the aggregate 16,500,000 (the "**Share Reserve**"), subject to the adjustment provisions set forth in Section 10. Shares subject to Options which are terminated, cancelled or expire prior to exercise shall be available for the grant of further Options hereunder.

Any changes to the Share Reserve shall be recommended by the CEO to the HRC Committee for its review and recommendation to the Board. Any increase in the Share Reserve shall be subject to approval of the shareholders of the Corporation in accordance with the rules of the Toronto Stock Exchange.

5. PARTICIPATION AND GRANT OF OPTIONS

(a) The CEO may from time to time recommend to the HRC Committee employees of the Corporation or its Subsidiaries, for participation in the Plan, the extent and terms of their participation and the performance measures applicable thereto. The HRC Committee shall consider such recommendations and may approve such recommended employees for participation in the Plan, the extent and terms of their participation and the performance measures applicable thereto, subject to the following:

(i) the total number of Shares reserved for issuance to any one Participant pursuant to all security based compensation arrangements of the Corporation shall not exceed in the aggregate 5% of the number of Shares outstanding at the time of reservation;

(ii) the total number of Shares reserved for issuance to Insiders pursuant to all security based compensation arrangements of the Corporation shall not exceed 10% of the number of Shares outstanding at the time of reservation;

(iii) the total number of Shares issued to Insiders pursuant to all security based compensation arrangements of the Corporation within any one-year period shall not exceed 10% of the number of Shares outstanding at the time of

issuance (excluding any other shares issued under all security based compensation arrangements of the Corporation during such one-year period); and

(iv) the total number of Shares issued to any one Insider and such Insider's associates (as defined in the *Securities Act* (Alberta)) pursuant to all security based compensation arrangements of the Corporation within any one-year period shall not exceed 5% of the number of Shares outstanding at the time of issuance (excluding any other shares issued under all security based compensation arrangements of the Corporation during such one-year period).

For the purposes of (ii), (iii) and (iv) above, any entitlement to acquire Shares granted pursuant to the Plan prior to the Participant becoming an Insider are to be excluded from the calculation.

(b) The CEO:

(i) may issue inducement grants to any new employee of the Corporation or a Subsidiary, other than new employees that report directly to the CEO and may, with the approval of the HRC Committee issue inducement grants to new employees that report directly to the CEO, provided that the number of Options comprising any such grant shall not exceed the lesser of: (i) the amount provided for in the policies of the HRC Committee from time to time; and (ii) 2% of the number of outstanding Shares (on a non-dilutive basis) at the applicable date, and such inducement grant will be reported to the HRC Committee at the next committee meeting; and

(ii) shall recommend to the HRC Committee specific grants to Participants who report directly to the CEO and the total grants for all other levels of Participants.

(c) The HRC Committee shall:

(iii) determine and recommend to the Board, for its approval, the grant date of Options;

(iv) determine and recommend to the Board, for its approval, the grants to be made to the CEO; and

(v) review and recommend to the Board, for its approval, any other grants made pursuant to the Plan.

(d) Directors who are not full-time employees of the Corporation or a Subsidiary shall not be eligible to become Participants.

(e) A designated employee shall have the right not to participate in the Plan, and any decision not to participate shall not affect his or her employment with the Corporation or a Subsidiary. Participation in the Plan does not confer upon the Participant any right to continued employment with the Corporation or a Subsidiary.

6. PERFORMANCE MEASURES

The CEO shall advise the Chair of the HRC Committee upon the Human Resources, Accounting and Finance Groups and the CEO jointly concurring that the performance measures for an Option grant have been achieved, and the number of Options that have become exercisable as a result.

7. OPTION TERMS

(a) Term

The term ("**Term**") during which an Option shall be exercisable shall be fixed by the HRC Committee at the time of grant, but in no case shall a term exceed 10 years, and each Option shall be subject to earlier termination, as provided in Section 8; provided that when the Term expires in a Blackout Period the Term shall be extended to a date that is five Trading Days after the end of the Blackout Period.

(b) Exercise

An Option shall vest and become exercisable in accordance with the terms set by the HRC Committee at the time of grant. The Option shall vest and become exercisable when the time period, if any, established by the HRC Committee since the date of the grant has expired and the performance measures in Section 6 have been met or have been deemed to be met. A Participant may exercise vested instalments of his or her Option in whole or in part at any time and from time to time during the Term.

(c) Grant and Price

Subject to the following sentence, the price (the "**Grant Price**") at which Shares will be issued to a Participant pursuant to the Option shall be determined on the date (the "**Grant Date**") that the Option is awarded and the Grant Price shall not be less than 100% of the Fair Market Value determined as at the Grant Date. If an Option is awarded at a time when a Blackout Period is in effect, the Grant Price of the Option will be set on and the Grant Date will be the sixth Trading Day following the termination of the Blackout Period; provided that where another Blackout Period commences within such six Trading Days, the determination of the Grant Price and the Grant Date will be further postponed and will be set as provided above in this sentence (and so on from time to time).

(d) Payment

Participants shall be required to make payment in full for any Shares purchased upon the exercise, in whole or in part, of any Option granted under the Plan and no Shares shall be issued until full payment has been made. Payment must be in the currency of Canada or the United States of America.

(e) Share Settled Options

If approved by the Board, in lieu of paying the Grant Price for Shares to be issued pursuant to such exercise, the Participant may elect to acquire the number of Shares determined by subtracting the Grant Price from the Fair Market Value of the Shares on the date of exercise, multiplying the difference by the number of Shares in respect of which the Option was otherwise being exercised and then dividing that product by such Fair Market Value of the Shares. In such event, the number of Shares as so determined (and not the number of Shares to be issued under the Option) will be deemed to be issued under the Plan.

(f) Share Ownership Guidelines

If on the exercise of any Options the number of Shares held by the Participant is less than the number of Shares to be held by him or her pursuant to any share ownership guidelines of the Corporation in effect from time to time and applicable to such Participant, then the Participant shall be required to retain Shares acquired on exercise of Options (net of Shares that are required to be sold by the Participant to meet any tax liabilities arising on exercise of the Options) to meet the requirements of such share ownership guidelines.

(g) Transferability

Options are not transferable or assignable other than by will or according to the laws of descent and distribution.

8. TERMINATION

(a) Voluntary Termination

If a Participant voluntarily terminates his or her employment with the Corporation or a Subsidiary, all unexercised and vested Options held by such Participant as at the last day of such Participant's employment with the Corporation (or its Subsidiary) shall remain exercisable until the earlier of: (i) 30 days following the Participant's last day of employment with the Corporation (or its Subsidiary); and (ii) the expiry of the term of the Options; following which any unexercised and vested Options shall be cancelled.

All unvested Options held by the Participant as at the last day of the Participant's employment with the Corporation (or its Subsidiary) shall be cancelled on the Participant's last day of employment with the Corporation (or its Subsidiary).

(b) Involuntary Termination Not For Cause

If the employment of a Participant is terminated by the Corporation or a Subsidiary other than For Cause, all unexercised and vested Options held by such Participant as at the Participant's last day of employment with the Corporation (or its Subsidiary) shall remain exercisable until the earlier of: (i) 30 days following the expiration of any Notice Period; and (ii) the expiry of the Term of the Options; following which any vested and unexercised Options shall be cancelled.

A number of unvested Options held by the Participant on the last day of employment with the Corporation (or its Subsidiary) shall continue to vest in accordance with the Plan. The number of unvested Options that shall continue to vest shall be prorated based upon the number of full calendar months of active employment of the Participant during the Term to the total number of months in the Term (and for this purpose the Notice Period shall be counted as active employment). Such number of Options shall be exercisable until the earlier of: (i) 30 days following the expiry of the Notice Period; and (ii) the expiry of the Term of the Options; following which all vested and unexercised Options and all unvested Options shall be cancelled.

For the purposes of this subsection 8(b), if a Participant's employment terminates due to the constructive dismissal of the Participant, such termination shall be treated as an involuntary termination by the Corporation or a Subsidiary other than For Cause.

(c) Involuntary Termination For Cause

If the employment of a Participant is terminated by the Corporation or a Subsidiary For Cause, all Options held by such Participant as at the date of such termination, whether vested or unvested, shall be cancelled on the Participant's last day of active employment with the Corporation (or its Subsidiary).

(d) Death

If the employment of a Participant with the Corporation or a Subsidiary is terminated as a result of the death of such Participant, all unexercised and vested Options held by such Participant at the Participant's date of death shall remain exercisable until the earlier of: (i) 12 months following the date of such Participant's death; and (ii) the expiry of the Term of the Options; following which any unexercised Options shall be cancelled.

A number of unvested Options held by the Participant on the date of death of the Participant shall vest and be exercisable on the assumption that the performance measures have been met. The number of unvested Options that shall vest on the date of the Participant's death shall be prorated based upon the number of full calendar months of active employment of the Participant during the Term to the total number of months in the Term. Such number of Options shall be exercisable until the earlier of: (i) 12 months following the date of such Participant's death; and (ii) the expiry of the Term of the Options; following which all vested and unexercised Options and all unvested Options shall be cancelled.

(e) Retirement

If a Participant has attained the age of 55 and retires from his or her employment with the Corporation or a Subsidiary pursuant to a Retirement Plan and he or she is eligible for benefits under a Retirement Plan, all unexercised and vested Options held by such Participant as at the Participant's last day of employment with the Corporation (or its Subsidiary) shall continue in accordance with the Plan and may be exercised until the earlier of: (i) three years following the date of such Participant's retirement; and (ii) the expiry of the Term of the Options; following which any unexercised and vested Options shall be cancelled.

A number of unvested Options held by the Participant on the last day of employment with the Corporation (or its Subsidiary) shall continue to vest in accordance with the Plan. The number of unvested Options that shall continue to vest shall be prorated based upon the number of full calendar months of active employment of the Participant during the Term to the total number of months in the Term. Such number of Options shall be exercisable until the earlier of: (i) three years following the date of such Participant's retirement; and (ii) the expiry of the Term of the Options; following which all vested and unexercised Options and all unvested Options shall be cancelled.

(f) Disability

If the employment of a Participant with the Corporation (or a Subsidiary) is terminated as a result of the "disability" of such Participant, all Options held by such Participant on the last day of the Participant's employment with the Corporation (or its Subsidiary) shall continue in accordance with the terms of such Options as if the Participant continued to be actively employed by the Corporation (or its Subsidiary).

For purposes of the foregoing, a Participant shall be considered to be suffering from a "disability" if he or she is eligible for benefits under a Corporation sponsored long term disability benefits plan.

(g) Leaves of Absence

If a Participant is on a parental or other leave of absence approved by the Corporation or a Subsidiary for a period of greater than three months, all unexercised and vested Options held by such Participant as at the Participant's last day of active employment prior to such parental or other leave shall continue to be exercisable in accordance with the terms of such Options, following which all unexercised and vested Options held by such Participant shall be cancelled. All unvested Options held by such Participant as at the Participant's last day of active employment prior to such parental or other leave shall continue to vest during such Participant's leave, provided that if the Participant does not return to active employment by the end of the leave, all vested and unvested Options as at the end of the leave of absence shall be treated in accordance with the second paragraph of subsection 8(a) on the assumption that the Participant's last day of employment is the end of the leave of absence. Unless otherwise determined by the HRC Committee, no additional Option grants shall be made to any Participant during such Participant's leave of absence.

(h) Secondments

If a Participant is seconded to an entity other than a Subsidiary, the HRC Committee (in the case of Participants that are Corporate Leadership Team members) and the CEO (in the case of all other Participants) shall determine the manner in which all Options, vested and unvested, held by the Participant as at the date of the secondment shall be treated under the Plan.

(i) Change of Control

In the event of a Change of Control, all unvested Options held by a Participant shall vest on a date, as determined by the HRC Committee, that is not more than 30 days and not less than five days prior to the date of the Change of Control and the performance measures shall be deemed to be met. In connection with any Change of Control, the HRC Committee will allow, where necessary in the circumstances, for the conditional vesting and exercise of Options and where such conditions are not met and the Change of Control does not occur the Options shall continue as if no vesting or exercise had occurred.

(j) No Future Grants; No Cash Payment

Upon the occurrence of any of the foregoing events listed under subsections 8(a) to (f) in respect of a Participant, such Participant shall not be entitled to receive any further Option grants or the value of any grants foregone as a consequence of any such event and, except as set forth herein, shall not be entitled to receive any cash payment for the value of any unexercised Options, vested or unvested, held by the Participant as at the date of occurrence of such event.

9. TERMS AND CONDITIONS OF UNITED STATES INCENTIVE STOCK OPTIONS

(a) Designated employees of any Subsidiary located in the United States of America may be granted "incentive stock options" within the meaning of Section 422 of the Code ("**United States Incentive Stock Options**"). The maximum number of Shares that may be issued under the Plan as United States Incentive Stock Options shall not be greater than 2,000,000 Shares. An Option that is a United States Incentive Stock Option will be designated as such in the applicable Option agreement and no Option that is not so designated will be treated as a United States Incentive Stock Option under the Plan.

(b) No United States Incentive Stock Options shall be granted to any Participant if, as a result of such grant, the aggregate Fair Market Value (as of the time the Option is proposed to be granted) of the Shares covered by all the United States Incentive Stock Options granted under this Plan, and any other plan of the Corporation or any Subsidiary, to the Participant, which are or will become exercisable for the first time by the Participant in a single calendar year, exceeds US $100,000 or such amount as shall be specified in Section 422 of the Code.

(c) The exercise price of a United States Incentive Stock Option shall not be less than 100% of the Grant Price as at the Grant Date.

(d) No United States Incentive Stock Option may be granted under the Plan to any individual who, at the time the option is granted, owns stock possessing more than 10% of the total combined voting power of all classes of stock of his or her employer corporation or of its parent or subsidiary corporations (as such ownership may be determined for purposes of Section 422(b)(6) of the Code), unless (i) at the time such United States Incentive Stock Option is granted, the Grant Price is at least 110% of the Fair Market Value of the Shares subject thereto and (ii) the United States Incentive Stock Option by its terms is not exercisable after the expiration of five years from the date granted.

(e) Notwithstanding the provisions of this Section 7, exercise periods for United States Incentive Stock Options on the happening of an event described in Sections 7(b), (d), (e) and (f) shall be as set forth in the applicable Option agreement.

(f) United States Incentive Stock Options shall otherwise be subject to the terms and conditions as set forth in this Plan.

10. ADJUSTMENTS

(a) In the event that the number of outstanding Shares is increased or decreased, or changed into, or exchanged for a different number or kind of shares or other securities of the Corporation or another corporation, whether through a stock dividend, stock split, consolidation, recapitalization, amalgamation,

reorganization, arrangement or other transaction effected without receipt of consideration, the HRC Committee or the Board may make appropriate adjustment in the number or kind of shares or securities available for Options pursuant to the Plan and, as regards Options previously granted or to be granted pursuant to the Plan, in the number and kind of shares or securities and the purchase price thereof and the manner in which installments of the Options vest and become exercisable.

(b) The appropriate adjustments in the number of Shares under Option, the Grant Price per share and the period during which each Option may be exercised may be made by the Board in its discretion and in order to give effect to the adjustments in the number of shares of the Corporation resulting from the implementation and operation of the Shareholder Rights Plan Agreement dated as of November 9, 1995 between the Corporation and CIBC Mellon Trust Company, as amended, restated or revised from time to time.

11. EFFECT OF REORGANIZATION

In the event of any take-over bid or any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution or similar transaction or other business combination that is not a Change of Control in which the Corporation is not the surviving or continuing corporation (a "**Reorganization**"), all Options granted hereunder and outstanding on the date of such Reorganization, shall be assumed by the surviving or continuing corporation, provided that the HRC Committee or the Board may make appropriate adjustment in the manner in which installments of the Options become exercisable prior to such assumption. If, in the event of any such Reorganization, provision for such assumption satisfactory to the HRC Committee or the Board is not made by the surviving or continuing corporation, each Participant shall have distributed to him or her within 30 days after the Reorganization in full satisfaction in the case of an unexpired Option, or part thereof, whether or not exercisable, cash representing the excess, if any, of the Fair Market Value of the Shares determined as at the third Trading Day immediately preceding the closing date of such Reorganization over the exercise price of such Option (less applicable tax withholdings).

12. TAXES AND REPORTING

Notwithstanding anything else contained herein, each Participant shall be responsible for the payment of all applicable taxes, including, but not limited to, income taxes payable in connection with the exercise of any Options under the Plan and the Corporation, its employees and agents shall bear no liability in connection with the payment of such taxes.

13. AMENDMENT OF THE PLAN

The HRC Committee may at any time recommend to the Board for its approval the revision, suspension or discontinuance of this Plan in whole or in part. The Board may

also at any time amend, revise or repeal any terms of this Plan and any Option granted under this Plan (any such change, an "amendment") without obtaining approval of the shareholders. Notwithstanding the foregoing, the Corporation will obtain the approval of the shareholders of the Corporation for an amendment relating to:

(a) the maximum number of shares reserved for issuance under the Plan;

(b) a reduction in the Grant Price for any Options;

(c) the cancellation of any Options and the reissue of or replacement of such Options with Options having a lower Grant Price;

(d) an extension to the term of any Option;

(e) any change allowing other than full-time employees of the Corporation or a Subsidiary to become Participants in the Plan;

(f) any change whereby Options would become transferable or assignable other than by will or according to the laws of descent and distribution.

14. CONFLICT WITH WRITTEN EMPLOYMENT AGREEMENT

In the event of a conflict between the terms of this Plan and the terms of any written employment agreement between a Participant and the Corporation, the terms of the written employment agreement shall prevail.

15. EFFECTIVE DATE

The Plan shall take effect on January 1, 2007, provided that any Options issued under this Plan may not be exercised until this Plan has been approved by the shareholders of the Corporation in accordance with the rules of the Toronto Stock Exchange. On the effective date, the application of the Incentive Stock Option Plan (2002) (the "Prior Plan") to performance Options shall be discontinued, except with respect to unexercised performance Options outstanding under the Prior Plan.

EXHIBIT 10.6

ENBRIDGE INC.

PERFORMANCE STOCK OPTION PLAN (2007), as amended and restated (2011)

1. PURPOSE

The purpose of the Performance Stock Option Plan (2007), as amended and restated (the "**Plan**") is to:

(a) focus Participants on the attainment of the Corporation's long-term strategy and share price appreciation;

(b) assist in attracting, retaining, engaging and rewarding senior executives of the Corporation and its Subsidiaries; and

(c) provide an opportunity for Participants to earn competitive total compensation based on achieving the performance goals set out in this Plan.

2. DEFINED TERMS

In this Plan (including any schedules to this Plan):

(a) "**affiliate**" has the meaning ascribed to that term in the *Securities Act* (Alberta);

(b) **"associate"** has the meaning ascribed to that term in the *Securities Act* (Alberta);

(c) **"Blackout Period"** means a period of time imposed by the Corporation where Participants holding Options may not trade in securities of the Corporation;

(d) "**Board**" means the Board of Directors of the Corporation;

(e) "**CEO**" means the Chief Executive Officer of the Corporation;

(f) "**Change of Control**" means:

(i) the sale to a person or acquisition by a person not affiliated with the Corporation or its Subsidiaries of assets of the Corporation or its Subsidiaries having a value greater than 50% of the fair market value of the assets of the Corporation and its Subsidiaries determined on a consolidated basis prior to such sale whether such sale or acquisition occurs by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise;

(ii) any change in the holding, direct or indirect, of shares of the Corporation by a person not affiliated with the Corporation as a result of which such person, or a group of persons, or persons acting in concert, or persons associated or affiliated with any such person or group within the meaning of the Securities Act (Alberta), are in a position to exercise effective control of the Corporation whether such change in the holding of such shares occurs by way of takeover bid, reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise; and for the purposes of this Plan, a person or group of persons holding shares or other securities in excess of the number which, directly or following conversion thereof, would entitle the holders thereof to cast 20% or more of the votes attaching to all shares of the Corporation which, directly or following conversion of the convertible securities forming part of the holdings of the person or group of persons noted above, may be cast to elect directors of the Corporation shall be deemed, other than a person holding such shares or other securities in the ordinary course of business as an investment manager who is not using such holding to exercise effective control, to be in a position to exercise effective control of the Corporation;

(iii) any reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction involving the Corporation where shareholders of the Corporation immediately prior to such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction hold less than 50% of the shares of the Corporation or of the continuing corporation following completion of such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, transfer, sale or other transaction;

(iv) the Corporation ceases to be a distributing corporation as that term is defined in the Canada Business Corporations Act;

(v) any event or transaction which the Board, in its discretion, deems to be a Change of Control; or

(vi) Incumbent Directors ceasing to be a majority of the Board;

provided that:

(i) any transaction whereby shares held by shareholders of the Corporation are transferred or exchanged for units or securities of a trust, partnership or other entity which trust, partnership or other entity continues to own directly or indirectly all of the shares of the Corporation previously owned by the shareholders of the Corporation and the former shareholders of the Corporation continue to be beneficial holders of such units or securities in

the same proportions following the transaction as they were beneficial holders of shares of the Corporation prior to the transaction will be deemed not to constitute a change of control; and

(ii) any change of control initiated or commenced by the Board (and whether or not such transaction was initiated or commenced by the Board shall be conclusively determined by the Board) will not constitute a change of control for purposes of this Plan;

(g) "**Code**" means the United States Internal Revenue Code of 1986, as amended;

(h) "**constructive dismissal**" means, unless consented to by the Participant, any action that constitutes constructive dismissal of the Participant, including without limiting the generality of the foregoing:

(i) where the Participant ceases to be an officer of the Corporation, unless the Participant is appointed as an officer of a successor to a material portion of the assets of the Corporation;

(ii) a material decrease in the title, position, responsibilities, powers or reporting relationships of the Participant;

(iii) a reduction in the base salary (excluding any annual incentive bonus) of the Participant; or

(iv) any material reduction in the value of the Participant's employee benefits, plans and programs (other than any annual incentive bonus);

(i) "**Corporation**" means Enbridge Inc., and includes any successor entity thereto;

(j) "**Director**" means a director of the Corporation;

(k) "**Fair Market Value**" means, as of a particular day, the weighted average of the board lot trading prices per Share on the Toronto Stock Exchange, or the New York Stock Exchange, for the last five Trading Days immediately prior to such day;

(l) "**For Cause**" includes "just cause" as defined in the common law and also includes any circumstance in which the Participant shall have been convicted of a criminal act of dishonesty resulting or intending to result directly or indirectly in gain or personal enrichment of the Participant;

(m) "**Grant Date**" has the meaning set forth in Section 7(c);

(n) **"Grant Price"** has the meaning set forth in Section 7(c);

(o) "**HRC Committee**" means the Human Resources & Compensation Committee of the Board, established and duly authorized to act in accordance with the By-Laws of the Corporation;

(p) "**Incumbent Director**" means any member of the Board who was a member of the Board immediately prior to the occurrence of the transaction, elections or appointments giving rise to a Change of Control and any successor to an Incumbent Director who was recommended for election at a meeting of shareholders of the Corporation, or elected or appointed to succeed any Incumbent Director, by the affirmative vote of the Directors, which affirmative vote includes a majority of the Incumbent Directors then on the Board;

(q) "**Insider**" means:

(i) an insider, as defined in the *Securities Act* (Alberta); and

(ii) an associate of any person who is an insider by virtue of (i) above;

(r) **"Notice Period"** means the notice period for termination of employment agreed to between the Corporation (or its Subsidiary) and the Participant, or, in the absence of any such agreement, the notice period required under applicable law;

(s) **"Option"** means an Option to purchase Shares granted to the Participant in accordance with the terms and conditions of this Plan;

(t) "**Participant**" means any employee, including an officer, of the Corporation or a Subsidiary who has been designated by the HRC Committee to receive and be granted Options in accordance with Section 5;

(u) "**Performance Vesting Requirements**" has the meaning ascribed to that term in Section 7(b)(ii);

(v) "**Plan**" means the Performance Stock Option Plan (2007) of the Corporation described in this document, and as the same may be duly amended or varied from time to time in accordance with the provisions of this Plan;

(w) "**Pro-rated Option**" means a grant of an Option where the number of Shares subject to the Option has been reduced in accordance with Section 8(b), (d) or (e);

(x) "**Retirement Plan**" means a pension plan of the Corporation established or in effect from time to time which applies when an employee retires from the employment of the Corporation or any of its Subsidiaries;

(y) "**Share**" means a common share in the capital of the Corporation;

(z) "**Share Reserve**" has the meaning ascribed to that term in Section 4;

(aa) "**Subsidiary"** means:

(i) any corporation that is a subsidiary (as such term is defined in the *Canada Business Corporations Act*) of the Corporation, as such provision is from time to time amended, varied or re-enacted;

(ii) any partnership or limited partnership that is controlled by the Corporation (the Corporation will be deemed to control a partnership or limited partnership if the Corporation possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such partnership or limited partnership, whether through the ownership of voting securities, by contract or otherwise); and

(iii) subject to regulatory approval, any corporation, partnership, limited partnership, trust, limited liability company or other form of business entity that the HRC Committee determines ought to be treated as a subsidiary for purposes of the Plan, provided that the HRC Committee shall have the sole discretion to determine that any such entity has ceased to be a subsidiary for purposes of the Plan;

(bb) "**Term**" has the meaning ascribed to that term in Section 7;

(cc) "**Time Vesting Period**" means the aggregate number of months under the option grant that must pass before all vesting criteria based upon the passage of time have been met;

(dd) "**Time Vesting Requirements**" has the meaning ascribed to that term in Section 7(b)(i);

(ee) "**Trading Day**" means any day on which the Toronto Stock Exchange or the New York Stock Exchange, as the case may be, is open for trading; and

(ff) "**United States Incentive Stock Option**" has the meaning set forth in Section 9(a).

3. GOVERNANCE

(a) Subject to any determinations or approvals required to be made by the Board, the HRC Committee will administer the Plan in its sole discretion. The HRC Committee shall have the full power and sole responsibility to interpret the provisions of the Plan and to make regulations and formulate administrative provisions for its implementation, and to make such changes in the regulations and administrative procedures as, from time to time, the HRC Committee deems proper and in the best interests of the Corporation. Such regulations and provisions may include the delegation to any Director or Directors or any officer or officers of the Corporation or its Subsidiaries of such administrative duties

and powers of the HRC Committee as it may, in its sole discretion, deem fit. The determinations of the HRC Committee in the administration of the Plan shall be final and conclusive.

(b) Prior to the CEO requesting any grants under the Plan, the CEO will recommend to the HRC Committee for its approval the performance measures and the levels of achievement for 100% of the Options to vest and the level below which no Options will vest. The HRC Committee is authorized to approve, for each Option granted under the plan, the terms for vesting any Option granted under the Plan. The HRC Committee shall also have the authority to approve any amendments to such performance measures and the expected levels of performance.

(c) Subject to Section 13, the HRC Committee may waive any restrictions with respect to participation in the Plan or vesting with respect to any specific Participants where, in the opinion of the HRC Committee, it is reasonable to do so and such waiver does not prejudice the rights of the Participant under the Plan.

(d) Subject to Section 13, the HRC Committee may amend the Plan for any general administrative matters, correct, remedy or reconcile any errors, inconsistencies or ambiguities, cashless exercise, vesting or termination provisions or any performance measures and recommend to the Board for its approval any other amendments.

(e) Grants to Participants will be made in the sole discretion of the HRC Committee.

4. SHARES AND SHARE RESERVE

The Shares subject to the Options and other provisions of the Plan shall be authorized and unissued common shares of the Corporation. The total number of Shares initially reserved to be issued under the Plan and the Incentive Stock Option Plan (2007) (and its predecessors) shall not exceed in the aggregate 16,500,000 (the "**Initial Share Reserve**"), subject to the adjustment provisions set forth in Section 10. The total number of Shares added to the Initial Share Reserve and reserved to be issued under the Plan (and its predecessors) and the Incentive Stock Option Plan (2007) shall not exceed in the aggregate 9,500,000 Shares (the "**Additional Share Reserve**" and, together with the Initial Share Reserve, the "**Share Reserve**"), subject to the adjustment provisions set forth in Section 10. Shares subject to Options which are terminated, cancelled or expire prior to exercise shall be available for the grant of further Options hereunder. In addition, the difference between (i) the number of Shares in respect of which an Option is being exercised and (ii) the number of Shares received under the Share Settled Option (as provided in Section 7(e)) shall be deemed not to be issued under the Plan and shall be available for the grant of further Options hereunder.

Any changes to the Share Reserve, including the Additional Share Reserve, shall be recommended by the CEO to the HRC Committee for its review and recommendation to the Board. Any increase in the Share Reserve, including the Additional Share Reserve, shall be subject to approval of the shareholders of the Corporation in accordance with the rules of the Toronto Stock Exchange.

5. PARTICIPATION AND GRANT OF OPTIONS

(a) The CEO may from time to time recommend to the HRC Committee employees of the Corporation or its Subsidiaries, for participation in the Plan, the extent and terms of their participation and the performance measures applicable thereto. The HRC Committee shall consider such recommendations and may approve such recommended employees for participation in the Plan, the extent and terms of their participation and the performance measures applicable thereto, subject to the following:

(i) the total number of Shares reserved for issuance to any one Participant pursuant to all security based compensation arrangements of the Corporation shall not exceed in the aggregate 5% of the number of Shares outstanding at the time of reservation;

(ii) the total number of Shares reserved for issuance to Insiders pursuant to all security based compensation arrangements of the Corporation shall not exceed 10% of the number of Shares outstanding at the time of reservation;

(iii) the total number of Shares issued to Insiders pursuant to all security based compensation arrangements of the Corporation within any one-year period shall not exceed 10% of the number of Shares outstanding at the time of issuance (excluding any other shares issued under all security based compensation arrangements of the Corporation during such one-year period); and

(iv) the total number of Shares issued to any one Insider and such Insider's associates (as defined in the *Securities Act* (Alberta)) pursuant to all security based compensation arrangements of the Corporation within any one-year period shall not exceed 5% of the number of Shares outstanding at the time of issuance (excluding any other shares issued under all security based compensation arrangements of the Corporation during such one-year period).

For the purposes of (ii), (iii) and (iv) above, any entitlement to acquire Shares granted pursuant to the Plan prior to the Participant becoming an Insider are to be excluded from the calculation.

(b) The CEO:

(i) may issue inducement grants to any new employee of the Corporation or a Subsidiary, other than new employees that report directly to the CEO and may, with the approval of the HRC Committee issue inducement grants to new employees that report directly to the CEO, provided that the number of Options comprising any such grant shall not exceed the lesser of: (i) the amount provided for in the policies of the HRC Committee from time to time; and (ii) 2% of the number of outstanding Shares (on a non-dilutive basis) at the applicable date, and such inducement grant will be reported to the HRC Committee at the next committee meeting; and

(ii) shall recommend to the HRC Committee specific grants to Participants who report directly to the CEO and the total grants for all other levels of Participants.

(c) The HRC Committee shall:

(iii) determine and recommend to the Board, for its approval, the grant date of Options;

(iv) determine and recommend to the Board, for its approval, the grants to be made to the CEO; and

(v) review and recommend to the Board, for its approval, any other grants made pursuant to the Plan.

(d) Directors who are not full-time employees of the Corporation or a Subsidiary shall not be eligible to become Participants.

(e) A designated employee shall have the right not to participate in the Plan, and any decision not to participate shall not affect his or her employment with the Corporation or a Subsidiary. Participation in the Plan does not confer upon the Participant any right to continued employment with the Corporation or a Subsidiary.

6. PERFORMANCE MEASURES

The CEO shall advise the Chair of the HRC Committee upon the Human Resources, Accounting and Finance Groups and the CEO jointly concurring that the performance measures for an Option grant have been achieved, and the number of Options that have become exercisable as a result.

7. OPTION TERMS

(a) Term

The term ("**Term**") during which an Option shall be exercisable shall be fixed by the HRC Committee at the time of grant, but in no case shall a term exceed 10 years, and each Option shall be subject to earlier termination, as provided in Section 8; provided that when the Term expires in a Blackout Period the Term shall be extended to a date that is five Trading Days after the end of the Blackout Period.

(b) Exercise

An Option shall vest and become exercisable in accordance with the terms set by the HRC Committee at the time of grant. The Option shall vest and become exercisable when:

(i) the Time Vesting Period, if any, established by the HRC Committee for an Option grant has elapsed (the "**Time Vesting Requirements**"); and

(ii) the performance measures in Section 6 have been met or have been deemed to be met (the "**Performance Vesting Requirements**");

provided that the Time Vesting Requirements shall be deemed to be met in respect of any Pro-rated Option. A Participant may exercise vested instalments of his or her Option in whole or in part at any time and from time to time during the Term.

(c) Grant and Price

Subject to the following sentence, the price (the "**Grant Price**") at which Shares will be issued to a Participant pursuant to the Option shall be determined on the date (the "**Grant Date**") that the Option is awarded and the Grant Price shall not be less than 100% of the Fair Market Value determined as at the Grant Date. If an Option is awarded at a time when a Blackout Period is in effect, the Grant Price of the Option will be set on and the Grant Date will be the sixth Trading Day following the termination of the Blackout Period; provided that where another Blackout Period commences within such six Trading Days, the determination of the Grant Price and the Grant Date will be further postponed and will be set as provided above in this sentence (and so on from time to time).

(d) Payment

Participants shall be required to make payment in full for any Shares purchased upon the exercise, in whole or in part, of any Option granted under the Plan and no Shares shall be issued until full payment has been made. Payment must be in the currency of Canada or the United States of America.

(e) Share Settled Options

If approved by the Board, in lieu of paying the Grant Price for Shares to be issued pursuant to such exercise, the Participant may elect to acquire the number of Shares determined by subtracting the Grant Price from the Then Fair Market Value of the Shares on the date of exercise, multiplying the difference by the number of Shares in respect of which the Option was otherwise being exercised and then dividing that product by the Then Fair Market Value of the Shares. For this purpose, the "**Then Fair Market Value**" means the price at which the Shares could be sold or are sold on the Toronto Stock Exchange or the New York Stock Exchange on the date of exercise of the Option. In such event, the number of Shares as so determined (and not the number of Shares to be issued under the Option) will be deemed to be issued under the Plan.

(f) Share Ownership Guidelines

If on the exercise of any Options the number of Shares held by the Participant is less than the number of Shares to be held by him or her pursuant to any share ownership guidelines of the Corporation in effect from time to time and applicable to such Participant, then the Participant shall be required to retain Shares acquired on exercise of Options (net of Shares that are required to be sold by the Participant to meet any tax liabilities arising on exercise of the Options) to meet the requirements of such share ownership guidelines.

(g) Transferability

Options are not transferable or assignable other than by will or according to the laws of descent and distribution.

8. TERMINATION

(a) Voluntary Termination

If a Participant voluntarily terminates his or her employment with the Corporation or a Subsidiary, all unexercised and vested Options held by such Participant as at the last day of such Participant's employment with the Corporation (or its Subsidiary) shall remain exercisable until the earlier of: (i) 30 days following the Participant's last day of employment with the Corporation (or its Subsidiary); and (ii) the expiry of the Term of the Options; following which all unexercised and vested Options shall be cancelled.

All unvested Options held by the Participant as at the last day of the Participant's employment with the Corporation (or its Subsidiary) shall be cancelled on the Participant's last day of employment with the Corporation (or its Subsidiary).

(b) Involuntary Termination Not For Cause

If the employment of a Participant is terminated by the Corporation or a Subsidiary other than For Cause, all unexercised and vested Options held by such Participant as at the Participant's last day of employment with the Corporation (or its Subsidiary) shall remain exercisable until the earlier of: (i) 30 days following the expiration of any Notice Period; and (ii) the expiry of the Term of the Options; following which all unexercised and vested Options shall be cancelled.

A number of unvested Options held by the Participant on the last day of employment with the Corporation (or its Subsidiary) shall continue to vest in accordance with the Plan. The number of unvested Options that shall continue to vest shall be prorated based upon the number of full calendar months of active employment of the Participant in the Time Vesting Period. Such number of Pro-rated Options shall be calculated by multiplying the total number of unvested Options held by the Participant on the last day of employment by a fraction the numerator of which is the number of full calendar months of active employment of the Participant in the Time Vesting Period (and for this purpose, the Notice Period shall be counted as active employment) and the denominator of which is the total number of months in the Time Vesting Period. Subject to the Performance Vesting Requirements being satisfied, such number of Pro-rated Options shall be exercisable until the earlier of: (i) 30 days following the expiry of the Notice Period; and (ii) the expiry of the Term of the Options; following which all unexercised and vested Options and all unvested Options shall be cancelled.

For the purposes of this subsection 8(b), if a Participant's employment terminates due to the constructive dismissal of the Participant, such termination shall be treated as an involuntary termination by the Corporation or a Subsidiary other than For Cause.

(c) Involuntary Termination For Cause

If the employment of a Participant is terminated by the Corporation or a Subsidiary For Cause, all Options held by such Participant as at the date of such termination, whether vested or unvested, shall be cancelled on the Participant's last day of active employment with the Corporation (or its Subsidiary).

(d) Death

If the employment of a Participant with the Corporation or a Subsidiary is terminated as a result of the death of such Participant, all unexercised and vested Options held by such Participant at the Participant's date of death shall remain exercisable until the earlier of: (i) 12 months following the date of such Participant's death; and (ii) the expiry of the Term of the Options; following which all unexercised and vested Options shall be cancelled.

A number of unvested Options held by the Participant on the date of death of the Participant shall vest and be exercisable on the assumption that the Performance Vesting Requirements have been met. The number of unvested Options that shall vest on the date of the Participant's death shall be prorated based upon the number of full calendar months of active employment of the Participant in the Time Vesting Period. Such number of Pro-rated Options shall be calculated by multiplying the total number of unvested Options held by the Participant on the last day of employment by a fraction the numerator of which is the number of full calendar months of active employment of the Participant in the Time Vesting Period and the denominator of which is the total number of months in the Time Vesting Period. Such number of Pro-rated Options shall be fully vested and be exercisable until the earlier of: (i) 12 months following the date of such Participant's death; and (ii) the expiry of the Term of the Options; following which all vested and unexercised Options shall be cancelled.

(e) Retirement

If a Participant has attained the age of 55 and retires from his or her employment with the Corporation or a Subsidiary pursuant to a Retirement Plan and he or she is eligible for benefits under a Retirement Plan, the number of Options in a grant of Options shall be prorated based upon the number of full calendar months of active employment of the Participant in the Time Vesting Period. Such number of Pro-rated Options shall be calculated by multiplying total number of Options granted to the Participant by a fraction the numerator of which is the number of full calendar months of active employment of the Participant in the Time Vesting Period and the denominator of which is the total number of months in the Time Vesting Period. Subject to the Performance Vesting Requirements being satisfied, such number of Pro-rated Options shall be exercisable until the earlier of: (i) three years following the date of such Participant's retirement; and (ii) the expiry of the Term of the Options; following which all unexercised and vested Options and all unvested Options shall be canceled.

(f) Disability

If the employment of a Participant with the Corporation (or a Subsidiary) is terminated as a result of the "disability" of such Participant, all Options held by such Participant on the last day of the Participant's employment with the Corporation (or its Subsidiary) shall continue in accordance with the terms of such Options as if the Participant continued to be actively employed by the Corporation (or its Subsidiary).

For purposes of the foregoing, a Participant shall be considered to be suffering from a "disability" if he or she is eligible for benefits under a Corporation sponsored long term disability benefits plan.

(g) Leaves of Absence

If a Participant is on a parental or other leave of absence approved by the Corporation or a Subsidiary for a period of greater than three months, all unexercised and vested Options held by such Participant as at the Participant's last day of active employment prior to such parental or other leave shall continue to be exercisable in accordance with the terms of such Options, following which all unexercised and vested Options held by such Participant shall be cancelled. All unvested Options held by such Participant as at the Participant's last day of active employment prior to such parental or other leave shall continue to vest during such Participant's leave, provided that if the Participant does not return to active employment by the end of the leave, all vested and unvested Options as at the end of the leave of absence shall be treated in accordance with the second paragraph of subsection 8(a) on the assumption that the Participant's last day of employment is the end of the leave of absence. Unless otherwise determined by the HRC Committee, no additional Option grants shall be made to any Participant during such Participant's leave of absence.

(h) Secondments

If a Participant is seconded to an entity other than a Subsidiary, the HRC Committee (in the case of Participants that are Corporate Leadership Team members) and the CEO (in the case of all other Participants) shall determine the manner in which all Options, vested and unvested, held by the Participant as at the date of the secondment shall be treated under the Plan.

(i) Change of Control

In the event of a Change of Control, all unvested Options held by a Participant shall vest on a date, as determined by the HRC Committee, that is not more than 30 days and not less than five days prior to the date of the Change of Control and the performance measures shall be deemed to be met. In connection with any Change of Control, the HRC Committee will allow, where necessary in the circumstances, for the conditional vesting and exercise of Options and where such conditions are not met and the Change of Control does not occur the Options shall continue as if no vesting or exercise had occurred.

(j) No Future Grants; No Cash Payment

Upon the occurrence of any of the foregoing events listed under subsections 8(a) to (f) in respect of a Participant, such Participant shall not be entitled to receive any further Option grants or the value of any grants foregone as a consequence of any such event and, except as set forth herein, shall not be entitled to receive any cash payment for the value of any unexercised Options, vested or unvested, held by the Participant as at the date of occurrence of such event.

9. TERMS AND CONDITIONS OF UNITED STATES INCENTIVE STOCK OPTIONS

(a) Designated employees of any Subsidiary located in the United States of America may be granted "incentive stock options" within the meaning of Section 422 of the Code ("**United States Incentive Stock Options**"). The maximum number of Shares that may be issued under the Plan as United States Incentive Stock Options shall not be greater than 2,000,000 Shares. An Option that is a United States Incentive Stock Option will be designated as such in the applicable Option agreement and no Option that is not so designated will be treated as a United States Incentive Stock Option under the Plan.

(b) No United States Incentive Stock Options shall be granted to any Participant if, as a result of such grant, the aggregate Fair Market Value (as of the time the Option is proposed to be granted) of the Shares covered by all the United States Incentive Stock Options granted under this Plan, and any other plan of the Corporation or any Subsidiary, to the Participant, which are or will become exercisable for the first time by the Participant in a single calendar year, exceeds US $100,000 or such amount as shall be specified in Section 422 of the Code.

(c) The exercise price of a United States Incentive Stock Option shall not be less than 100% of the Grant Price as at the Grant Date.

(d) No United States Incentive Stock Option may be granted under the Plan to any individual who, at the time the option is granted, owns stock possessing more than 10% of the total combined voting power of all classes of stock of his or her employer corporation or of its parent or subsidiary corporations (as such ownership may be determined for purposes of Section 422(b)(6) of the Code), unless (i) at the time such United States Incentive Stock Option is granted, the Grant Price is at least 110% of the Fair Market Value of the Shares subject thereto and (ii) the United States Incentive Stock Option by its terms is not exercisable after the expiration of five years from the date granted.

(e) Notwithstanding the provisions of this Section 7, exercise periods for United States Incentive Stock Options on the happening of an event described in Sections 7(b), (d), (e) and (f) shall be as set forth in the applicable Option agreement.

(f) United States Incentive Stock Options shall otherwise be subject to the terms and conditions as set forth in this Plan.

10. ADJUSTMENTS

(a) In the event that the number of outstanding Shares is increased or decreased, or changed into, or exchanged for a different number or kind of shares or other securities of the Corporation or another corporation, whether through a stock

dividend, stock split, consolidation, recapitalization, amalgamation, reorganization, arrangement or other transaction effected without receipt of consideration, the HRC Committee or the Board may make appropriate adjustment in the number or kind of shares or securities available for Options pursuant to the Plan and, as regards Options previously granted or to be granted pursuant to the Plan, in the number and kind of shares or securities and the purchase price thereof and the manner in which installments of the Options vest and become exercisable.

(b) The appropriate adjustments in the number of Shares under Option, the Grant Price per share and the period during which each Option may be exercised may be made by the Board in its discretion and in order to give effect to the adjustments in the number of shares of the Corporation resulting from the implementation and operation of the Shareholder Rights Plan Agreement dated as of November 9, 1995 between the Corporation and CIBC Mellon Trust Company, as amended, restated or revised from time to time.

11. EFFECT OF REORGANIZATION

In the event of any take-over bid or any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution or similar transaction or other business combination that is not a Change of Control in which the Corporation is not the surviving or continuing corporation (a "**Reorganization**"), all Options granted hereunder and outstanding on the date of such Reorganization, shall be assumed by the surviving or continuing corporation, provided that the HRC Committee or the Board may make appropriate adjustment in the manner in which installments of the Options become exercisable prior to such assumption. If, in the event of any such Reorganization, provision for such assumption satisfactory to the HRC Committee or the Board is not made by the surviving or continuing corporation, each Participant shall have distributed to him or her within 30 days after the Reorganization in full satisfaction in the case of an unexpired Option, or part thereof, whether or not exercisable, cash representing the excess, if any, of the Fair Market Value of the Shares determined as at the third Trading Day immediately preceding the closing date of such Reorganization over the exercise price of such Option (less applicable tax withholdings).

12. TAXES AND REPORTING

Notwithstanding anything else contained herein, each Participant shall be responsible for the payment of all applicable taxes, including, but not limited to, income taxes payable in connection with the exercise of any Options under the Plan and the Corporation, its employees and agents shall bear no liability in connection with the payment of such taxes.

13. AMENDMENT OF THE PLAN

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The HRC Committee may at any time recommend to the Board for its approval the revision, suspension or discontinuance of this Plan in whole or in part. The Board may also at any time amend, revise or repeal any terms of this Plan and any Option granted under this Plan (any such change, an "amendment") without obtaining approval of the shareholders. Notwithstanding the foregoing, the Corporation will obtain the approval of the shareholders of the Corporation for an amendment relating to:

(a) the maximum number of shares reserved for issuance under the Plan;

(b) a reduction in the Grant Price for any Options;

(c) the cancellation of any Options and the reissue of or replacement of such Options with Options having a lower Grant Price;

(d) an extension to the term of any Option;

(e) any change allowing other than full-time employees of the Corporation or a Subsidiary to become Participants in the Plan;

(f) any change whereby Options would become transferable or assignable other than by will or according to the laws of descent and distribution; or

(g) any amendment to this Section 13.

14. CONFLICT WITH WRITTEN EMPLOYMENT AGREEMENT

In the event of a conflict between the terms of this Plan and the terms of any written employment agreement between a Participant and the Corporation, the terms of the written employment agreement shall prevail.

15. EFFECTIVE DATE

The Plan shall take effect on January 1, 2007, provided that any Options issued under this Plan may not be exercised until this Plan has been approved by the shareholders of the Corporation in accordance with the rules of the Toronto Stock Exchange); provided further that any Options issued under this Plan pursuant to the Additional Share Reserve may not be exercised until the shareholders of the Corporation approve the provisions of Section 4 providing for the Additional Share Reserve. On the effective date, the application of the Incentive Stock Option Plan (2002) (the "**Prior Plan**") to performance Options shall be discontinued, except with respect to unexercised performance Options outstanding under the Prior Plan.

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EXHIBIT 10.7

ENBRIDGE INC.

PERFORMANCE STOCK OPTION PLAN (2007), as amended and restated (2011) and as further amended (2012)

1. PURPOSE

The purpose of the Performance Stock Option Plan (2007), as amended and restated (the "**Plan**") is to:

(a) focus Participants on the attainment of the Corporation's long-term strategy and share price appreciation;

(b) assist in attracting, retaining, engaging and rewarding senior executives of the Corporation and its Subsidiaries; and

(c) provide an opportunity for Participants to earn competitive total compensation based on achieving the performance goals set out in this Plan.

2. DEFINED TERMS

In this Plan (including any schedules to this Plan):

(a) "**affiliate**" has the meaning ascribed to that term in the *Securities Act* (Alberta);

(b) **"associate"** has the meaning ascribed to that term in the *Securities Act* (Alberta);

(c) **"Blackout Period"** means a period of time imposed by the Corporation where Participants holding Options may not trade in securities of the Corporation;

(d) "**Board**" means the Board of Directors of the Corporation;

(e) "**CEO**" means the Chief Executive Officer of the Corporation;

(f) "**Change of Control**" means:

(i) the sale to a person or acquisition by a person not affiliated with the Corporation or its Subsidiaries of assets of the Corporation or its Subsidiaries having a value greater than 50% of the fair market value of the assets of the Corporation and its Subsidiaries determined on a consolidated basis prior to such sale whether such sale or acquisition occurs by way of reconstruction, reorganization, recapitalization,

consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise;

(ii) any change in the holding, direct or indirect, of shares of the Corporation by a person not affiliated with the Corporation as a result of which such person, or a group of persons, or persons acting in concert, or persons associated or affiliated with any such person or group within the meaning of the Securities Act (Alberta), are in a position to exercise effective control of the Corporation whether such change in the holding of such shares occurs by way of takeover bid, reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise; and for the purposes of this Plan, a person or group of persons holding shares or other securities in excess of the number which, directly or following conversion thereof, would entitle the holders thereof to cast 20% or more of the votes attaching to all shares of the Corporation which, directly or following conversion of the convertible securities forming part of the holdings of the person or group of persons noted above, may be cast to elect directors of the Corporation shall be deemed, other than a person holding such shares or other securities in the ordinary course of business as an investment manager who is not using such holding to exercise effective control, to be in a position to exercise effective control of the Corporation;

(iii) any reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction involving the Corporation where shareholders of the Corporation immediately prior to such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction hold less than 50% of the shares of the Corporation or of the continuing corporation following completion of such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, transfer, sale or other transaction;

(iv) the Corporation ceases to be a distributing corporation as that term is defined in the Canada Business Corporations Act;

(v) any event or transaction which the Board, in its discretion, deems to be a Change of Control; or

(vi) Incumbent Directors ceasing to be a majority of the Board;

provided that:

(i) any transaction whereby shares held by shareholders of the Corporation are transferred or exchanged for units or securities of a trust, partnership or other entity which trust, partnership or other entity continues to own

directly or indirectly all of the shares of the Corporation previously owned by the shareholders of the Corporation and the former shareholders of the Corporation continue to be beneficial holders of such units or securities in the same proportions following the transaction as they were beneficial holders of shares of the Corporation prior to the transaction will be deemed not to constitute a change of control; and

(ii) any change of control initiated or commenced by the Board (and whether or not such transaction was initiated or commenced by the Board shall be conclusively determined by the Board) will not constitute a change of control for purposes of this Plan;

(g) "**Code**" means the United States Internal Revenue Code of 1986, as amended;

(h) "**constructive dismissal**" means, unless consented to by the Participant, any action that constitutes constructive dismissal of the Participant, including without limiting the generality of the foregoing:

(i) where the Participant ceases to be an officer of the Corporation, unless the Participant is appointed as an officer of a successor to a material portion of the assets of the Corporation;

(ii) a material decrease in the title, position, responsibilities, powers or reporting relationships of the Participant;

(iii) a reduction in the base salary (excluding any annual incentive bonus) of the Participant; or

(iv) any material reduction in the value of the Participant's employee benefits, plans and programs (other than any annual incentive bonus);

(i) "**Corporation**" means Enbridge Inc., and includes any successor entity thereto;

(j) "**Director**" means a director of the Corporation;

(k) "**Fair Market Value**" means, as of a particular day, the weighted average of the board lot trading prices per Share on the Toronto Stock Exchange, or the New York Stock Exchange, for the last five Trading Days immediately prior to such day;

(l) "**For Cause**" includes "just cause" as defined in the common law and also includes any circumstance in which the Participant shall have been convicted of a criminal act of dishonesty resulting or intending to result directly or indirectly in gain or personal enrichment of the Participant;

(m) "**Grant Date**" has the meaning set forth in Section 7(c);

(n) **"Grant Price"** has the meaning set forth in Section 7(c);

(o) "**HRC Committee**" means the Human Resources & Compensation Committee of the Board, established and duly authorized to act in accordance with the By-Laws of the Corporation;

(p) "**Incumbent Director**" means any member of the Board who was a member of the Board immediately prior to the occurrence of the transaction, elections or appointments giving rise to a Change of Control and any successor to an Incumbent Director who was recommended for election at a meeting of shareholders of the Corporation, or elected or appointed to succeed any Incumbent Director, by the affirmative vote of the Directors, which affirmative vote includes a majority of the Incumbent Directors then on the Board;

(q) "**Insider**" means:

(i) an insider, as defined in the *Securities Act* (Alberta); and

(ii) an associate of any person who is an insider by virtue of (i) above;

(r) **"Notice Period"** means the notice period for termination of employment agreed to between the Corporation (or its Subsidiary) and the Participant, or, in the absence of any such agreement, the notice period required under applicable law;

(s) **"Option"** means an Option to purchase Shares granted to the Participant in accordance with the terms and conditions of this Plan;

(t) "**Participant**" means any employee, including an officer, of the Corporation or a Subsidiary who has been designated by the HRC Committee to receive and be granted Options in accordance with Section 5;

(u) "**Performance Vesting Requirements**" has the meaning ascribed to that term in Section 7(b)(ii);

(v) "**Plan**" means the Performance Stock Option Plan (2007) of the Corporation described in this document, and as the same may be duly amended or varied from time to time in accordance with the provisions of this Plan;

(w) "**Pro-rated Option**" means a grant of an Option where the number of Shares subject to the Option has been reduced in accordance with Section 8(b), (d) or (e);

(x) "**Retirement Plan**" means a pension plan of the Corporation established or in effect from time to time which applies when an employee retires from the employment of the Corporation or any of its Subsidiaries;

(y) "**Retirement Proration Period**" has the meaning ascribed to that term in Section 8(e).

(z) "**Share**" means a common share in the capital of the Corporation;

(aa) "**Share Reserve**" has the meaning ascribed to that term in Section 4;

(bb) "**Subsidiary"** means:

(i) any corporation that is a subsidiary (as such term is defined in the *Canada Business Corporations Act*) of the Corporation, as such provision is from time to time amended, varied or re-enacted;

(ii) any partnership or limited partnership that is controlled by the Corporation (the Corporation will be deemed to control a partnership or limited partnership if the Corporation possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such partnership or limited partnership, whether through the ownership of voting securities, by contract or otherwise); and

(iii) subject to regulatory approval, any corporation, partnership, limited partnership, trust, limited liability company or other form of business entity that the HRC Committee determines ought to be treated as a subsidiary for purposes of the Plan, provided that the HRC Committee shall have the sole discretion to determine that any such entity has ceased to be a subsidiary for purposes of the Plan;

(cc) "**Term**" has the meaning ascribed to that term in Section 7;

(dd) "**Time Vesting Period**" means the aggregate number of months under the option grant that must pass before all vesting criteria based upon the passage of time have been met;

(ee) "**Time Vesting Requirements**" has the meaning ascribed to that term in Section 7(b)(i);

(ff) "**Trading Day**" means any day on which the Toronto Stock Exchange or the New York Stock Exchange, as the case may be, is open for trading; and

(gg) "**United States Incentive Stock Option**" has the meaning set forth in Section 9(a).

3. GOVERNANCE

(a) Subject to any determinations or approvals required to be made by the Board, the HRC Committee will administer the Plan in its sole discretion. The HRC Committee shall have the full power and sole responsibility to interpret the

provisions of the Plan and to make regulations and formulate administrative provisions for its implementation, and to make such changes in the regulations and administrative procedures as, from time to time, the HRC Committee deems proper and in the best interests of the Corporation. Such regulations and provisions may include the delegation to any Director or Directors or any officer or officers of the Corporation or its Subsidiaries of such administrative duties and powers of the HRC Committee as it may, in its sole discretion, deem fit. The determinations of the HRC Committee in the administration of the Plan shall be final and conclusive.

(b) Prior to the CEO requesting any grants under the Plan, the CEO will recommend to the HRC Committee for its approval the performance measures and the levels of achievement for 100% of the Options to vest and the level below which no Options will vest. The HRC Committee is authorized to approve, for each Option granted under the plan, the terms for vesting any Option granted under the Plan. The HRC Committee shall also have the authority to approve any amendments to such performance measures and the expected levels of performance.

(c) Subject to Section 13, the HRC Committee may waive any restrictions with respect to participation in the Plan or vesting with respect to any specific Participants where, in the opinion of the HRC Committee, it is reasonable to do so and such waiver does not prejudice the rights of the Participant under the Plan.

(d) Subject to Section 13, the HRC Committee may amend the Plan for any general administrative matters, correct, remedy or reconcile any errors, inconsistencies or ambiguities, cashless exercise, vesting or termination provisions or any performance measures and recommend to the Board for its approval any other amendments.

(e) Grants to Participants will be made in the sole discretion of the HRC Committee.

4. SHARES AND SHARE RESERVE

The Shares subject to the Options and other provisions of the Plan shall be authorized and unissued common shares of the Corporation. The total number of Shares initially reserved to be issued under the Plan and the Incentive Stock Option Plan (2007) (and its predecessors) shall not exceed in the aggregate 16,500,000 (the "**Initial Share Reserve**"), subject to the adjustment provisions set forth in Section 10. The total number of Shares added to the Initial Share Reserve and reserved to be issued under the Plan (and its predecessors) and the Incentive Stock Option Plan (2007) shall not exceed in the aggregate 9,500,000 Shares (the "**Additional Share Reserve**" and, together with the Initial Share Reserve, the "**Share Reserve**"), subject to the adjustment provisions set forth in Section 10. Shares subject to Options which are terminated, cancelled or expire prior to exercise shall be available for the grant of further Options hereunder. In addition,

the difference between (i) the number of Shares in respect of which an Option is being exercised and (ii) the number of Shares received under the Share Settled Option (as provided in Section 7(e)) shall be deemed not to be issued under the Plan and shall be available for the grant of further Options hereunder.

Any changes to the Share Reserve, including the Additional Share Reserve, shall be recommended by the CEO to the HRC Committee for its review and recommendation to the Board. Any increase in the Share Reserve, including the Additional Share Reserve, shall be subject to approval of the shareholders of the Corporation in accordance with the rules of the Toronto Stock Exchange.

5. PARTICIPATION AND GRANT OF OPTIONS

(a) The CEO may from time to time recommend to the HRC Committee employees of the Corporation or its Subsidiaries, for participation in the Plan, the extent and terms of their participation and the performance measures applicable thereto. The HRC Committee shall consider such recommendations and may approve such recommended employees for participation in the Plan, the extent and terms of their participation and the performance measures applicable thereto, subject to the following:

(i) the total number of Shares reserved for issuance to any one Participant pursuant to all security based compensation arrangements of the Corporation shall not exceed in the aggregate 5% of the number of Shares outstanding at the time of reservation;

(ii) the total number of Shares reserved for issuance to Insiders pursuant to all security based compensation arrangements of the Corporation shall not exceed 10% of the number of Shares outstanding at the time of reservation;

(iii) the total number of Shares issued to Insiders pursuant to all security based compensation arrangements of the Corporation within any one-year period shall not exceed 10% of the number of Shares outstanding at the time of issuance (excluding any other shares issued under all security based compensation arrangements of the Corporation during such one-year period); and

(iv) the total number of Shares issued to any one Insider and such Insider's associates (as defined in the *Securities Act* (Alberta)) pursuant to all security based compensation arrangements of the Corporation within any one-year period shall not exceed 5% of the number of Shares outstanding at the time of issuance (excluding any other shares issued under all security based compensation arrangements of the Corporation during such one-year period).

For the purposes of (ii), (iii) and (iv) above, any entitlement to acquire Shares granted pursuant to the Plan prior to the Participant becoming an Insider are to be excluded from the calculation.

(b) The CEO:

(i) may issue inducement grants to any new employee of the Corporation or a Subsidiary, other than new employees that report directly to the CEO and may, with the approval of the HRC Committee issue inducement grants to new employees that report directly to the CEO, provided that the number of Options comprising any such grant shall not exceed the lesser of: (i) the amount provided for in the policies of the HRC Committee from time to time; and (ii) 2% of the number of outstanding Shares (on a non-dilutive basis) at the applicable date, and such inducement grant will be reported to the HRC Committee at the next committee meeting; and

(ii) shall recommend to the HRC Committee specific grants to Participants who report directly to the CEO and the total grants for all other levels of Participants.

(c) The HRC Committee shall:

(iii) determine and recommend to the Board, for its approval, the grant date of Options;

(iv) determine and recommend to the Board, for its approval, the grants to be made to the CEO; and

(v) review and recommend to the Board, for its approval, any other grants made pursuant to the Plan.

(d) Directors who are not full-time employees of the Corporation or a Subsidiary shall not be eligible to become Participants.

(e) A designated employee shall have the right not to participate in the Plan, and any decision not to participate shall not affect his or her employment with the Corporation or a Subsidiary. Participation in the Plan does not confer upon the Participant any right to continued employment with the Corporation or a Subsidiary.

6. PERFORMANCE MEASURES

The CEO shall advise the Chair of the HRC Committee upon the Human Resources, Accounting and Finance Groups and the CEO jointly concurring that the performance measures for an Option grant have been achieved, and the number of Options that have become exercisable as a result.

7. OPTION TERMS

(a) Term

The term ("**Term**") during which an Option shall be exercisable shall be fixed by the HRC Committee at the time of grant, but in no case shall a term exceed 10 years, and each Option shall be subject to earlier termination, as provided in Section 8; provided that when the Term expires in a Blackout Period the Term shall be extended to a date that is five Trading Days after the end of the Blackout Period.

(b) Exercise

An Option shall vest and become exercisable in accordance with the terms set by the HRC Committee at the time of grant. The Option shall vest and become exercisable when:

(i) the Time Vesting Period, if any, established by the HRC Committee for an Option grant has elapsed (the "**Time Vesting Requirements**"); and

(ii) the performance measures in Section 6 have been met or have been deemed to be met (the "**Performance Vesting Requirements**");

provided that the Time Vesting Requirements shall be deemed to be met in respect of any Pro-rated Option. A Participant may exercise vested instalments of his or her Option in whole or in part at any time and from time to time during the Term.

(c) Grant and Price

Subject to the following sentence, the price (the "**Grant Price**") at which Shares will be issued to a Participant pursuant to the Option shall be determined on the date (the "**Grant Date**") that the Option is awarded and the Grant Price shall not be less than 100% of the Fair Market Value determined as at the Grant Date. If an Option is awarded at a time when a Blackout Period is in effect, the Grant Price of the Option will be set on and the Grant Date will be the sixth Trading Day following the termination of the Blackout Period; provided that where another Blackout Period commences within such six Trading Days, the determination of the Grant Price and the Grant Date will be further postponed and will be set as provided above in this sentence (and so on from time to time).

(d) Payment

Participants shall be required to make payment in full for any Shares purchased upon the exercise, in whole or in part, of any Option granted under the Plan and no Shares shall be issued until full payment has been made. Payment must be in the currency of Canada or the United States of America.

(e) Share Settled Options

If approved by the Board, in lieu of paying the Grant Price for Shares to be issued pursuant to such exercise, the Participant may elect to acquire the number of Shares determined by subtracting the Grant Price from the Then Fair Market Value of the Shares on the date of exercise, multiplying the difference by the number of Shares in respect of which the Option was otherwise being exercised and then dividing that product by the Then Fair Market Value of the Shares. For this purpose, the "**Then Fair Market Value**" means the price at which the Shares could be sold or are sold on the Toronto Stock Exchange or the New York Stock Exchange on the date of exercise of the Option. In such event, the number of Shares as so determined (and not the number of Shares to be issued under the Option) will be deemed to be issued under the Plan.

(f) Share Ownership Guidelines

If on the exercise of any Options the number of Shares held by the Participant is less than the number of Shares to be held by him or her pursuant to any share ownership guidelines of the Corporation in effect from time to time and applicable to such Participant, then the Participant shall be required to retain Shares acquired on exercise of Options (net of Shares that are required to be sold by the Participant to meet any tax liabilities arising on exercise of the Options) to meet the requirements of such share ownership guidelines.

(g) Transferability

Options are not transferable or assignable other than by will or according to the laws of descent and distribution.

8. TERMINATION

(a) Voluntary Termination

If a Participant voluntarily terminates his or her employment with the Corporation or a Subsidiary, all unexercised and vested Options held by such Participant as at the last day of such Participant's employment with the Corporation (or its Subsidiary) shall remain exercisable until the earlier of: (i) 30 days following the Participant's last day of employment with the Corporation (or its Subsidiary); and (ii) the expiry of the Term of the Options; following which all unexercised and vested Options shall be cancelled.

All unvested Options held by the Participant as at the last day of the Participant's employment with the Corporation (or its Subsidiary) shall be cancelled on the Participant's last day of employment with the Corporation (or its Subsidiary).

(b) Involuntary Termination Not For Cause

If the employment of a Participant is terminated by the Corporation or a Subsidiary other than For Cause, all unexercised and vested Options held by such Participant as at the Participant's last day of employment with the Corporation (or its Subsidiary) shall remain exercisable until the earlier of: (i) 30 days following the expiration of any Notice Period; and (ii) the expiry of the Term of the Options; following which all unexercised and vested Options shall be cancelled.

A number of unvested Options held by the Participant on the last day of employment with the Corporation (or its Subsidiary) shall continue to vest in accordance with the Plan. The number of unvested Options that shall continue to vest shall be prorated based upon the number of full calendar months of active employment of the Participant in the Time Vesting Period. Such number of Pro-rated Options shall be calculated by multiplying the total number of unvested Options held by the Participant on the last day of employment by a fraction the numerator of which is the number of full calendar months of active employment of the Participant in the Time Vesting Period (and for this purpose, the Notice Period shall be counted as active employment) and the denominator of which is the total number of months in the Time Vesting Period. Subject to the Performance Vesting Requirements being satisfied, such number of Pro-rated Options shall be exercisable until the earlier of: (i) 30 days following the expiry of the Notice Period; and (ii) the expiry of the Term of the Options; following which all unexercised and vested Options and all unvested Options shall be cancelled.

For the purposes of this subsection 8(b), if a Participant's employment terminates due to the constructive dismissal of the Participant, such termination shall be treated as an involuntary termination by the Corporation or a Subsidiary other than For Cause.

(c) Involuntary Termination For Cause

If the employment of a Participant is terminated by the Corporation or a Subsidiary For Cause, all Options held by such Participant as at the date of such termination, whether vested or unvested, shall be cancelled on the Participant's last day of active employment with the Corporation (or its Subsidiary).

(d) Death

If the employment of a Participant with the Corporation or a Subsidiary is terminated as a result of the death of such Participant, all unexercised and vested Options held by such Participant at the Participant's date of death shall remain exercisable until the earlier of: (i) 12 months following the date of such Participant's death; and (ii) the expiry of the Term of the Options; following which all unexercised and vested Options shall be cancelled.

A number of unvested Options held by the Participant on the date of death of the Participant shall vest and be exercisable on the assumption that the Performance Vesting Requirements have been met. The number of unvested Options that shall vest on the date of the Participant's death shall be prorated based upon the number of full calendar months of active employment of the Participant in the Time Vesting Period. Such number of Pro-rated Options shall be calculated by multiplying the total number of unvested Options held by the Participant on the last day of employment by a fraction the numerator of which is the number of full calendar months of active employment of the Participant in the Time Vesting Period and the denominator of which is the total number of months in the Time Vesting Period. Such number of Pro-rated Options shall be fully vested and be exercisable until the earlier of: (i) 12 months following the date of such Participant's death; and (ii) the expiry of the Term of the Options; following which all vested and unexercised Options shall be cancelled.

(e) Retirement

If a Participant has attained the age of 55 and retires from his or her employment with the Corporation or a Subsidiary pursuant to a Retirement Plan and he or she is eligible for benefits under a Retirement Plan, the number of Options in a grant of Options shall be prorated based upon the number of full calendar months of active employment of the Participant in the period commencing January 1 of the year in which the Grant Date occurred and ending December 31 of the year prior to the year in which the Time Vesting Period ends (such period, the "**Retirement Proration Period**"). Such number of Pro-rated Options shall be calculated by multiplying total number of Options granted to the Participant by a fraction the numerator of which is the number of full calendar months of active employment of the Participant in the Retirement Proration Period and the denominator of which is the total number of months in the Retirement Proration Period. Subject to the Performance Vesting Requirements being satisfied, such number of Pro-rated Options shall be exercisable until the later of: (i) three years following the date of such Participant's retirement; and (ii) 30 days after the end of the period in which the Performance Vesting Requirements are permitted to be calculated under the grant of the Options; following which all unexercised and vested Options and all unvested Options shall be cancelled.

(f) Disability

If the employment of a Participant with the Corporation (or a Subsidiary) is terminated as a result of the "disability" of such Participant, all Options held by such Participant on the last day of the Participant's employment with the Corporation (or its Subsidiary) shall continue in accordance with the terms of such Options as if the Participant continued to be actively employed by the Corporation (or its Subsidiary).

For purposes of the foregoing, a Participant shall be considered to be suffering from a "disability" if he or she is eligible for benefits under a Corporation sponsored long term disability benefits plan.

(g) Leaves of Absence

If a Participant is on a parental or other leave of absence approved by the Corporation or a Subsidiary for a period of greater than three months, all unexercised and vested Options held by such Participant as at the Participant's last day of active employment prior to such parental or other leave shall continue to be exercisable in accordance with the terms of such Options, following which all unexercised and vested Options held by such Participant shall be cancelled. All unvested Options held by such Participant as at the Participant's last day of active employment prior to such parental or other leave shall continue to vest during such Participant's leave, provided that if the Participant does not return to active employment by the end of the leave, all vested and unvested Options as at the end of the leave of absence shall be treated in accordance with the second paragraph of subsection 8(a) on the assumption that the Participant's last day of employment is the end of the leave of absence. Unless otherwise determined by the HRC Committee, no additional Option grants shall be made to any Participant during such Participant's leave of absence.

(h) Secondments

If a Participant is seconded to an entity other than a Subsidiary, the HRC Committee (in the case of Participants that are Corporate Leadership Team members) and the CEO (in the case of all other Participants) shall determine the manner in which all Options, vested and unvested, held by the Participant as at the date of the secondment shall be treated under the Plan.

(i) Change of Control

In the event of a Change of Control, all unvested Options held by a Participant shall vest on a date, as determined by the HRC Committee, that is not more than 30 days and not less than five days prior to the date of the Change of Control and the performance measures shall be deemed to be met. In connection with any Change of Control, the HRC Committee will allow, where necessary in the circumstances, for the conditional vesting and exercise of Options and where such conditions are not met and the Change of Control does not occur the Options shall continue as if no vesting or exercise had occurred.

(j) No Future Grants; No Cash Payment

Upon the occurrence of any of the foregoing events listed under subsections 8(a) to (f) in respect of a Participant, such Participant shall not be entitled to receive any further Option grants or the value of any grants foregone as a consequence of

any such event and, except as set forth herein, shall not be entitled to receive any cash payment for the value of any unexercised Options, vested or unvested, held by the Participant as at the date of occurrence of such event.

9. TERMS AND CONDITIONS OF UNITED STATES INCENTIVE STOCK OPTIONS

(a) Designated employees of any Subsidiary located in the United States of America may be granted "incentive stock options" within the meaning of Section 422 of the Code ("**United States Incentive Stock Options**"). The maximum number of Shares that may be issued under the Plan as United States Incentive Stock Options shall not be greater than 2,000,000 Shares. An Option that is a United States Incentive Stock Option will be designated as such in the applicable Option agreement and no Option that is not so designated will be treated as a United States Incentive Stock Option under the Plan.

(b) No United States Incentive Stock Options shall be granted to any Participant if, as a result of such grant, the aggregate Fair Market Value (as of the time the Option is proposed to be granted) of the Shares covered by all the United States Incentive Stock Options granted under this Plan, and any other plan of the Corporation or any Subsidiary, to the Participant, which are or will become exercisable for the first time by the Participant in a single calendar year, exceeds US $100,000 or such amount as shall be specified in Section 422 of the Code.

(c) The exercise price of a United States Incentive Stock Option shall not be less than 100% of the Grant Price as at the Grant Date.

(d) No United States Incentive Stock Option may be granted under the Plan to any individual who, at the time the option is granted, owns stock possessing more than 10% of the total combined voting power of all classes of stock of his or her employer corporation or of its parent or subsidiary corporations (as such ownership may be determined for purposes of Section 422(b)(6) of the Code), unless (i) at the time such United States Incentive Stock Option is granted, the Grant Price is at least 110% of the Fair Market Value of the Shares subject thereto and (ii) the United States Incentive Stock Option by its terms is not exercisable after the expiration of five years from the date granted.

(e) Notwithstanding the provisions of this Section 7, exercise periods for United States Incentive Stock Options on the happening of an event described in Sections 7(b), (d), (e) and (f) shall be as set forth in the applicable Option agreement.

(f) United States Incentive Stock Options shall otherwise be subject to the terms and conditions as set forth in this Plan.

10. ADJUSTMENTS

(a) In the event that the number of outstanding Shares is increased or decreased, or changed into, or exchanged for a different number or kind of shares or other securities of the Corporation or another corporation, whether through a stock dividend, stock split, consolidation, recapitalization, amalgamation, reorganization, arrangement or other transaction effected without receipt of consideration, the HRC Committee or the Board may make appropriate adjustment in the number or kind of shares or securities available for Options pursuant to the Plan and, as regards Options previously granted or to be granted pursuant to the Plan, in the number and kind of shares or securities and the purchase price thereof and the manner in which installments of the Options vest and become exercisable.

(b) The appropriate adjustments in the number of Shares under Option, the Grant Price per share and the period during which each Option may be exercised may be made by the Board in its discretion and in order to give effect to the adjustments in the number of shares of the Corporation resulting from the implementation and operation of the Shareholder Rights Plan Agreement dated as of November 9, 1995 between the Corporation and CIBC Mellon Trust Company, as amended, restated or revised from time to time.

11. EFFECT OF REORGANIZATION

In the event of any take-over bid or any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution or similar transaction or other business combination that is not a Change of Control in which the Corporation is not the surviving or continuing corporation (a "**Reorganization**"), all Options granted hereunder and outstanding on the date of such Reorganization, shall be assumed by the surviving or continuing corporation, provided that the HRC Committee or the Board may make appropriate adjustment in the manner in which installments of the Options become exercisable prior to such assumption. If, in the event of any such Reorganization, provision for such assumption satisfactory to the HRC Committee or the Board is not made by the surviving or continuing corporation, each Participant shall have distributed to him or her within 30 days after the Reorganization in full satisfaction in the case of an unexpired Option, or part thereof, whether or not exercisable, cash representing the excess, if any, of the Fair Market Value of the Shares determined as at the third Trading Day immediately preceding the closing date of such Reorganization over the exercise price of such Option (less applicable tax withholdings).

12. TAXES AND REPORTING

Notwithstanding anything else contained herein, each Participant shall be responsible for the payment of all applicable taxes, including, but not limited to, income taxes payable in connection with the exercise of any Options under the Plan and the Corporation, its

employees and agents shall bear no liability in connection with the payment of such taxes.

13. AMENDMENT OF THE PLAN

The HRC Committee may at any time recommend to the Board for its approval the revision, suspension or discontinuance of this Plan in whole or in part. The Board may also at any time amend, revise or repeal any terms of this Plan and any Option granted under this Plan (any such change, an "amendment") without obtaining approval of the shareholders. Notwithstanding the foregoing, the Corporation will obtain the approval of the shareholders of the Corporation for an amendment relating to:

(a) the maximum number of shares reserved for issuance under the Plan;

(b) a reduction in the Grant Price for any Options;

(c) the cancellation of any Options and the reissue of or replacement of such Options with Options having a lower Grant Price;

(d) an extension to the term of any Option;

(e) any change allowing other than full-time employees of the Corporation or a Subsidiary to become Participants in the Plan;

(f) any change whereby Options would become transferable or assignable other than by will or according to the laws of descent and distribution; or

(g) any amendment to this Section 13.

14. CONFLICT WITH WRITTEN EMPLOYMENT AGREEMENT

In the event of a conflict between the terms of this Plan and the terms of any written employment agreement between a Participant and the Corporation, the terms of the written employment agreement shall prevail.

15. EFFECTIVE DATE

The Plan shall take effect on January 1, 2007, provided that any Options issued under this Plan may not be exercised until this Plan has been approved by the shareholders of the Corporation in accordance with the rules of the Toronto Stock Exchange); provided further that any Options issued under this Plan pursuant to the Additional Share Reserve may not be exercised until the shareholders of the Corporation approve the provisions of Section 4 providing for the Additional Share Reserve. On the effective date, the application of the Incentive Stock Option Plan (2002) (the "**Prior Plan**") to performance Options shall be discontinued, except with respect to unexercised performance Options outstanding under the Prior Plan.

August 2012

EXHIBIT 10.8

ENBRIDGE INC.

PERFORMANCE STOCK OPTION PLAN (2007), as amended and restated (2011) and as further amended (2012 and 2014)

1. PURPOSE

The purpose of the Performance Stock Option Plan (2007), as amended and restated (the "**Plan**") is to:

(a) focus Participants on the attainment of the Corporation's long-term strategy and share price appreciation;

(b) assist in attracting, retaining, engaging and rewarding senior executives of the Corporation and its Subsidiaries; and

(c) provide an opportunity for Participants to earn competitive total compensation based on achieving the performance goals set out in this Plan.

2. DEFINED TERMS

In this Plan (including any schedules to this Plan):

(a) "**affiliate**" has the meaning ascribed to that term in the *Securities Act* (Alberta);

(b) **"associate"** has the meaning ascribed to that term in the *Securities Act* (Alberta

(c) **"Blackout Period"** means a period of time imposed by the Corporation where

Participants holding Options may not trade in securities of the Corporation;(d) "**Board**" means the Board of Directors of the

Corporation;

(e) "**CEO**" means the Chief Executive Officer of the Corporation;

(f) "**Change of Control**" means:

(i) the sale to a person or acquisition by a person not affiliated with the Corporation or its Subsidiaries of assets of the Corporation or its Subsidiaries having a value greater than 50% of the fair market value of the assets of the Corporation and its Subsidiaries determined on a consolidated basis prior to such sale whether such sale or acquisition occurs by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise;

(ii) any change in the holding, direct or indirect, of shares of the Corporation by a person not affiliated with the Corporation as a result of which such person, or a group of persons, or persons acting in concert, or persons associated or affiliated with any such person or group within the meaning of the Securities Act (Alberta), are in a position to exercise effective control of the Corporation whether such change in the holding of such shares occurs by way of takeover bid, reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise; and for the purposes of this Plan, a person or group of persons holding shares or other securities in excess of the number which, directly or following conversion thereof, would entitle the holders thereof to cast 20% or more of the votes attaching to all shares of the Corporation which, directly or following conversion of the convertible securities forming part of the holdings of the person or group of persons noted above, may be cast to elect directors of the Corporation shall be deemed, other than a person holding such shares or other securities in the ordinary course of business as an investment manager who is not using such holding to exercise effective control, to be in a position to exercise effective control of the Corporation;

(iii) any reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction involving the Corporation where shareholders of the Corporation immediately prior to such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction hold less than 50% of the shares of the Corporation or of the continuing corporation following completion of such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, transfer, sale or other transaction;

(iv) the Corporation ceases to be a distributing corporation as that term is defined in the Canada Business Corporations Act;

(v) any event or transaction which the Board, in its discretion, deems to be a Change of Control; or

(vi) Incumbent Directors ceasing to be a majority of the Board;

provided that:

(i) any transaction whereby shares held by shareholders of the Corporation are transferred or exchanged for units or securities of a trust, partnership or other entity which trust, partnership or other entity continues to own directly or indirectly all of the shares of the Corporation previously owned by the shareholders of the Corporation and the former shareholders of the Corporation continue to be beneficial holders of such units or securities in the same proportions following the transaction as they were beneficial holders of shares of the Corporation prior to the transaction will be deemed not to constitute a change of control; and

(ii) any change of control initiated or commenced by the Board (and whether or not such transaction was initiated or commenced by the Board shall be conclusively determined by the Board) will not constitute a change of control for purposes of this Plan;

(g) "**Code**" means the United States Internal Revenue Code of 1986, as amended

(h) "**constructive dismissal**" means, unless consented to by the Participant, any action that constitutes constructive dismissal of the Participant, including without limiting the generality of the foregoing:

(i) where the Participant ceases to be an officer of the Corporation, unless the Participant is appointed as an officer of a successor to a material portion of the assets of the Corporation;

(ii) a material decrease in the title, position, responsibilities, powers or reporting relationships of the Participant;

(iii) a reduction in the base salary (excluding any annual incentive bonus) of the Participant; or

(iv) any material reduction in the value of the Participant's employee benefits, plans and programs (other than any annual incentive bonus);

(i) "**Corporation**" means Enbridge Inc., and includes any successor entity thereto;

(j) "**Director**" means a director of the Corporation;

(k) "**Fair Market Value**" means, as of a particular day, the weighted average of the board lot trading prices per Share on the Toronto Stock Exchange, or the New York Stock Exchange, for the last five Trading Days immediately prior to such day;

(l) "**For Cause**" includes "just cause" as defined in the common law and also includes any circumstance in which the Participant shall have been convicted of a criminal act of dishonesty resulting or intending to result directly or indirectly in gain or personal enrichment of the Participant;

(m) "**Grant Date**" has the meaning set forth in Section 7(c); (n) **"Grant Price"** has the meaning set forth in Section 7(c);

(o) "**HRC Committee**" means the Human Resources & Compensation Committee of the Board, established and duly authorized to act in accordance with the By- Laws of the Corporation;

(p) "**Incumbent Director**" means any member of the Board who was a member of the Board immediately prior to the occurrence of the transaction, elections or appointments giving rise to a Change of Control and any successor to an Incumbent Director who was recommended for election at a meeting of shareholders of the Corporation, or elected or appointed to succeed any Incumbent Director, by the affirmative vote of the Directors, which affirmative vote includes a majority of the Incumbent Directors then on the Board;

(q) "**Insider**" means:

(i) an insider, as defined in the *Securities Act* (Alberta); and

(ii) an associate of any person who is an insider by virtue of (i) above;

(r) **"Notice Period"** means the notice period for termination of employment agreed to between the Corporation (or its Subsidiary) and the Participant, or, in the absence of any such agreement, the notice period required under applicable law;

(s) **"Option"** means an Option to purchase Shares granted to the Participant in accordance with the terms and conditions of this Plan;

(t) "**Participant**" means any employee, including an officer, of the Corporation or a Subsidiary who has been designated by the HRC Committee to receive and be granted Options in accordance with Section 5;

(u) "**Performance Vesting Requirements**" has the meaning ascribed to that term in Section 7(b)(ii);

(v) "**Plan**" means the Performance Stock Option Plan (2007) of the Corporation described in this document, and as the same may be duly amended or varied from time to time in accordance with the provisions of this Plan;

(w) "**Pro-rated Option**" means a grant of an Option where the number of Shares subject to the Option has been reduced in accordance with Section 8(b), (d) or (e);

(x) "**Retirement Plan**" means a pension plan of the Corporation established or in effect from time to time which applies when an employee retires from the employment of the Corporation or any of its Subsidiaries;

(y) "**Retirement Proration Period**" has the meaning ascribed to that term in Section 8(e).

(z) "**Share**" means a common share in the capital of the Corporation; (aa)

(aa) "**Share Reserve**" has the meaning ascribed to that term in Section 4;

(bb) "**Subsidiary"** means:

(i) any corporation that is a subsidiary (as such term is defined in the *Canada Business Corporations Act*) of the Corporation, as such provision is from time to time amended, varied or re-enacted;

(ii) any partnership or limited partnership that is controlled by the Corporation (the Corporation will be deemed to control a partnership or limited partnership if the Corporation possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such partnership or limited partnership, whether through the ownership of voting securities, by contract or otherwise); and

(iii) subject to regulatory approval, any corporation, partnership, limited partnership, trust, limited liability company or other form of business entity that the HRC Committee determines ought to be treated as a subsidiary for purposes of the Plan, provided that the HRC Committee shall have the sole discretion to determine that any such entity has ceased to be a subsidiary for purposes of the Plan;

(cc) "**Term**" has the meaning ascribed to that term in Section 7;

(dd) "**Time Vesting Period**" means the aggregate number of months under the option grant that must pass before all vesting criteria based upon the passage of time have been met;

(ee) "**Time Vesting Requirements**" has the meaning ascribed to that term in Section 7(b)(i);

(ff) "**Trading Day**" means any day on which the Toronto Stock Exchange or the New York Stock Exchange, as the case may be, is open for trading; and

(gg) "**United States Incentive Stock Option**" has the meaning set forth in Section 9(a).

3. GOVERNANCE

(a) Subject to any determinations or approvals required to be made by the Board, the HRC Committee will administer the Plan in its sole discretion. The HRC Committee shall have the full power and sole responsibility to interpret the provisions of the Plan and to make regulations and formulate administrative provisions for its implementation, and to make such changes in the regulations and administrative procedures as, from time to time, the HRC Committee deems proper and in the best interests of the Corporation. Such regulations and provisions may include the delegation to any Director or Directors or any officer or officers of the Corporation or its Subsidiaries of such administrative duties and powers of the HRC Committee as it may, in its sole discretion, deem fit.

The determinations of the HRC Committee in the administration of the Plan shall be final and conclusive.

(b) Prior to the CEO requesting any grants under the Plan, the CEO will recommend to the HRC Committee for its approval the performance measures and the levels of achievement for 100% of the Options to vest and the level below which no Options will vest. The HRC Committee is authorized to approve, for each Option granted under the plan, the terms for vesting any Option granted under
the Plan. The HRC Committee shall also have the authority to approve any amendments to such performance measures and the expected levels of performance.

(c) Subject to Section 13, the HRC Committee may waive any restrictions with respect to participation in the Plan or vesting with respect to any specific Participants where, in the opinion of the HRC Committee, it is reasonable to do so and such waiver does not prejudice the rights of the Participant under the Plan.

(d) Subject to Section 13, the HRC Committee may amend the Plan for any general administrative matters, correct, remedy or reconcile any errors, inconsistencies or ambiguities, cashless exercise, vesting or termination provisions or any performance measures and recommend to the Board for its approval any other amendments.

(e) Grants to Participants will be made in the sole discretion of the HRC Committee.

4. SHARES AND SHARE RESERVE

The Shares subject to the Options and other provisions of the Plan shall be authorized and unissued common shares of the Corporation. The total number of Shares initially reserved to be issued under the Plan and the Incentive Stock Option Plan (2007, as amended and restated in 2011 and as further amended in 2012) (and its predecessors) shall not exceed in the aggregate **52,000,000** (the "**Initial Share Reserve**"), subject to the adjustment provisions set forth in Section 10. The total number of Shares added to the Initial Share Reserve and reserved to be issued under the Plan (and its predecessors) and the Incentive Stock Option Plan (2007, as amended and restated in 2011 and as further amended in 2012) shall not exceed in the aggregate **19,000,000** Shares (the "**Additional Share Reserve**" and, together with the Initial Share Reserve, the "**Share Reserve**"), subject to the adjustment provisions set forth in Section 10. For greater certainty, the threshold set forth above in respect of the Initial Share Reserve has been adjusted to give effect to the Corporation's two (2) for one (1) split of the Shares effective May 25, 2011. Shares subject to Options which are terminated, cancelled or expire prior to exercise shall be available for the grant of further Options hereunder. In addition, the difference between (i) the number of Shares in respect of which an Option is being exercised and (ii) the number of Shares received under the Share Settled Option (as provided in Section 7(e)) shall be deemed not to be issued under the Plan and shall be available for the grant of further Options hereunder.

Any changes to the Share Reserve, including the Additional Share Reserve, shall be recommended by the CEO to the HRC Committee for its review and recommendation to the Board. Any increase in the Share Reserve, including the Additional Share Reserve, shall be subject to approval of the shareholders of the Corporation in accordance with the rules of the Toronto Stock Exchange.

5. PARTICIPATION AND GRANT OF OPTIONS

(a) The CEO may from time to time recommend to the HRC Committee employees of the Corporation or its Subsidiaries, for participation in the Plan, the extent and terms of their participation and the performance measures applicable thereto. The HRC Committee shall consider such recommendations and may approve such recommended employees for participation in the Plan, the extent and terms of their participation and the performance measures applicable thereto, subject to the following:

(i) the total number of Shares reserved for issuance to any one Participant pursuant to all security based compensation arrangements of the Corporation shall not exceed in the aggregate 5% of the number of Shares outstanding at the time of reservation;

(ii) the total number of Shares reserved for issuance to Insiders pursuant to all security based compensation arrangements of the Corporation shall not exceed 10% of the number of Shares outstanding at the time of reservation;

(iii) the total number of Shares issued to Insiders pursuant to all security based compensation arrangements of the Corporation within any one-year period shall not exceed 10% of the number of Shares outstanding at the time of issuance (excluding any other shares issued under all security based compensation arrangements of the Corporation during such one-year period); and

(iv) the total number of Shares issued to any one Insider and such Insider's associates (as defined in the *Securities Act* (Alberta)) pursuant to all security based compensation arrangements of the Corporation within any one-year period shall not exceed 5% of the number of Shares outstanding at the time of issuance (excluding any other shares issued under all security based compensation arrangements of the Corporation during such one-year period).

For the purposes of (ii), (iii) and (iv) above, any entitlement to acquire Shares granted pursuant to the Plan prior to the Participant becoming an Insider are to be excluded from the calculation.

(b) The CEO:

(i) may issue inducement grants to any new employee of the Corporation or a Subsidiary, other than new employees that report directly to the CEO and may, with the approval of the HRC Committee issue inducement grants to new employees that report directly to the CEO, provided that the number of Options comprising any such grant shall not exceed the lesser of: (i) the amount provided for in the policies of the HRC Committee from time to time; and (ii) 2% of the number of outstanding Shares (on a non-dilutive basis) at the applicable date, and such inducement grant will be reported to the HRC Committee at the next committee meeting; and

(ii) shall recommend to the HRC Committee specific grants to Participants who report directly to the CEO and the total grants for all other levels of Participants.

(c) The HRC Committee shall:

(iii) determine and recommend to the Board, for its approval, the grant date of Options;

(iv) determine and recommend to the Board, for its approval, the grants to be made to the CEO; and

(v) review and recommend to the Board, for its approval, any other grants made pursuant to the Plan.

(d) Directors who are not full-time employees of the Corporation or a Subsidiary shall not be eligible to become Participants.

(e) A designated employee shall have the right not to participate in the Plan, and any decision not to participate shall not affect his or her employment with the Corporation or a Subsidiary. Participation in the Plan does not confer upon the Participant any right to continued employment with the Corporation or a Subsidiary.

6. PERFORMANCE MEASURES

The CEO shall advise the Chair of the HRC Committee upon the Human Resources, Accounting and Finance Groups and the CEO jointly concurring that the performance measures for an Option grant have been achieved, and the number of Options that have become exercisable as a result.

7. OPTION TERMS

(a) Term

The term ("**Term**") during which an Option shall be exercisable shall be fixed by the HRC Committee at the time of grant, but in no case shall a term exceed 10 years, and each Option shall be subject to earlier termination, as provided in Section 8; provided that when the Term expires in a Blackout Period the Term shall be extended to a date that is five Trading Days after the end of the Blackout Period.

(b) Exercise

An Option shall vest and become exercisable in accordance with the terms set by the HRC Committee at the time of grant. The Option shall vest and become exercisable when:

(i) the Time Vesting Period, if any, established by the HRC Committee for an Option grant has elapsed (the "**Time Vesting Requirements**"); and

(ii) the performance measures in Section 6 have been met or have been deemed to be met (the "**Performance Vesting Requirements**");

provided that the Time Vesting Requirements shall be deemed to be met in respect of any Pro-rated Option. A Participant may exercise vested instalments of his or her Option in whole or in part at any time and from time to time during the Term.

(c) Grant and Price

Subject to the following sentence, the price (the "**Grant Price**") at which Shares will be issued to a Participant pursuant to the Option shall be determined on the date (the "**Grant Date**") that the Option is awarded and the Grant Price shall not be less than 100% of the Fair Market Value determined as at the Grant Date. If an Option is awarded at a time when a Blackout Period is in effect, the Grant Price of

the Option will be set on and the Grant Date will be the sixth Trading Day following the termination of the Blackout Period; provided that where another Blackout Period commences within such six Trading Days, the determination of the Grant Price and the Grant Date will be further postponed and will be set as provided above in this sentence (and so on from time to time).

(d) Payment

Participants shall be required to make payment in full for any Shares purchased upon the exercise, in whole or in part, of any Option granted under the Plan and no Shares shall be issued until full payment has been made. Payment must be in the currency of Canada or the United States of America.

(e) Share Settled Options

If approved by the Board, in lieu of paying the Grant Price for Shares to be issued pursuant to such exercise, the Participant may elect to acquire the number of Shares determined by subtracting the Grant Price from the Then Fair Market Value of the Shares on the date of exercise, multiplying the difference by the number of Shares in respect of which the Option was otherwise being exercised and then dividing that product by the Then Fair Market Value of the Shares. For this purpose, the "**Then Fair Market Value**" means the price at which the Shares could be sold or are sold on the Toronto Stock Exchange or the New York Stock Exchange on the date of exercise of the Option. In such event, the number of Shares as so determined (and not the number of Shares to be issued under the Option) will be deemed to be issued under the Plan.

(f) Share Ownership Guidelines

If on the exercise of any Options the number of Shares held by the Participant is less than the number of Shares to be held by him or her pursuant to any share ownership guidelines of the Corporation in effect from time to time and applicable to such Participant, then the Participant shall be required to retain Shares acquired on exercise of Options (net of Shares that are required to be sold by the Participant to meet any tax liabilities arising on exercise of the Options) to meet the requirements of such share ownership guidelines.

(g) Transferability

Options are not transferable or assignable other than by will or according to the laws of descent and distribution.

8. TERMINATION

(a) Voluntary Termination

If a Participant voluntarily terminates his or her employment with the Corporation or a Subsidiary, all unexercised and vested Options held by such Participant as at

the last day of such Participant's employment with the Corporation (or its Subsidiary) shall remain exercisable until the earlier of: (i) 30 days following the Participant's last day of employment with the Corporation (or its Subsidiary); and (ii) the expiry of the Term of the Options; following which all unexercised and vested Options shall be cancelled.

All unvested Options held by the Participant as at the last day of the Participant's employment with the Corporation (or its Subsidiary) shall be cancelled on the Participant's last day of employment with the Corporation (or its Subsidiary).

(b) Involuntary Termination Not For Cause

If the employment of a Participant is terminated by the Corporation or a Subsidiary other than For Cause, all unexercised and vested Options held by such Participant as at the Participant's last day of employment with the Corporation (or its Subsidiary) shall remain exercisable until the earlier of: (i) 30 days following the expiration of any Notice Period; and (ii) the expiry of the Term of the Options; following which all unexercised and vested Options shall be cancelled.

A number of unvested Options held by the Participant on the last day of employment with the Corporation (or its Subsidiary) shall continue to vest in accordance with the Plan. The number of unvested Options that shall continue to vest shall be prorated based upon the number of full calendar months of active employment of the Participant in the Time Vesting Period. Such number of Pro- rated Options shall be calculated by multiplying the total number of unvested Options held by the Participant on the last day of employment by a fraction the numerator of which is the number of full calendar months of active employment of the Participant in the Time Vesting Period (and for this purpose, the Notice Period shall be counted as active employment) and the denominator of which is the total number of months in the Time Vesting Period. Subject to the Performance Vesting Requirements being satisfied, such number of Pro-rated
Options shall be exercisable until the earlier of: (i) 30 days following the expiry of the Notice Period; and (ii) the expiry of the Term of the Options; following which all unexercised and vested Options and all unvested Options shall be cancelled.

For the purposes of this subsection 8(b), if a Participant's employment terminates due to the constructive dismissal of the Participant, such termination shall be treated as an involuntary termination by the Corporation or a Subsidiary other than For Cause.

(c) Involuntary Termination For Cause

If the employment of a Participant is terminated by the Corporation or a Subsidiary For Cause, all Options held by such Participant as at the date of such termination, whether vested or unvested, shall be cancelled on the Participant's last day of active employment with the Corporation (or its Subsidiary).

(d) Death

If the employment of a Participant with the Corporation or a Subsidiary is terminated as a result of the death of such Participant, all unexercised and vested Options held by such Participant at the Participant's date of death shall remain exercisable until the earlier of: (i) 12 months following the date of such Participant's death; and (ii) the expiry of the Term of the Options; following which all unexercised and vested Options shall be cancelled.

A number of unvested Options held by the Participant on the date of death of the Participant shall vest and be exercisable on the assumption that the Performance Vesting Requirements have been met. The number of unvested Options that shall vest on the date of the Participant's death shall be prorated based upon the number of full calendar months of active employment of the Participant in the Time Vesting Period. Such number of Pro-rated Options shall be calculated by multiplying the total number of unvested Options held by the Participant on the last day of employment by a fraction the numerator of which is the number of full calendar months of active employment of the Participant in the Time Vesting Period and the denominator of which is the total number of months in the Time Vesting Period. Such number of Pro-rated Options shall be fully vested and be exercisable until the earlier of: (i) 12 months following the date of such Participant's death; and (ii) the expiry of the Term of the Options; following which all vested and unexercised Options shall be cancelled.

(e) Retirement

If a Participant has attained the age of 55 and retires from his or her employment with the Corporation or a Subsidiary pursuant to a Retirement Plan and he or she is eligible for benefits under a Retirement Plan, the number of Options in a grant of Options shall be prorated based upon the number of full calendar months of active employment of the Participant in the period commencing January 1 of the year in which the Grant Date occurred and ending December 31 of the year prior to the year in which the Time Vesting Period ends (such period, the "**Retirement Proration Period**"). Such number of Pro-rated Options shall be calculated by multiplying total number of Options granted to the Participant by a fraction the numerator of which is the number of full calendar months of active employment of the Participant in the Retirement Proration Period and the denominator of which is the total number of months in the Retirement Proration Period. Subject to the Performance Vesting Requirements being satisfied, such number of Pro- rated Options shall be exercisable until the later of: (i) three years following the date of such Participant's retirement and (ii) 30 days after the end of the period in which the Performance Vesting Requirements are permitted to be calculated under the grant of the Options; provided that if such later date shall occur after the expiry of the Term, such Pro-rated Options shall only be exercisable until the expiry of the Term; following which all unexercised and vested Options and all unvested Options shall be cancelled.

(f) Disability

If the employment of a Participant with the Corporation (or a Subsidiary) is terminated as a result of the "disability" of such Participant, all Options held by such Participant on the last day of the Participant's employment with the Corporation (or its Subsidiary) shall continue in accordance with the terms of such Options as if the Participant continued to be actively employed by the Corporation (or its Subsidiary).

For purposes of the foregoing, a Participant shall be considered to be suffering from a "disability" if he or she is eligible for benefits under a Corporation sponsored long term disability benefits plan.

(g) Leaves of Absence

If a Participant is on a parental or other leave of absence approved by the Corporation or a Subsidiary for a period of greater than three months, all unexercised and vested Options held by such Participant as at the Participant's last day of active employment prior to such parental or other leave shall continue to be exercisable in accordance with the terms of such Options, following which all unexercised and vested Options held by such Participant shall be cancelled. All unvested Options held by such Participant as at the Participant's last day of active employment prior to such parental or other leave shall continue to vest during such Participant's leave, provided that if the Participant does not return to active employment by the end of the leave, all vested and unvested Options as at the end of the leave of absence shall be treated in accordance with the second paragraph of subsection 8(a) on the assumption that the Participant's last day of employment is the end of the leave of absence. Unless otherwise determined by the HRC Committee, no additional Option grants shall be made to any Participant during such Participant's leave of absence.

(h) Secondments

If a Participant is seconded to an entity other than a Subsidiary, the HRC Committee (in the case of Participants that are Corporate Leadership Team members) and the CEO (in the case of all other Participants) shall determine the manner in which all Options, vested and unvested, held by the Participant as at the date of the secondment shall be treated under the Plan.

(i) Change of Control

In the event of a Change of Control, all unvested Options held by a Participant shall vest on a date, as determined by the HRC Committee, that is not more than 30 days and not less than five days prior to the date of the Change of Control and the performance measures shall be deemed to be met. In connection with any Change of Control, the HRC Committee will allow, where necessary in the circumstances, for the conditional vesting and exercise of Options and where such

conditions are not met and the Change of Control does not occur the Options shall continue as if no vesting or exercise had occurred.

(j) No Future Grants; No Cash Payment

Upon the occurrence of any of the foregoing events listed under subsections 8(a) to (f) in respect of a Participant, such Participant shall not be entitled to receive any further Option grants or the value of any grants foregone as a consequence of any such event and, except as set forth herein, shall not be entitled to receive any cash payment for the value of any unexercised Options, vested or unvested, held by the Participant as at the date of occurrence of such event.

9. TERMS AND CONDITIONS OF UNITED STATES INCENTIVE STOCK OPTIONS

(a) Designated employees of any Subsidiary located in the United States of America may be granted "incentive stock options" within the meaning of Section 422 of the Code ("**United States Incentive Stock Options**"). The maximum number
of Shares that may be issued under the Plan as United States Incentive Stock Options shall not be greater than 2,000,000 Shares. An Option that is a United States Incentive Stock Option will be designated as such in the applicable Option agreement and no Option that is not so designated will be treated as a United States Incentive Stock Option under the Plan.

(b) No United States Incentive Stock Options shall be granted to any Participant if, as a result of such grant, the aggregate Fair Market Value (as of the time the Option is proposed to be granted) of the Shares covered by all the United States Incentive Stock Options granted under this Plan, and any other plan of the Corporation or any Subsidiary, to the Participant, which are or will become exercisable for the first time by the Participant in a single calendar year, exceeds US $100,000 or such amount as shall be specified in Section 422 of the Code.

(c) The exercise price of a United States Incentive Stock Option shall not be less than 100% of the Grant Price as at the Grant Date.

(d) No United States Incentive Stock Option may be granted under the Plan to any individual who, at the time the option is granted, owns stock possessing more than 10% of the total combined voting power of all classes of stock of his or her employer corporation or of its parent or subsidiary corporations (as such ownership may be determined for purposes of Section 422(b)(6) of the Code), unless (i) at the time such United States Incentive Stock Option is granted, the Grant Price is at least 110% of the Fair Market Value of the Shares subject thereto and (ii) the United States Incentive Stock Option by its terms is not exercisable after the expiration of five years from the date granted.

(e) Notwithstanding the provisions of this Section 7, exercise periods for United
States Incentive Stock Options on the happening of an event described in

Sections 7(b), (d), (e) and (f) shall be as set forth in the applicable Option agreement.

(f) United States Incentive Stock Options shall otherwise be subject to the terms and conditions as set forth in this Plan.

10. ADJUSTMENTS

(a) In the event that the number of outstanding Shares is increased or decreased, or changed into, or exchanged for a different number or kind of shares or other securities of the Corporation or another corporation, whether through a stock dividend, stock split, consolidation, recapitalization, amalgamation, reorganization, arrangement or other transaction effected without receipt of consideration, the HRC Committee or the Board may make appropriate adjustment in the number or kind of shares or securities available for Options pursuant to the Plan and, as regards Options previously granted or to be granted pursuant to the Plan, in the number and kind of shares or securities and the purchase price thereof and the manner in which installments of the Options vest and become exercisable.

(b) The appropriate adjustments in the number of Shares under Option, the Grant Price per share and the period during which each Option may be exercised may be made by the Board in its discretion and in order to give effect to the adjustments in the number of shares of the Corporation resulting from the implementation and operation of the Shareholder Rights Plan Agreement dated as of November 9, 1995 between the Corporation and CIBC Mellon Trust Company, as amended, restated or revised from time to time.

11. EFFECT OF REORGANIZATION

In the event of any take-over bid or any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution or similar transaction or other business combination that is not a Change of Control in which the Corporation is not the surviving or continuing corporation (a "**Reorganization**"), all Options granted hereunder and outstanding on the date of such Reorganization, shall be assumed by the surviving or continuing corporation, provided that the HRC Committee
or the Board may make appropriate adjustment in the manner in which installments of the Options become exercisable prior to such assumption. If, in the event of any such Reorganization, provision for such assumption satisfactory to the HRC Committee or the Board is not made by the surviving or continuing corporation, each Participant shall have distributed to him or her within 30 days after the Reorganization in full satisfaction in the case of an unexpired Option, or part thereof, whether or not exercisable, cash
representing the excess, if any, of the Fair Market Value of the Shares determined as at the third Trading Day immediately preceding the closing date of such Reorganization over the exercise price of such Option (less applicable tax withholdings).

12. TAXES AND REPORTING

Notwithstanding anything else contained herein, each Participant shall be responsible for the payment of all applicable taxes, including, but not limited to, income taxes payable in connection with the exercise of any Options under the Plan and the Corporation, its employees and agents shall bear no liability in connection with the payment of such taxes.

13. AMENDMENT OF THE PLAN

The HRC Committee may at any time recommend to the Board for its approval the revision, suspension or discontinuance of this Plan in whole or in part. The Board may also at any time amend, revise or repeal any terms of this Plan and any Option granted under this Plan (any such change, an "amendment") without obtaining approval of the shareholders. Notwithstanding the foregoing, the Corporation will obtain the approval of the shareholders of the Corporation for an amendment relating to:

(a) the maximum number of shares reserved for issuance under the Plan; (b) a reduction in the Grant Price for any Options;

(c) the cancellation of any Options and the reissue of or replacement of such Options with Options having a lower Grant Price; (d) an extension to the term of any Option;

(e) any change allowing other than full-time employees of the Corporation or a Subsidiary to become Participants in the Plan;

(f) any change whereby Options would become transferable or assignable other than by will or according to the laws of descent and distribution; or

(g) any amendment to this Section 13.

14. CONFLICT WITH WRITTEN EMPLOYMENT AGREEMENT

In the event of a conflict between the terms of this Plan and the terms of any written employment agreement between a Participant and the Corporation, the terms of the written employment agreement shall prevail.

15. EFFECTIVE DATE

The Plan shall take effect on January 1, 2007, provided that any Options issued under this Plan may not be exercised until this Plan has been approved by the shareholders of the Corporation in accordance with the rules of the Toronto Stock Exchange); provided further that any Options issued under this Plan pursuant to the Additional Share Reserve may not be exercised until the shareholders of the Corporation approve the provisions of Section 4 providing for the Additional Share Reserve. On the effective date,

the application of the Incentive Stock Option Plan (2002) (the **"Prior Plan")** to performance Options shall be discontinued, except with respect to unexercised performance Options outstanding under the Prior Plan.

EXHIBIT 10.9

ENBRIDGE INC.

PERFORMANCE STOCK UNIT PLAN (2007, revised effective November 2014)

1. PURPOSE

The purpose of the Performance Stock Unit Plan (2007) (the "**Plan**") is to:

(a) align the senior management team of the Corporation with the enhancement of shareholder value by focusing on shareholder value;

(b) assist in attracting, retaining, engaging, and rewarding senior executives of the Corporation; and

(c) provide an opportunity for Participants to earn competitive total compensation based upon achieving the performance goals set out in this Plan.

2. DEFINED TERMS

In this Plan (including any schedules to this Plan):

(a) "**affiliate**" has the meaning ascribed to that term in the *Securities Act* (Alberta); (b) "**Board**" means the Board of Directors of the Corporation;

(c) "**CEO**" means the Chief Executive Officer of the Corporation; (d) "**Change of Control**" means:

(i) the sale to a person or acquisition by a person not affiliated with the Corporation or its Subsidiaries of assets of the Corporation or its Subsidiaries having a value greater than 50% of the fair market value of the assets of the Corporation and its Subsidiaries determined on a consolidated basis prior to such sale whether such sale or acquisition occurs by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise;

(ii) any change in the holding, direct or indirect, of shares of the Corporation by a person not affiliated with the Corporation as a result of which such person, or a group of persons, or persons acting in concert, or persons associated or affiliated with any such person or group within the meaning of the *Securities Act* (Alberta), are in a position to exercise effective control of the Corporation whether such change in the holding of such shares occurs by way of takeover bid, reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise; and for the purposes of this Plan, a person or

group of persons holding shares or other securities in excess of the number which, directly or following conversion thereof, would entitle the holders thereof to cast 20% or more of the votes attaching to all shares of the Corporation which, directly or following conversion of the convertible securities forming part of the holdings of the person or group of persons noted above, may be cast to elect directors of the Corporation shall be deemed, other than a person holding such shares or other securities in the ordinary course of business as an investment manager who is not using such holding to exercise effective control, to be in a position to exercise effective control of the Corporation;

(iii) any reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction involving the Corporation where shareholders of the Corporation immediately prior to such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction hold less than 50% of the shares of the Corporation or of the continuing corporation following completion of such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, transfer, sale or other transaction;

(iv) the Corporation ceases to be a distributing corporation as that term is defined in the *Canada Business Corporations Act*;

(v) any event or transaction which the Board, in its discretion, deems to be a Change of Control; or

(vi) Incumbent Directors ceasing to be a majority of the Board;

provided that:

(vii) any transaction whereby shares held by shareholders of the Corporation are transferred or exchanged for units or securities of a trust, partnership or other entity which trust, partnership or other entity continues to own directly or indirectly all of the shares of the Corporation previously owned by the shareholders of the Corporation and the former shareholders of the Corporation continue to be beneficial holders of such units or securities in the same proportions following the transaction as they were beneficial holders of shares of the Corporation prior to the transaction will be deemed not to constitute a change of control; and

(viii) any change of control initiated or commenced by the Board (and whether or not such transaction was initiated or commenced by the Board shall be conclusively determined by the Board) will not constitute a change of control for purposes of this Plan;

(e) "**Code**" means the United States Internal Revenue Code of 1986, as amended;

(f) "**constructive dismissal**" means, unless consented to by the Participant, any action that constitutes constructive dismissal of the Participant at common law, including without limiting the generality of the foregoing:

(i) where the Participant ceases to be an officer of the Corporation, unless the Participant is appointed as an officer of a successor to a material portion of the assets of the Corporation;

(ii) a material decrease in the title, position, responsibilities, powers or reporting relationships of the Participant;

(iii) a reduction in the base salary (excluding any annual incentive bonuses) of the Participant; or

(iv) any material reduction in the value of the Participant's employee benefits, plans and programs (other than any annual incentive bonus);

Notwithstanding the above, for a Participant who is subject only to the employment laws of any state of the United States and not to Canadian employment laws, the term "constructive dismissal" shall not be interpreted under Canadian law, but shall instead mean, an action that constitutes constructive discharge from employment of the Participant without Cause pursuant to the employment law, if any, of the state (including such state's common law) that applies to such Participant. All determinations regarding applicable law, including whether a constructive dismissal has occurred and what state's law applies, shall be made by the Corporation in the exercise of its discretion. If the applicable state's employment laws do not recognize constructive dismissal, then no constructive dismissal of the Participant will be deemed to have occurred.

(g) "**Corporation**" means Enbridge Inc., and includes any successor entity thereto;

(h) "**Director**" means a director of the Corporation;

(i) "**Dividend Reinvestment Plan**" means the Dividend Reinvestment and Share Purchase Plan of the Corporation, as described in the Dividend Reinvestment and Share Purchase Plan Offering Circular of the Corporation dated **January 14, 2000** as amended from time to time, or any successor plan;

(j) "**Fair Market Value**" means, as of a particular day, the weighted average of the board lot trading prices per Share on the Toronto Stock Exchange, or the New York Stock Exchange, for the last twenty trading days immediately prior to such day;

(k) "**For Cause**" includes "just cause" as defined in the common law and also includes any circumstance in which the Participant shall have been convicted of a criminal act of dishonesty resulting or intending to result directly or indirectly in gain or personal enrichment of the Participant;

(l) "**HRC Committee**" means the Human Resources and Compensation Committee of the Board, established and duly authorized to act in accordance with the By- Laws of the Corporation;

(m) "**Incumbent Director**" means any member of the Board who was a member of the Board immediately prior to the occurrence of the transaction, elections or appointments giving rise to a Change of Control and any successor to an Incumbent Director who was recommended for election at a meeting of shareholders of the Corporation, or elected or appointed to succeed any Incumbent Director, by the affirmative vote of the directors, which affirmative vote includes a majority of the Incumbent Directors then on the Board;

(n) "**Maturity Date**" has the meaning given to it in Section 5;

(o) "**Maximum Number**" means the maximum number of Performance Stock Units that may mature with respect to each grant, which maximum number shall not exceed twice the sum of the initial grant plus the dividend equivalent units that are granted during the Term;

(p) **"Maximum Performance Level**" means the level of achievement of the performance measures established pursuant to Section 6(a) which would result in the Maximum Number of Performance Stock Units granted to a Participant to mature;

(q) "**Notice Period**" means the notice period for termination of employment agreed to between the Corporation (or its Subsidiary) and the Participant, or, in the absence of any such agreement, the minimum statutory notice period that may be required under applicable employment standards legislation.

(r) "**Participant**" means an individual who becomes a participant of the Plan in accordance with Section 4;

(s) "**Performance Multipliers**" has the meaning set forth in Schedule A;

(t) "**Performance Stock Unit**" means a conditional right to payment which has been granted to a Participant to receive an amount of money determined in accordance with the provisions of this Plan;

(u) "**Plan**" means the Performance Stock Unit Plan (2007) of the Corporation described in this document, and as the same may be duly amended or varied from time to time in accordance with the provisions of this Plan;

(v) "**Retirement Plan**" means a pension plan of the Corporation established or in effect from time to time which applies when an employee retires from the employment of the Corporation or a Subsidiary;

(w) "**Share**" means a common share in the capital of the Corporation;

(x) "**Subsidiary**" means:

(i) any corporation that is a subsidiary (as such term is defined in the *Canada Business Corporations Act*) of the Corporation, as such provision is from time to time amended, varied or re-enacted;

(ii) any partnership or limited partnership that is controlled by the Corporation (the Corporation will be deemed to control a partnership or limited partnership if the Corporation possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such partnership or limited partnership, whether through the ownership of voting securities, by contract or otherwise); and

(iii) subject to regulatory approval, any corporation, partnership, limited partnership, trust, limited liability company or other form of business entity that the HRC Committee determines ought to be treated as a subsidiary for purposes of the Plan, provided that the HRC Committee shall have the sole discretion to determine that any such entity has ceased to be a subsidiary for purposes of the Plan;

(y) "**Target Performance Level**" means, in respect of a Term, that level of achievement of the performance measures established pursuant to Section 6(a) which would result in exactly 100% of the Performance Stock Units granted to a Participant to mature;

(z) "**Term**" has the meaning given to it in Section 5;

(aa) **"Threshold Performance Level"** means in respect of a Term the level of achievement of the performance measures established pursuant to Section 6(a) which would result in the minimum number of Performance Stock Units granted to a Participant to mature;

(bb) "**Trading Day**" means any day on which the Toronto Stock Exchange is open for trading; and

(cc) **"U.S. Taxpayer"** means an individual whose income is subject to U.S. federal income taxation.

3. GOVERNANCE

(a) Subject to any determinations or approvals required to be made by the Board, the HRC Committee will administer the Plan in its sole discretion. The HRC Committee shall have the full power and sole responsibility to interpret the provisions of the Plan and to make regulations and formulate administrative provisions for its implementation, and to make such changes in the regulations and administrative procedures as, from time to time, the HRC Committee deems proper and in the best interests of the Corporation. Such regulations and provisions may include the delegation to any Director or Directors or any officer

or officers of the Corporation or its Subsidiaries of such administrative duties and powers of the HRC Committee as it may, in its sole discretion, deem fit. The

HRC Committee may amend the Plan to correct, remedy or reconcile any errors, inconsistencies or ambiguities in this Plan. The determinations of the HRC Committee in the administration of the Plan shall be final and conclusive.

(b) Prior to the CEO requesting any grants under the Plan, the CEO will recommend to the HRC Committee for its approval the performance measures and the levels of achievement required for Threshold Performance Level, Target Performance Level and Maximum Performance Level. The HRC Committee shall also have the authority to approve any amendments to such performance measures, the expected levels of performance and the Term; provided that no amendment to the Term of any Performance Stock Unit shall be made which would cause the Participant to be subject to adverse tax treatment under Code Section 409A.

(c) Upon the HRC Committee determining that the achievement of applicable performance measures has been met following the Maturity Date, the HRC Committee shall approve payments under the Plan.

(d) The HRC Committee shall also have the authority to waive any restrictions with respect to participation in the Plan or the maturity of grants under the Plan for any specific Participants where, in the opinion of the HRC Committee, it is reasonable to do so and does not prejudice the rights of the Participant under the Plan and it does not cause the Participant to be subject to adverse tax treatment under Code Section 409A.

(e) Grants to Participants will be considered each year, unless otherwise determined at the sole discretion of the HRC Committee.

4. PARTICIPATION AND GRANT OF UNITS

(a) The CEO may recommend to the HRC Committee employees of the Corporation or any of its Subsidiaries for participation in the Plan. The HRC Committee shall consider such recommendation and may, in its sole discretion, approve such recommended employees for participation in the Plan (each such person shall be referred to as a "**Participant**").

(b) The CEO shall recommend to the HRC Committee for its approval the number of Performance Stock Units to be granted to each Participant who reports directly to the CEO and the aggregate number of Performance Stock Units to be granted to all other Participants, other than the CEO.

(c) The HRC Committee will determine and recommend to the Board for its approval the number of Performance Stock Units to be granted to the CEO.

(d) All grants made to a Participant shall be made on or before September 30 of the first year of the applicable Term, unless otherwise recommended by the CEO to, and approved by, the HRC Committee.

(e) Directors who are not full-time employees of the Corporation or a Subsidiary shall not be eligible to become Participants.

(f) A designated employee shall have the right not to participate in the Plan, and any decision not to participate shall not affect his or her employment with the Corporation or a Subsidiary. Participation in the Plan does not confer upon the Participant any right to continued employment with the Corporation or a Subsidiary.

5. TERM

Except as otherwise provided herein or unless otherwise determined by the HRC Committee, each Performance Stock Unit granted pursuant to the Plan shall have a fixed term (a "**Term**") of not more than three years, commencing on January 1 of the first year of the Term and ending on December 31 of the final year of the Term (the "**Maturity Date**").

6. MATURITY

(a) The number of Performance Stock Units that mature under this Plan shall be dependent upon the achievement of the performance measures applicable thereto established by the CEO and approved by the HRC Committee, a copy of which is attached hereto as Schedule A. Following the completion of a Term, the HRC Committee will review and determine the extent to which the performance measures have been achieved and will approve the number of Performance Stock Units which have matured.

(b) Notwithstanding the foregoing, in no event shall the number of Performance Stock Units that mature in respect of a particular grant exceed the Maximum Number in respect of such grant.

7. PAYMENT

(a) Amount Payable

The amount payable to each Participant shall in respect of a particular grant of Performance Stock Units be the amount determined by multiplying the sum of:

(i) the number of Performance Stock Units held by such Participant on the Maturity Date of such Performance Stock Units, and

(ii) the number of Performance Stock Units that would be credited to such Participant upon the payment of dividends by the Corporation on the Shares, based on the number of additional Shares that a Participant would have received had the matured Performance Stock Units been treated as Shares under the Dividend Reinvestment Plan during the Term,

by

(iii) the Performance Multiplier; and by

(iv) the Fair Market Value of the Shares as at the Maturity Date.

The amount payable under this section 7(a) will be subject to any proration that shall apply in accordance with Section 9.

(b) Timing of Payment

Unless otherwise provided in this Plan, the amount payable to each Participant pursuant to section 7(a) shall be paid after the approval of the HRC Committee and after the audited financial statements of the Corporation for the year ended on the applicable Maturity Date have been approved by the Board, but, in any event, not later than two and one-half months after the Maturity Date.

(c) Form of Payment

The amount payable to each Participant pursuant to section 7(a), unless otherwise provided in this Plan, shall be paid in cash in the currency of Canada or the
United States of America and shall be subject to applicable withholding taxes as required by applicable legislation.

8. SHARE OWNERSHIP GUIDELINES

If the number of Shares held by the Participant is less than the number of Shares to be held by him or her pursuant to any share ownership guidelines of the Corporation in effect from time to time and applicable to such Participant, then the Participant shall be required to utilize any payments made with respect to any Performance Stock Units (net of any amounts deducted pursuant to Section 11) to acquire additional Shares to increase the number of Shares held by the Participant to meet the requirements of such share ownership guidelines.

9. TERMINATION

(a) Voluntary Termination

If a Participant voluntarily terminates his or her employment with the Corporation or a Subsidiary, all unpaid and matured Performance Stock Units held by such Participant as at the date of the Participant's termination shall be payable in accordance with Section 7.

All unmatured Performance Stock Units held by such Participant as at the date of the Participant's termination shall be cancelled as of the last day of such Participant's employment with the Corporation (or its Subsidiary).

(b) Involuntary Termination Other than For Cause

If the employment of a Participant with the Corporation or a Subsidiary is terminated by the Corporation (or its Subsidiary) for any reason other than For Cause, all unpaid and matured Performance Stock Units held by such Participant as at the last day of the Participant's employment with the Corporation (or its Subsidiary) shall be payable in accordance with Section 7.

A number of unmatured Performance Stock Units held by such Participant on the last day of employment shall continue to mature in accordance with the Plan. The number of unmatured Performance Stock Units that shall continue to mature shall be prorated based upon the number of days of active employment of the Participant during the Term to the number of days in the Term (and for this purpose the Notice Period shall be counted as active employment). Such number of Performance Stock Units shall be paid in accordance with Section 7. All other unmatured Performance Stock Units held by such Participant shall be cancelled as at the last day of the Notice Period.

For the purposes of this subsection 9(b), if a Participant's employment terminates due to the constructive dismissal of the Participant, such termination shall be treated as an involuntary termination by the Corporation or a Subsidiary other than For Cause.

(c) Involuntary Termination For Cause

If the employment of a Participant is terminated by the Corporation or a Subsidiary For Cause, all unpaid Performance Stock Units held by such Participant as at the date of termination, whether matured or unmatured, shall be cancelled as of the Participant's last day of employment with the Corporation (or its Subsidiary).

(d) Death

If the employment of a Participant with the Corporation or a Subsidiary is terminated as a result of the death of such Participant, all unpaid and unmatured Performance Stock Units held by the Participant as at the date of death shall be payable in accordance with Section 7.

For the purposes of this subsection 9(d), the Vesting Date for a number of unmatured Performance Stock Units shall be the date of death of the Participant. The number of unmatured Performance Stock Units held by such Participant as at the date of such Participant's death that mature shall be prorated based on the number of days of active employment of the Participant during the applicable Term to the total number of days in the Term. Such Performance Stock Units shall be paid in accordance with Section 7 within two and one-half months, or as soon as reasonably possible thereafter, following the Participant's death on the assumption that the Target Performance Level is met.

All other unmatured Performance Stock Units held by such Participant shall be cancelled as at the date of death.

Notwithstanding the foregoing, in no case will payment be made later than two and one-half months following the original maturity date.

(e) Retirement

If a Participant has attained the age of 55 and retires from his or her employment with the Corporation or a Subsidiary pursuant to a Retirement Plan and he or she is eligible for benefits under a Retirement Plan, all unpaid and matured Performance Stock Units held by such Participant as at the date of retirement shall be payable in accordance with Section 7.

A number of unmatured Performance Stock Units held by the Participant as at the date of retirement prorated based on the number of days of active employment of the Participant during the applicable Term to the total number of days in the
Term, shall continue to vest following retirement in accordance with the Plan.

All other unmatured Performance Stock Units held by such Participant shall be cancelled as at the date of retirement.

Notwithstanding the foregoing, should a Participant qualify for retirement under the definition provided within this subsection 9(e), and should the employment of such Participant with the Corporation or a Subsidiary be terminated by the Corporation (or its Subsidiary) for any reason other than For Cause, the
provisions of subsection 9(b) will apply.

(f) Disability

If the employment of a Participant with the Corporation or a Subsidiary is terminated as a result of the "disability" of such Participant, all Performance Stock Units held by such Participant as at the date of disability, whether matured or unmatured, as of the last day of such Participant's active employment with the Corporation (or its Subsidiary) prior to such disability shall continue to be treated as if the Participant were actively employed by the Corporation (or its Subsidiary).

For purposes of this subsection, a Participant shall be considered to be suffering from a "disability" if he or she is eligible for benefits under a Corporation- sponsored long term disability benefits plan.

(g) Leaves of Absence

If a Participant commences a parental or another leave approved by the Corporation or a Subsidiary for a period longer than three months, all unpaid and matured Performance Stock Units held by the Participant as at the last day of such

Participant's active employment with the Corporation (or its Subsidiary) shall be payable in accordance with Section 7.

A number of unmatured Performance Stock Units held by such Participant as at the commencement of such Participant's leave prorated based on the number of days of active employment of the Participant during the Term to the total number of days in the Term, shall continue to mature in accordance with the Plan during such Participant's Leave. Such number of Performance Stock Units shall be paid in accordance with Section 7.

All other unmatured Performance Stock Units held by the Participant shall be cancelled.

Grants of Performance Stock Units may be made to a Participant while such Participant is on a leave of absence for short term disability, family and medical leave or maternity, paternity, parental or adoption leave, but no grants of Performance Stock Units may be made to a Participant while such Participant is on any other leave of absence.

(h) Secondments

If a Participant is seconded to an entity other than a Subsidiary, the HRC Committee (in the case of Participants that report directly to the CEO) and the CEO (in the case of all other Participants) shall determine the manner in which all Performance Stock Units held by the Participant as at the date of the secondment shall be treated under the Plan; provided that no such Performance Stock Units shall be treated in a manner that would cause the Participant to be subject to adverse tax treatment under Code Section 409A.

(i) Change of Control

In the event of a Change of Control, all unpaid and matured Performance Stock Units held by a Participant as at the date of the Change of Control, where the Maturity Date is December 31 of the year prior to the Change of Control, shall continue to be payable in accordance with their terms, but in any event prior to the date of the Change of Control.

All unmatured Performance Stock Units held by the Participant as at the date of the Change of Control shall mature on the date that is 30 days prior to the date of the Change of Control and based on applicable performance measures achieved from the start of the Term to that date. Each Participant shall have paid to him or her immediately upon the Change of Control occurring, in full satisfaction for any amounts payable pursuant to Performance Stock Units under the Plan, an amount calculated pursuant to Section 7 in respect of all matured Performance Stock Units held by such Participant. Monies to make such payment shall be placed in an irrevocable trust prior to the Change of Control.

Notwithstanding the above, with respect to Participants who are US Taxpayers,

no payment shall be made and no Performance Stock Unit shall mature under this subsection 8(i) unless such Change of Control also qualifies as a change in the ownership or effective control of the Corporation, or in the ownership of a substantial portion of the assets of the Corporation, within the meaning of Code Section 409A(2)(A)(v). In the case of a Change of Control that does not so qualify, payments to any such Participant shall be made in accordance with Section 7. The payment monies owing to these Participants will be placed in an irrevocable trust which is located in the United States of America and subject to the claims of the general creditors of the Corporation prior to the Change of Control.

(j) No Future Grants

Upon the occurrence of any of the foregoing events listed under subsections 9(a) to (f) in respect of a Participant, such Participant shall not be entitled to receive any further Performance Stock Unit grants and, except as set forth herein, shall not be entitled to receive cash payment for the value of any unpaid Performance Stock Units, matured or unmatured, held by the Participant as at the date of occurrence of such event.

10. FUNDING

Except as contemplated in subsection 9(i), for certainty, the Corporation has no obligation during the Term to pay or deposit any money into an account for the benefit of a Participant or to issue from treasury or purchase any Shares or other securities, to or for a Participant.

11. TAXES AND REPORTING

Notwithstanding anything else contained herein, each Participant shall be responsible for the payment of all applicable taxes, including, but not limited to, income taxes payable in connection with the payment of the value of the Performance Stock Units and the Corporation, its employees and agents shall bear no liability in connection with the payment of such taxes. The Corporation shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments.

12. NO GUARANTEE OF EMPLOYMENT

The existence of the Plan is in no way to be construed as a guarantee of continued employment for any Participant, or of entitlement to any future Plan awards, benefits, or payments.

13. ADJUSTMENTS

(a) In the event that the number of outstanding Shares of the Corporation shall be increased or decreased, or changed into, or exchanged for a different number or

kind of shares or other securities of the Corporation or another corporation, whether through a stock dividend, stock split, consolidation, recapitalization, amalgamation, reorganization, arrangement or other transaction, and such transaction or event is not a Change in Control, the HRC Committee or the Board may make appropriate adjustment to the number or kind of shares or securities upon which Performance Stock Units are based under the Plan, and as regards to Performance Stock Units previously granted or to be granted pursuant to the Plan, in the number and kind of shares or securities upon which the Performance Stock Units are based.

(b) The appropriate adjustments in the number of Performance Stock Units may be made by the Board in its discretion in order to give effect to the adjustments in the number of Shares of the Corporation resulting from the implementation and operation of the Shareholder Rights Plan Agreement dated as of November 9, 1995 between the Corporation and CIBC Mellon Trust Company, as the same may be amended, replaced or substituted from time to time.

14. EFFECT OF REORGANIZATION

In the event of any take-over bid or any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution or similar transaction or other business combination that is not a Change of Control in which the Corporation is not the surviving or continuing corporation (a "Reorganization"), all Performance Stock Units granted hereunder and outstanding on the date of such Reorganization shall be assumed by the surviving or continuing corporation, provided that the HRC Committee or the Board may make appropriate adjustment in the manner in which vesting of or payment on such Performance Stock Units will occur prior to such assumption. If, in the event of any such Reorganization, provision for such assumption satisfactory to the HRC Committee or the Board is not made by the surviving or continuing corporation, all unmatured Performance Stock Units held by a Participant as at the date of the Reorganization shall vest, based on applicable performance measures achieved from the start of the Term to the date (the "Revised Maturity Date"), as determined by the HRC Committee, that is not less than seven days and not more than 30 days prior to the date of the Reorganization, and each Participant shall have paid to him or her, in full satisfaction for any amounts payable pursuant to Performance Stock Units under the Plan, an amount calculated pursuant to Section 7 in respect of all matured Performance Stock Units held by such Participant, such payment to be made within 30 days after the Revised Maturity Date determined by the HRC Committee.

Notwithstanding the above, with respect to Participants who are US Taxpayers, no payment shall be made and no Performance Stock Unit shall mature under this Section 14 unless such Reorganization also qualifies as a change in the ownership or effective control of the Corporation, or in the ownership of a substantial portion of the assets of the Corporation, within the meaning of Code Section 409A(2)(A)(v). In the case of a Reorganization that does not so qualify, payments to any such Participant shall be made in accordance with Section 7. The payment monies owing to these Participants will be

placed in an irrevocable trust which is located in the United States of America and subject to the claims of the general creditors of the Corporation prior to the Reorganization.

15. AMENDMENTS, ETC.

The HRC Committee may at any time recommend to the Board for its approval the revision, suspension or discontinuance of the Plan in whole or in part. No such revision, suspension, or discontinuance shall alter or impair the rights of a Participant in respect of Performance Stock Units previously granted to such Participant, without the consent of that Participant. In addition, no revision, suspension or discontinuance shall result in adverse taxation under Code Section 409A or cause the Plan to become a "salary deferral arrangement" for the purposes of the Income Tax Act (Canada), unless otherwise determined by the HRC Committee with the consent of the Participant.

16. TRANSFERABILITY

Performance Stock Units are not transferable other than by will or according to the laws of descent and distribution.

17. CONFLICT WITH WRITTEN EMPLOYMENT AGREEMENT

In the event of a conflict between the terms of this Plan and the terms of any written employment agreement between a Participant and the Corporation, the terms of the written employment agreement shall prevail.

18. CODE SECTION 409A COMPLIANCE

With respect to any Participant who is a U.S. Taxpayer, the Corporation intends that the Plan shall comply with the applicable provisions of Code Section 409A, or an exemption from the application of Code Section 409A, in order to prevent the inclusion in the gross income of such Participant of any amount in a taxable year that is prior to the taxable year in which such amount would otherwise be paid or made available to such Participant under the terms of the Plan. The Plan shall be construed, interpreted and administered in a manner consistent with such intent. In furtherance of this intent, to the extent that any term of the Plan is ambiguous, such term shall be interpreted to comply with Code Section 409A, or an exemption from the application of Code Section 409A, as determined by the Corporation. In no event may any participant who is a U.S. Taxpayer designate, directly or indirectly, the calendar year of any payment to be made under the Plan.

19. INCENTIVE COMPENSATION CLAWBACK POLICY

Where applicable, payments made to Participants under this Plan will be governed by the terms of the Corporation's Incentive Compensation Clawback Policy.

20. EFFECTIVE DATE

The Plan shall take effect on January 1, 2007.

EXHIBIT 10.10

ENBRIDGE INC.

PERFORMANCE STOCK UNIT PLAN (2007), as revised

1. PURPOSE

The purpose of the Performance Stock Unit Plan (2007) (the "**Plan**") is to:

(a) align the senior management team of the Corporation with the enhancement of shareholder value by focusing on shareholder value;

(b) assist in attracting, retaining, engaging, and rewarding senior executives of the Corporation; and

(c) provide an opportunity for Participants to earn competitive total compensation based upon achieving the performance goals set out in this Plan.

2. DEFINED TERMS

In this Plan (including any schedules to this Plan):

(a) "**affiliate**" has the meaning ascribed to that term in the *Securities Act* (Alberta);

(b) "**Board**" means the Board of Directors of the Corporation;

(c) "**CEO**" means the Chief Executive Officer of the Corporation;

(d) "**Change of Control**" means:

(i) the sale to a person or acquisition by a person not affiliated with the Corporation or its Subsidiaries of assets of the Corporation or its Subsidiaries having a value greater than 50% of the fair market value of the assets of the Corporation and its Subsidiaries determined on a consolidated basis prior to such sale whether such sale or acquisition occurs by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise;

(ii) any change in the holding, direct or indirect, of shares of the Corporation by a person not affiliated with the Corporation as a result of which such person, or a group of persons, or persons acting in concert, or persons associated or affiliated with any such person or group within the meaning of the *Securities Act* (Alberta), are in a position to exercise effective control of the Corporation whether such change in the holding of such

shares occurs by way of takeover bid, reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise; and for the purposes of this Plan, a person or group of persons holding shares or other securities in excess of the number which, directly or following conversion thereof, would entitle the holders thereof to cast 20% or more of the votes attaching to all shares of the Corporation which, directly or following conversion of the convertible securities forming part of the holdings of the person or group of persons noted above, may be cast to elect directors of the Corporation shall be deemed, other than a person holding such shares or other securities in the ordinary course of business as an investment manager who is not using such holding to exercise effective control, to be in a position to exercise effective control of the Corporation;

(iii) any reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction involving the Corporation where shareholders of the Corporation immediately prior to such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction hold less than 50% of the shares of the Corporation or of the continuing corporation following completion of such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, transfer, sale or other transaction;

(iv) the Corporation ceases to be a distributing corporation as that term is defined in the *Canada Business Corporations Act*;

(v) any event or transaction which the Board, in its discretion, deems to be a Change of Control; or

(vi) Incumbent Directors ceasing to be a majority of the Board;

provided that:

(vii) any transaction whereby shares held by shareholders of the Corporation are transferred or exchanged for units or securities of a trust, partnership or other entity which trust, partnership or other entity continues to own directly or indirectly all of the shares of the Corporation previously owned by the shareholders of the Corporation and the former shareholders of the Corporation continue to be beneficial holders of such units or securities in the same proportions following the transaction as they were beneficial holders of shares of the Corporation prior to the transaction will be deemed not to constitute a change of control; and

(viii) any change of control initiated or commenced by the Board (and whether or not such transaction was initiated or commenced by the Board shall be

conclusively determined by the Board) will not constitute a change of control for purposes of this Plan;

(e) "**Code**" means the United States Internal Revenue Code of 1986, as amended;

(f) "**constructive dismissal**" means, unless consented to by the Participant, any action that constitutes constructive dismissal of the Participant at common law, including without limiting the generality of the foregoing:

(i) where the Participant ceases to be an officer of the Corporation, unless the Participant is appointed as an officer of a successor to a material portion of the assets of the Corporation;

(ii) a material decrease in the title, position, responsibilities, powers or reporting relationships of the Participant;

(iii) a reduction in the base salary (excluding any annual incentive bonuses) of the Participant; or

(iv) any material reduction in the value of the Participant's employee benefits, plans and programs (other than any annual incentive bonus);

Notwithstanding the above, for a Participant who is subject only to the employment laws of any state of the United States and not to Canadian employment laws, the term "constructive dismissal" shall not be interpreted under Canadian law, but shall instead mean, an action that constitutes constructive discharge from employment of the Participant without Cause pursuant to the employment law, if any, of the state (including such state's common law) that applies to such Participant. All determinations regarding applicable law, including whether a constructive dismissal has occurred and what state's law applies, shall be made by the Corporation in the exercise of its discretion. If the applicable state's employment laws do not recognize constructive dismissal, then no constructive dismissal of the Participant will be deemed to have occurred.

(g) "**Corporation**" means Enbridge Inc., and includes any successor entity thereto;

(h) "**Director**" means a director of the Corporation;

(i) "**Dividend Reinvestment Plan**" means the Dividend Reinvestment and Share Purchase Plan of the Corporation, as described in the Dividend Reinvestment and Share Purchase Plan Offering Circular of the Corporation dated **January 14, 2000** as amended from time to time, or any successor plan;

(j) "**Double Trigger Date**" has the meaning given to it in subsection 9(i).

(k) "**Fair Market Value**" means, as of a particular day, the weighted average of the board lot trading prices per Share on the Toronto Stock Exchange, or the New

York Stock Exchange, for the last twenty trading days immediately prior to such day;

(l) "**For Cause**" includes "just cause" as defined in the common law and also includes any circumstance in which the Participant shall have been convicted of a criminal act of dishonesty resulting or intending to result directly or indirectly in gain or personal enrichment of the Participant;

(m) "**HRC Committee**" means the Human Resources and Compensation Committee of the Board, established and duly authorized to act in accordance with the By-Laws of the Corporation;

(n) "**Incumbent Director**" means any member of the Board who was a member of the Board immediately prior to the occurrence of the transaction, elections or appointments giving rise to a Change of Control and any successor to an Incumbent Director who was recommended for election at a meeting of shareholders of the Corporation, or elected or appointed to succeed any Incumbent Director, by the affirmative vote of the directors, which affirmative vote includes a majority of the Incumbent Directors then on the Board;

(o) "**Maturity Date**" has the meaning given to it in Section 5 and subsection 9(d);

(p) "**Maximum Number**" means the maximum number of Performance Stock Units that may mature with respect to each grant, which maximum number shall not exceed twice the sum of the initial grant plus the dividend equivalent units that are granted during the Term;

(q) **"Maximum Performance Level**" means the level of achievement of the performance measures established pursuant to Section 6(a) which would result in the Maximum Number of Performance Stock Units granted to a Participant to mature;

(r) "**Notice Period**" means the notice period for termination of employment agreed to between the Corporation (or its Subsidiary) and the Participant, or, in the absence of any such agreement, the minimum statutory notice period that may be required under applicable employment standards legislation.

(s) "**Participant**" means an individual who becomes a participant of the Plan in accordance with Section 4;

(t) "**Performance Multipliers**" has the meaning set forth in Schedule A;

(u) "**Performance Stock Unit**" means a conditional right to payment which has been granted to a Participant to receive an amount of money determined in accordance with the provisions of this Plan;

(v) "**Plan**" means the Performance Stock Unit Plan (2007) of the Corporation described in this document, and as the same may be duly amended or varied from time to time in accordance with the provisions of this Plan;

(w) "**Retirement Plan**" means a pension plan of the Corporation established or in effect from time to time which applies when an employee retires from the employment of the Corporation or a Subsidiary;

(x) "**Share**" means a common share in the capital of the Corporation;

(y) "**Subsidiary**" means:

(i) any corporation that is a subsidiary (as such term is defined in the *Canada Business Corporations Act*) of the Corporation, as such provision is from time to time amended, varied or re-enacted;

(ii) any partnership or limited partnership that is controlled by the Corporation (the Corporation will be deemed to control a partnership or limited partnership if the Corporation possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such partnership or limited partnership, whether through the ownership of voting securities, by contract or otherwise); and

(iii) subject to regulatory approval, any corporation, partnership, limited partnership, trust, limited liability company or other form of business entity that the HRC Committee determines ought to be treated as a subsidiary for purposes of the Plan, provided that the HRC Committee shall have the sole discretion to determine that any such entity has ceased to be a subsidiary for purposes of the Plan;

(z) "**Target Performance Level**" means, in respect of a Term, that level of achievement of the performance measures established pursuant to Section 6(a) which would result in exactly 100% of the Performance Stock Units granted to a Participant to mature;

(aa) "**Term**" has the meaning given to it in Section 5;

(bb) **"Threshold Performance Level"** means in respect of a Term the level of achievement of the performance measures established pursuant to Section 6(a) which would result in the minimum number of Performance Stock Units granted to a Participant to mature;

(cc) "**Trading Day**" means any day on which the Toronto Stock Exchange is open for trading; and

(dd) **"U.S. Taxpayer"** means an individual whose income is subject to U.S. federal income taxation.

3. GOVERNANCE

(a) Subject to any determinations or approvals required to be made by the Board, the HRC Committee will administer the Plan in its sole discretion. The HRC Committee shall have the full power and sole responsibility to interpret the provisions of the Plan and to make regulations and formulate administrative provisions for its implementation, and to make such changes in the regulations and administrative procedures as, from time to time, the HRC Committee deems proper and in the best interests of the Corporation. Such regulations and provisions may include the delegation to any Director or Directors or any officer or officers of the Corporation or its Subsidiaries of such administrative duties and powers of the HRC Committee as it may, in its sole discretion, deem fit. The HRC Committee may amend the Plan to correct, remedy or reconcile any errors, inconsistencies or ambiguities in this Plan. The determinations of the HRC Committee in the administration of the Plan shall be final and conclusive.

(b) Prior to the CEO requesting any grants under the Plan, the CEO will recommend to the HRC Committee for its approval the performance measures and the levels of achievement required for Threshold Performance Level, Target Performance Level and Maximum Performance Level. The HRC Committee shall also have the authority to approve any amendments to such performance measures, the expected levels of performance and the Term; provided that no amendment to the Term of any Performance Stock Unit shall be made which would cause the Participant to be subject to adverse tax treatment under Code Section 409A.

(c) Upon the HRC Committee determining that the achievement of applicable performance measures has been met following the Maturity Date, the HRC Committee shall approve payments under the Plan.

(d) The HRC Committee shall also have the authority to waive any restrictions with respect to participation in the Plan or the maturity of grants under the Plan for any specific Participants where, in the opinion of the HRC Committee, it is reasonable to do so and does not prejudice the rights of the Participant under the Plan and it does not cause the Participant to be subject to adverse tax treatment under Code Section 409A.

(e) Grants to Participants will be considered each year, unless otherwise determined at the sole discretion of the HRC Committee.

4. PARTICIPATION AND GRANT OF UNITS

(a) The CEO may recommend to the HRC Committee employees of the Corporation or any of its Subsidiaries for participation in the Plan. The HRC Committee shall consider such recommendation and may, in its sole discretion, approve such recommended employees for participation in the Plan (each such person shall be referred to as a "**Participant**").

(b) The CEO shall recommend to the HRC Committee for its approval the number of Performance Stock Units to be granted to each Participant who reports directly to the CEO and the aggregate number of Performance Stock Units to be granted to all other Participants, other than the CEO.

(c) The HRC Committee will determine and recommend to the Board for its approval the number of Performance Stock Units to be granted to the CEO.

(d) All grants made to a Participant shall be made on or before September 30 of the first year of the applicable Term, unless otherwise recommended by the CEO to, and approved by, the HRC Committee.

(e) Directors who are not full-time employees of the Corporation or a Subsidiary shall not be eligible to become Participants.

(f) A designated employee shall have the right not to participate in the Plan, and any decision not to participate shall not affect his or her employment with the Corporation or a Subsidiary. Participation in the Plan does not confer upon the Participant any right to continued employment with the Corporation or a Subsidiary.

5. TERM

Except as otherwise provided herein or unless otherwise determined by the HRC Committee, each Performance Stock Unit granted pursuant to the Plan shall have a fixed term (a "**Term**") of not more than three years, commencing on January 1 of the first year of the Term and ending on December 31 of the final year of the Term (the "**Maturity Date**").

6. MATURITY

(a) The number of Performance Stock Units that mature under this Plan shall be dependent upon the achievement of the performance measures applicable thereto established by the CEO and approved by the HRC Committee, a copy of which is attached hereto as Schedule A. Following the completion of a Term, the HRC Committee will review and determine the extent to which the performance measures have been achieved and will approve the number of Performance Stock Units which have matured.

(b) Notwithstanding the foregoing, in no event shall the number of Performance Stock Units that mature in respect of a particular grant exceed the Maximum Number in respect of such grant.

7. PAYMENT

(a) Amount Payable

The amount payable to each Participant shall in respect of a particular grant of Performance Stock Units be the amount determined by multiplying the sum of:

(i) the number of Performance Stock Units held by such Participant on the Maturity Date of such Performance Stock Units, and

(ii) the number of Performance Stock Units that would be credited to such Participant upon the payment of dividends by the Corporation on the Shares, based on the number of additional Shares that a Participant would have received had the matured Performance Stock Units been treated as Shares under the Dividend Reinvestment Plan during the Term,

by

(iii) the Performance Multiplier; and by

(iv) the Fair Market Value of the Shares as at the Maturity Date.

The amount payable under this section 7(a) will be subject to any proration that shall apply in accordance with Section 9.

(b) Timing of Payment

Unless otherwise provided in this Plan, the amount payable to each Participant pursuant to section 7(a) shall be paid after the approval of the HRC Committee and after the audited financial statements of the Corporation for the year ended on the applicable Maturity Date have been approved by the Board, but, in any event, not later than two and one-half months after the Maturity Date.

(c) Form of Payment

The amount payable to each Participant pursuant to section 7(a), unless otherwise provided in this Plan, shall be paid in cash in the currency of Canada or the

United States of America and shall be subject to applicable withholding taxes as required by applicable legislation.

8. SHARE OWNERSHIP GUIDELINES

If the number of Shares held by the Participant is less than the number of Shares to be held by him or her pursuant to any share ownership guidelines of the Corporation in effect from time to time and applicable to such Participant, then the Participant shall be required to utilize any payments made with respect to any Performance Stock Units (net of any amounts deducted pursuant to Section 11) to acquire additional Shares to increase the number of Shares held by the Participant to meet the requirements of such share ownership guidelines.

9. TERMINATION

(a) Voluntary Termination

If a Participant voluntarily terminates his or her employment with the Corporation or a Subsidiary, all unpaid and matured Performance Stock Units held by such Participant as at the date of the Participant's termination shall be payable in accordance with Section 7.

All unmatured Performance Stock Units held by such Participant as at the date of the Participant's termination shall be cancelled as of the last day of such Participant's employment with the Corporation (or its Subsidiary).

(b) Involuntary Termination Other than For Cause

If the employment of a Participant with the Corporation or a Subsidiary is terminated by the Corporation (or its Subsidiary) for any reason other than For Cause, all unpaid and matured Performance Stock Units held by such Participant as at the last day of the Participant's employment with the Corporation (or its Subsidiary) shall be payable in accordance with Section 7.

A number of unmatured Performance Stock Units held by such Participant on the last day of employment shall continue to mature in accordance with the Plan. The number of unmatured Performance Stock Units that shall continue to mature shall be prorated based upon the number of days of active employment of the Participant during the Term to the number of days in the Term (and for this purpose the Notice Period shall be counted as active employment). Such number of Performance Stock Units shall be paid in accordance with Section 7. All other unmatured Performance Stock Units held by such Participant shall be cancelled as at the last day of the Notice Period.

For the purposes of this subsection 9(b): (i) if a Participant's employment terminates due to the constructive dismissal of the Participant; or (ii) if a

Participant ceases to be employed by a Subsidiary because such Participant's employer ceases to be a Subsidiary; then each such termination or cessation of being employed by a Subsidiary shall be treated as an involuntary termination by the Corporation or a Subsidiary other than For Cause.

(c) Involuntary Termination For Cause

If the employment of a Participant is terminated by the Corporation or a Subsidiary For Cause, all unpaid Performance Stock Units held by such Participant as at the date of termination, whether matured or unmatured, shall be cancelled as of the Participant's last day of employment with the Corporation (or its Subsidiary).

(d) Death

If the employment of a Participant with the Corporation or a Subsidiary is terminated as a result of the death of such Participant, all unpaid and matured Performance Stock Units held by the Participant as at the date of death shall be payable in accordance with Section 7.

For the purposes of this subsection 9(d), the Maturity Date for a number of unmatured Performance Stock Units shall be the date of death of the Participant. The number of unmatured Performance Stock Units held by such Participant as at the date of such Participant's death that mature shall be prorated based on the number of days of active employment of the Participant during the applicable Term to the total number of days in the Term. Such Performance Stock Units shall be paid in accordance with Section 7 within two and one-half months, or as soon as reasonably possible thereafter, following the Participant's death on the assumption that the Target Performance Level is met.

All other unmatured Performance Stock Units held by such Participant shall be cancelled as at the date of death.

Notwithstanding the foregoing, in no case will payment be made later than two and one-half months following the original Maturity Date.

(e) Retirement

If a Participant has attained the age of 55 and retires from his or her employment with the Corporation or a Subsidiary pursuant to a Retirement Plan and he or she is eligible for benefits under a Retirement Plan, all unpaid and matured Performance Stock Units held by such Participant as at the date of retirement shall be payable in accordance with Section 7.

A number of unmatured Performance Stock Units held by the Participant as at the date of retirement prorated based on the number of days of active employment of

the Participant during the applicable Term to the total number of days in the Term, shall continue to vest following retirement in accordance with the Plan.

All other unmatured Performance Stock Units held by such Participant shall be cancelled as at the date of retirement.

Notwithstanding the foregoing, should a Participant qualify for retirement under the definition provided within this subsection 9(e), and should the employment of such Participant with the Corporation or a Subsidiary be terminated by the Corporation (or its Subsidiary) for any reason other than For Cause, the provisions of subsection 9(b) will apply.

(f) Disability

If the employment of a Participant with the Corporation or a Subsidiary is terminated as a result of the "disability" of such Participant, all Performance Stock Units held by such Participant as at the date of disability, whether matured or unmatured, as of the last day of such Participant's active employment with the Corporation (or its Subsidiary) prior to such disability shall continue to be treated as if the Participant were actively employed by the Corporation (or its Subsidiary).

For purposes of this subsection, a Participant shall be considered to be suffering from a "disability" if he or she is eligible for benefits under a Corporation-sponsored long term disability benefits plan.

(g) Leaves of Absence

If a Participant commences a parental or another leave approved by the Corporation or a Subsidiary for a period longer than three months, all unpaid and matured Performance Stock Units held by the Participant as at the last day of such Participant's active employment with the Corporation (or its Subsidiary) shall be payable in accordance with Section 7.

A number of unmatured Performance Stock Units held by such Participant as at the commencement of such Participant's leave prorated based on the number of days of active employment of the Participant during the Term to the total number of days in the Term, shall continue to mature in accordance with the Plan during such Participant's Leave. Such number of Performance Stock Units shall be paid in accordance with Section 7.

All other unmatured Performance Stock Units held by the Participant shall be cancelled.

Grants of Performance Stock Units may be made to a Participant while such Participant is on a leave of absence for short term disability, family and medical

leave or maternity, paternity, parental or adoption leave, but no grants of Performance Stock Units may be made to a Participant while such Participant is on any other leave of absence.

(h) Secondments

If a Participant is seconded to an entity other than a Subsidiary, the HRC Committee (in the case of Participants that report directly to the CEO) and the CEO (in the case of all other Participants) shall determine the manner in which all Performance Stock Units held by the Participant as at the date of the secondment shall be treated under the Plan; provided that no such Performance Stock Units shall be treated in a manner that would cause the Participant to be subject to adverse tax treatment under Code Section 409A.

(i) Double Trigger Change of Control

With respect to any Performance Stock Units held by a Participant as at February 15, 2017, the "Change of Control" provisions of subsection 9(i) of the Performance Stock Unit Plan (2007, as revised effective November 2014) shall continue to apply.

With respect to any Performance Stock Units granted to a Participant on or after February 16, 2017, if the employment of a Participant with the Corporation or a Subsidiary is terminated by the Corporation (or its Subsidiary) other than For Cause (including if a Participant's employment terminates due to the constructive dismissal of the Participant) within 2 years after the Change of Control, such Participant's date of termination of employment being the "Double Trigger Date", then the following provisions of this subsection 9(i) shall apply.

All unpaid and matured Performance Stock Units held by a Participant as at the Double Trigger Date, where the Maturity Date is December 31 of the year prior to the Double Trigger Date, shall continue to be payable in accordance with their terms.

All unmatured Performance Stock Units held by the Participant as at the Double Trigger Date shall mature on the Double Trigger Date and based on applicable performance measures achieved from the start of the Term to the date of Change of Control. Each Participant shall have paid to him or her within 75 days following the Double Trigger Date, in full satisfaction for any amounts payable pursuant to Performance Stock Units under the Plan, an amount calculated pursuant to Section 7 in respect of all matured Performance Stock Units held by such Participant.

Notwithstanding the above, with respect to Participants who are U.S. Taxpayers, no payment shall be made and no Performance Stock Unit shall mature under this subsection 9(i) unless the termination of the Participant's employment constitutes

a "separation from service" as defined under Code Section 409A. Furthermore, with respect to Participants who are U.S. Taxpayers, any amount payable pursuant to this subsection 9(i) shall be paid within thirty (30) days after the date that is six (6) months following the Double Trigger Date.

(j) No Future Grants

Upon the occurrence of any of the foregoing events listed under subsections 9(a) to (f) in respect of a Participant, such Participant shall not be entitled to receive any further Performance Stock Unit grants and, except as set forth herein, shall not be entitled to receive cash payment for the value of any unpaid Performance Stock Units, matured or unmatured, held by the Participant as at the date of occurrence of such event.

10. FUNDING

Except as contemplated in subsection 9(i), for certainty, the Corporation has no obligation during the Term to pay or deposit any money into an account for the benefit of a Participant or to issue from treasury or purchase any Shares or other securities, to or for a Participant.

11. TAXES AND REPORTING

Notwithstanding anything else contained herein, each Participant shall be responsible for the payment of all applicable taxes, including, but not limited to, income taxes payable in connection with the payment of the value of the Performance Stock Units and the Corporation, its employees and agents shall bear no liability in connection with the payment of such taxes. The Corporation shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments.

12. NO GUARANTEE OF EMPLOYMENT

The existence of the Plan is in no way to be construed as a guarantee of continued employment for any Participant, or of entitlement to any future Plan awards, benefits, or payments.

13. ADJUSTMENTS

(a) In the event that the number of outstanding Shares of the Corporation shall be increased or decreased, or changed into, or exchanged for a different number or kind of shares or other securities of the Corporation or another corporation, whether through a stock dividend, stock split, consolidation, recapitalization, amalgamation, reorganization, arrangement or other transaction, and such transaction or event is not a Change in Control, the HRC Committee or the Board may make appropriate adjustment to the number or kind of shares or securities

upon which Performance Stock Units are based under the Plan, and as regards to Performance Stock Units previously granted or to be granted pursuant to the Plan, in the number and kind of shares or securities upon which the Performance Stock Units are based.

(b) The appropriate adjustments in the number of Performance Stock Units may be made by the Board in its discretion in order to give effect to the adjustments in the number of Shares of the Corporation resulting from the implementation and operation of the Shareholder Rights Plan Agreement dated as of November 9, 1995 between the Corporation and CIBC Mellon Trust Company, as the same may be amended, replaced or substituted from time to time.

14. EFFECT OF REORGANIZATION

In the event of any take-over bid or any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution or similar transaction or other business combination that is not a Change of Control in which the Corporation is not the surviving or continuing corporation (a "**Reorganization**"), all Performance Stock Units granted hereunder and outstanding on the date of such Reorganization shall be assumed by the surviving or continuing corporation, provided that the HRC Committee or the Board may make appropriate adjustment in the manner in which vesting of or payment on such Performance Stock Units will occur prior to such assumption. If, in the event of any such Reorganization, provision for such assumption satisfactory to the HRC Committee or the Board is not made by the surviving or continuing corporation, all unmatured Performance Stock Units held by a Participant as at the date of the Reorganization shall vest, based on applicable performance measures achieved from the start of the Term to the date (the "**Revised Maturity Date**"), as determined by the HRC Committee, that is not less than seven days and not more than 30 days prior to the date of the Reorganization, and each Participant shall have paid to him or her, in full satisfaction for any amounts payable pursuant to Performance Stock Units under the Plan, an amount calculated pursuant to Section 7 in respect of all matured Performance Stock Units held by such Participant, such payment to be made within 30 days after the Revised Maturity Date determined by the HRC Committee.

Notwithstanding the above, with respect to Participants who are US Taxpayers, no payment shall be made and no Performance Stock Unit shall mature under this Section 14 unless such Reorganization also qualifies as a change in the ownership or effective control of the Corporation, or in the ownership of a substantial portion of the assets of the Corporation, within the meaning of Code Section 409A(2)(A)(v). In the case of a Reorganization that does not so qualify, payments to any such Participant shall be made in accordance with Section 7. The payment monies owing to these Participants will be placed in an irrevocable trust which is located in the United States of America and subject to the claims of the general creditors of the Corporation prior to the Reorganization.

15. AMENDMENTS, ETC.

The HRC Committee may at any time recommend to the Board for its approval the revision, suspension or discontinuance of the Plan in whole or in part. No such revision, suspension, or discontinuance shall alter or impair the rights of a Participant in respect of Performance Stock Units previously granted to such Participant, without the consent of that Participant. In addition, no revision, suspension or discontinuance shall result in adverse taxation under Code Section 409A or cause the Plan to become a "salary deferral arrangement" for the purposes of the Income Tax Act (Canada), unless otherwise determined by the HRC Committee with the consent of the Participant.

16. TRANSFERABILITY

Performance Stock Units are not transferable other than by will or according to the laws of descent and distribution.

17. CONFLICT WITH WRITTEN EMPLOYMENT AGREEMENT

In the event of a conflict between the terms of this Plan and the terms of any written employment agreement between a Participant and the Corporation, the terms of the written employment agreement shall prevail.

18. CODE SECTION 409A COMPLIANCE

With respect to any Participant who is a U.S. Taxpayer, the Corporation intends that the Plan shall comply with the applicable provisions of Code Section 409A, or an exemption from the application of Code Section 409A, in order to prevent the inclusion in the gross income of such Participant of any amount in a taxable year that is prior to the taxable year in which such amount would otherwise be paid or made available to such Participant under the terms of the Plan. The Plan shall be construed, interpreted and administered in a manner consistent with such intent. In furtherance of this intent, to the extent that any term of the Plan is ambiguous, such term shall be interpreted to comply with Code Section 409A, or an exemption from the application of Code Section 409A, as determined by the Corporation. In no event may any participant who is a U.S. Taxpayer designate, directly or indirectly, the calendar year of any payment to be made under the Plan.

19. INCENTIVE COMPENSATION CLAWBACK POLICY

Where applicable, payments made to Participants under this Plan will be governed by the terms of the Corporation's Incentive Compensation Clawback Policy.

20. EFFECTIVE DATE

The Plan was originally effective on January 1, 2007, and is amended and restated under the form of this Plan document to be effective as of February 16, 2017.

February 16, 2017

EXHIBIT 10.11

ENBRIDGE INC.

RESTRICTED STOCK UNIT PLAN (2006), as revised

1. PURPOSE

The purpose of the Restricted Stock Unit Plan (2006) (the "**Plan**") is to:

(a) assist in attracting, retaining, engaging, and rewarding Participants of the Corporation; and

(b) provide an opportunity for Participants to earn competitive total compensation.

2. DEFINED TERMS

In this Plan (including any schedules to this Plan):

(a) "**affiliate**" has the meaning ascribed to that term in the *Securities Act* (Alberta);

(b) "**Board**" means the Board of Directors of the Corporation;

(c) "**CEO**" means the Chief Executive Officer of the Corporation;

(d) "**Change of Control**" means:

(i) the sale to a person or acquisition by a person not affiliated with the Corporation or its Subsidiaries of assets of the Corporation or its Subsidiaries having a value greater than 50% of the fair market value of the assets of the Corporation and its Subsidiaries determined on a consolidated basis prior to such sale whether such sale or acquisition occurs by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise;

(ii) any change in the holding, direct or indirect, of shares of the Corporation by a person not affiliated with the Corporation as a result of which such person, or a group of persons, or persons acting in concert, or persons associated or affiliated with any such person or group within the meaning of the *Securities Act* (Alberta), are in a position to exercise effective control of the Corporation whether such change in the holding of such shares occurs by way of takeover bid, reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise; and for the purposes of this Plan, a person or group of persons holding shares or other securities in excess of the number which, directly or following conversion thereof, would entitle the holders thereof to cast 20% or more of the votes

attaching to all shares of the Corporation which, directly or following conversion of the convertible securities forming part of the holdings of the person or group of persons noted above, may be cast to elect directors of the Corporation shall be deemed, other than a person holding such shares or other securities in the ordinary course of business as an investment manager who is not using such holding to exercise effective control, to be in a position to exercise effective control of the Corporation;

(iii) any reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction involving the Corporation where shareholders of the Corporation immediately prior to such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction hold less than 50% of the shares of the Corporation or of the continuing corporation following completion of such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, transfer, sale or other transaction;

(iv) the Corporation ceases to be a distributing corporation as that term is defined in the *Canada Business Corporations Act*;

(v) any event or transaction which the Board, in its discretion, deems to be a Change of Control; or

(vi) Incumbent Directors ceasing to be a majority of the Board;

provided that:

(vii) any transaction whereby shares held by shareholders of the Corporation are transferred or exchanged for units or securities of a trust, partnership or other entity which trust, partnership or other entity continues to own directly or indirectly all of the shares of the Corporation previously owned by the shareholders of the Corporation and the former shareholders of the Corporation continue to be beneficial holders of such units or securities in the same proportions following the transaction as they were beneficial holders of shares of the Corporation prior to the transaction will be deemed not to constitute a change of control; and

(viii) any change of control initiated or commenced by the Board (and whether or not such transaction was initiated or commenced by the Board shall be conclusively determined by the Board) will not constitute a change of control for purposes of this Plan.

(e) "**Code**" means the United States Internal Revenue Code of 1986, as amended;

(f) "**constructive dismissal**" means, unless consented to by the Participant, any action that constitutes constructive dismissal of the Participant at common law, including without limiting the generality of the foregoing:

(i) where the Participant ceases to be an officer of the Corporation, unless the Participant is appointed as an officer of a successor to a material portion of the assets of the Corporation;

(ii) a material decrease in the title, position, responsibilities, powers or reporting relationships of the Participant;

(iii) a reduction in the base salary (excluding any annual incentive bonuses) of the Participant; or

(iv) any material reduction in the value of the Participant's employee benefits, plans and programs (other than any annual incentive bonus);

Notwithstanding the above, for a Participant who is subject only to the employment laws of any state of the United States and not to Canadian employment laws, the term "constructive dismissal" shall not be interpreted under Canadian law, but shall instead mean, an action that constitutes constructive discharge from employment of the Participant without Cause pursuant to the employment law, if any, of the state (including such state's common law) that applies to such Participant. All determinations regarding applicable law, including whether a constructive dismissal has occurred and what state's law applies, shall be made by the Corporation in the exercise of its discretion. If the applicable state's employment laws do not recognize constructive dismissal, then no constructive dismissal of the Participant will be deemed to have occurred.

(g) "**Corporation**" means Enbridge Inc., and includes any successor entity thereto;

(h) "**Director**" means a director of the Corporation;

(i) "**Dividend Reinvestment Plan**" means the Dividend Reinvestment and Share Purchase Plan of the Corporation, as described in the Dividend Reinvestment and Share Purchase Plan Offering Circular of the Corporation dated **January 14, 2000** as amended from time to time, or any successor plan;

(j) "**Double Trigger Date**" has the meaning given to it in subsection 8(i);

(k) "**Fair Market Value**" means, as of a particular day, the weighted average of the board lot trading prices per Share on the Toronto Stock Exchange, or the New York Stock Exchange, for the last twenty trading days immediately prior to such day;

(l) "**For Cause**" includes "just cause" as defined in the common law and also includes any circumstance in which the Participant shall have been convicted of a criminal act of dishonesty resulting or intending to result directly or indirectly in gain or personal enrichment of the Participant;

(m) "**HRC Committee**" means the Human Resources and Compensation Committee of the Board, established and duly authorized to act in accordance with the By-Laws of the Corporation;

(n) "**Incumbent Director**" means any member of the Board who was a member of the Board immediately prior to the occurrence of the transaction, elections or appointments giving rise to a Change of Control and any successor to an Incumbent Director who was recommended for election at a meeting of shareholders of the Corporation, or elected or appointed to succeed any Incumbent Director, by the affirmative vote of the directors, which affirmative vote includes a majority of the Incumbent Directors then on the Board;

(o) **"Maturity Date"** has the meaning given to it in Section 5 and subsection 8(d);

(p) "**Notice Period**" means the notice period for termination of employment agreed to between the Corporation (or its Subsidiary) and the Participant, or, in the absence of any such agreement, the minimum statutory notice period that may be required under applicable employment standards legislation.

(q) "**Participant**" means an individual who becomes a participant of the Plan in accordance with Section 4;

(r) "**Plan**" means the Restricted Stock Unit Plan (2006) of the Corporation described in this document, and as the same may be duly amended or varied from time to time in accordance with the provisions of this Plan;

(s) "**Restricted Stock Unit**" means a conditional right to payment which has been granted to a Participant to receive an amount of money determined in accordance with the provisions of this Plan;

(t) "**Retirement Plan**" means a pension plan of the Corporation established or in effect from time to time which applies when an employee retires from the employment of the Corporation or a Subsidiary;

(u) "**Share**" means a common share in the capital of the Corporation;

(v) "**Subsidiary**" means:

(i) any corporation that is a subsidiary (as such term is defined in the *Canada Business Corporations Act*) of the Corporation, as such provision is from time to time amended, varied or re-enacted;

(ii) any partnership or limited partnership that is controlled by the Corporation (the Corporation will be deemed to control a partnership or limited partnership if the Corporation possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such partnership or limited partnership, whether through the ownership of voting securities, by contract or otherwise); and

(iii) subject to regulatory approval, any corporation, partnership, limited partnership, trust, limited liability company or other form of business entity that the HRC Committee determines ought to be treated as a subsidiary for purposes of the Plan, provided that the HRC Committee shall have the sole discretion to determine that any such entity has ceased to be a subsidiary for purposes of the Plan;

(w) "**Term**" has the meaning given to it in Section 5;

(x) "**Trading Day**" means any day on which the Toronto Stock Exchange is open for trading; and

(y) **"U.S. Taxpayer"** means an individual whose income is subject to U.S. federal income taxation.

3. GOVERNANCE

(a) The HRC Committee will administer the Plan in its sole discretion. The HRC Committee shall have the full power and sole responsibility to interpret the provisions of the Plan and to make regulations and formulate administrative provisions for its implementation, and to make such changes in the regulations and administrative procedures as, from time to time, the HRC Committee deems proper and in the best interests of the Corporation. Such regulations and provisions may include the delegation to any Director or Directors or any officer or officers of the Corporation or its Subsidiaries of such administrative duties and powers of the HRC Committee as it may, in its sole discretion, deem fit. The HRC Committee may amend the Plan to correct, remedy or reconcile any errors, inconsistencies or ambiguities in this Plan. The determinations of the HRC Committee in the administration of the Plan shall be final and conclusive.

(b) The HRC Committee shall have the authority to approve, for each Restricted Stock Unit granted under the Plan, the Term of each Restricted Stock Unit granted. The

HRC Committee shall also have the authority to approve any amendments to the Term; provided that to the extent that a Restricted Stock Unit is subject to Code Section 409A, no amendment to the Term of such Restricted Stock Unit shall be made where the amendment provides for the deferral of compensation in a manner that does not comply with Code Section 409A unless otherwise determined by the HRC Committee with the consent of the Participant.

(c) The HRC Committee shall also have the authority to waive any restrictions with respect to any specific Participants where, in the opinion of the HRC Committee, it is reasonable to do so and does not prejudice the rights of the Participant under the Plan or cause the Participant to be subject to adverse tax treatment under Code Section 409A.

(d) Grants to Participants will be considered each year, unless otherwise determined in the sole discretion of the HRC Committee.

4. PARTICIPATION AND GRANT OF UNITS

(a) The CEO may recommend to the HRC Committee employees of the Corporation or any of its Subsidiaries for participation in the Plan. The HRC Committee shall consider such recommendation and may, in its sole discretion, approve such recommended employees for participation in the Plan (each such person shall be referred to as a "**Participant**").

(b) The CEO shall recommend to the HRC Committee for its approval the number of Restricted Stock Units to be granted in aggregate.

(c) All grants made to a Participant shall be made on or before September 30 of the first year of the applicable Term, unless otherwise recommended by the CEO to, and approved by, the HRC Committee.

(d) The CEO may issue inducement grants of Restricted Stock Units to any new employee of the Corporation or a Subsidiary and grants of Restricted Stock Units to employees of the Corporation or a Subsidiary that are Participants who are promoted within the first nine months of a fiscal year, or in other unique circumstances as needed and such grants may be made without approval of the HRC Committee. Such grants will be reported to the HRC Committee by the CEO at its next meeting following the date of grant.

(e) Directors who are not full-time employees of the Corporation or a Subsidiary shall not be eligible to become Participants.

(f) A designated employee shall have the right not to participate in the Plan, and any decision not to participate shall not affect his or her employment with the Corporation

or a Subsidiary. Participation in the Plan does not confer upon the Participant any right to continued employment with the Corporation or a Subsidiary.

5. TERM

Except as otherwise provided herein or unless otherwise determined by the HRC Committee, each Restricted Stock Unit granted pursuant to the Plan shall have a fixed term (a "**Term**") of not more than 35 months, commencing on January 1 of the first year of the Term and ending on December 1 of the final year of the Term (the "**Maturity Date**").

6. MATURITY

Restricted Stock Units issued under this Plan shall mature on the Maturity Date.

7. PAYMENT

(a) Amount Payable

The amount payable to each Participant shall in respect of a particular grant of Restricted Stock Units be the amount determined by multiplying the sum of:

(i) the number of Restricted Stock Units held by such Participant that matured on the Maturity Date of such Restricted Stock Units, and

(ii) the number of Restricted Stock Units that would be credited to such Participant upon the payment of dividends by the Corporation on the Shares, based on the number of additional Shares that a Participant would have received had the matured Restricted Stock Units been treated as Shares under the Dividend Reinvestment Plan during the Term,

by

(iii) the Fair Market Value of the Shares as at the Maturity Date.

The amount payable under this section 7(a) will be subject to any proration that shall apply in accordance with Section 8.

(b) Timing of Payment

Unless otherwise provided in this Plan, the amount payable to each Participant pursuant to section 7(a) shall be paid by December 31 of the same year as the Maturity Date.

(c) Form of Payment

The amount payable to each Participant pursuant to Section 7(a), unless otherwise provided in this Plan, shall be paid in cash in the currency of Canada or the United

States of America and shall be subject to applicable withholding taxes as required by applicable legislation.

8. TERMINATION

(a) Voluntary Termination

If a Participant voluntarily terminates his or her employment with the Corporation or a Subsidiary, all unpaid and matured Restricted Stock Units held by such Participant as at the date of the Participant's termination shall be payable in accordance with Section 7.

All unmatured Restricted Stock Units held by such Participant as at the date of the Participant's termination shall be cancelled as of the last day of such Participant's employment with the Corporation (or its Subsidiary).

(b) Involuntary Termination Other than For Cause

If the employment of a Participant with the Corporation or a Subsidiary is terminated by the Corporation (or its Subsidiary) for any reason other than For Cause, all unpaid and matured Restricted Stock Units held by such Participant as at the last day of the Participant's employment with the Corporation (or its Subsidiary) shall be payable in accordance with Section 7.

A number of unmatured Restricted Stock Units held by such Participant on the last day of employment shall continue to mature in accordance with the Plan. The number of unmatured Restricted Stock Units that shall continue to mature during the Notice Period shall be prorated based upon the number of days of active employment of the Participant during the Term to the number of days in the Term (and for this purpose the Notice Period shall be counted as active employment). Such number of Restricted Stock Units shall be paid in accordance with Section 7.

All other unmatured Restricted Stock Units held by such Participant shall be cancelled as at the last day of the Notice Period.

For the purposes of this subsection 8(b): (i) if a Participant's employment terminates due to the constructive dismissal of the Participant; or (ii) if a Participant ceases to be employed by a Subsidiary because such Participant's employer ceases to be a Subsidiary; then each such termination or cessation of being employed by a Subsidiary shall be treated as an involuntary termination by the Corporation or a Subsidiary other than For Cause.

(c) Involuntary Termination For Cause

If the employment of a Participant is terminated by the Corporation or a Subsidiary For Cause, all unpaid Restricted Stock Units held by such Participant as at the date of termination, whether matured or unmatured, shall be cancelled as of the Participant's last day of employment with the Corporation (or its Subsidiary).

(d) Death

If the employment of a Participant with the Corporation or a Subsidiary is terminated as a result of the death of such Participant, all unpaid and matured Restricted Stock Units held by the Participant as at the date of death shall be payable in accordance with Section 7.

For the purposes of this subsection 8(d), the Maturity Date for a number of unmatured Restricted Stock Units shall be the date of death of the Participant. The number of unmatured Restricted Stock Units held by such Participant as at the date of such Participant's death that mature shall be prorated based on the number of days of active employment of the Participant during the applicable Term to the total number of days in the Term. Such Restricted Stock Units shall be paid in accordance with Section 7 within two and one-half months, or as soon as reasonably possible thereafter, following the Participant's death.

All other unmatured Restricted Stock Units held by such Participant shall be cancelled as at the date of death.

Notwithstanding the foregoing, in no case will payment be made later than December 31 of the year of the original Maturity Date.

(e) Retirement

If a Participant has attained the age of 55 and retires from his or her employment with the Corporation or a Subsidiary pursuant to a Retirement Plan and he or she is eligible for benefits under a Retirement Plan, all unpaid and matured Restricted Stock Units held by such Participant as at the date of retirement shall be payable in accordance with Section 7.

A number of unmatured Restricted Stock Units held by the Participant as at the date of retirement prorated based on the number of days of active employment of the Participant during the applicable Term to the total number of days in the Term, shall continue to mature following retirement in accordance with the Plan.

All other unmatured Restricted Stock Units held by such Participant shall be cancelled as at the date of retirement.

Notwithstanding the foregoing, should a Participant qualify for retirement under the definition provided within this subsection 8(e), and should the employment of such Participant with the Corporation or a Subsidiary be terminated by the Corporation (or its Subsidiary) for any reason other than For Cause, the provisions of subsection 8(b) will apply.

(f) Disability

If the employment of a Participant with the Corporation or a Subsidiary is terminated as a result of the "disability" of such Participant, all Restricted Stock Units held by such Participant as at the date of disability, whether matured or unmatured, as of the last day of such Participant's active employment with the Corporation (or its Subsidiary) prior to such disability shall continue to be treated as if the Participant were actively employed by the Corporation (or its Subsidiary).

For purposes of this subsection, a Participant shall be considered to be suffering from a "disability" if he or she is eligible for benefits under a Corporation-sponsored long term disability benefits plan.

(g) Leaves of Absence

If a Participant commences a parental or another leave approved by the Corporation or a Subsidiary for a period longer than three months, all unpaid and matured Restricted Stock Units held by the Participant as at the last day of such Participant's active employment with the Corporation (or its Subsidiary) shall be payable in accordance with Section 7.

A number of unmatured Restricted Stock Units held by such Participant as at the commencement of such Participant's leave prorated based on the number of days of active employment of the Participant during the Term to the total number of days in the Term, shall continue to mature in accordance with the Plan during such Participant's Leave. Such number of Restricted Stock Units shall be paid in accordance with Section 7.

All other unmatured Restricted Stock Units held by the Participant shall be cancelled.

Grants of Restricted Stock Units may be made to a Participant while such Participant is on a leave of absence for short term disability, family & medical leave or maternity, paternity, parental or adoption leave, but no grants of Restricted Stock Units may be made to a Participant while such Participant is on any other leave of absence.

(h) Secondments

If a Participant is seconded to an entity other than a Subsidiary, the CEO shall determine the manner in which all Restricted Stock Units held by the Participant as at the date of the secondment shall be treated under the Plan; provided that no such Restricted Stock Units shall be treated in a manner that could cause the Participant to be subject to adverse tax treatment under Code Section 409A.

(i) Double Trigger Change of Control

With respect to any Restricted Stock Units held by a Participant as at February 15, 2017, the "Change of Control" provisions of subsection 8(i) of the Restricted Stock Unit Plan (2006, as revised effective November 2014) shall continue to apply.

With respect to any Restricted Stock Units granted to a Participant on or after February 16, 2017, if the employment of a Participant with the Corporation or a Subsidiary is terminated by the Corporation (or its Subsidiary) other than For Cause (including if a Participant's employment terminates due to the constructive dismissal of the Participant) within 2 years after the Change of Control, such Participant's date of termination of employment being the "Double Trigger Date", then the following provisions of this subsection 8(i) shall apply.

All unpaid and matured Restricted Stock Units held by a Participant as at the Double Trigger Date, where the Maturity Date is December 1 of the year prior to the Double Trigger Date, shall continue to be payable in accordance with their terms.

All unmatured Restricted Stock Units held by the Participant as at the Double Trigger Date shall mature on the Double Trigger Date. Each Participant shall have paid to him or her within 75 days of the Double Trigger Date occurring, in full satisfaction for any amounts payable pursuant to Restricted Stock Units under the Plan, an amount calculated pursuant to Section 7 in respect of all matured Restricted Stock Units held by such Participant.

Notwithstanding the above, with respect to Participants who are U.S. Taxpayers, no payment shall be made and no Restricted Stock Unit shall mature under this subsection 8(i) unless the termination of the Participant's employment constitutes a "separation from service" as defined under Code Section 409A. Furthermore, with respect to Participants who are U.S. Taxpayers, any amount payable pursuant to this subsection 8(i) shall be paid within thirty (30) days after the date that is six (6) months following the Double Trigger Date.

(j) No Future Grants

Upon the occurrence of any of the foregoing events listed under subsections 8(a) to (f) in respect of a Participant, such Participant shall not be entitled to receive any further Restricted Stock Unit grants and, except as set forth herein, shall not be entitled to receive cash payment for the value of any unpaid Restricted Stock Units, matured or unmatured, held by the Participant as at the date of occurrence of such event.

9. FUNDING

Except as contemplated in subsection 8(i), for certainty, the Corporation has no obligation during the Term to pay or deposit any money into an account for the benefit of a Participant or to issue from treasury or purchase any Shares or other securities, to or for a Participant.

10. TAXES AND REPORTING

Notwithstanding anything else contained herein, each Participant shall be responsible for the payment of all applicable taxes, including, but not limited to, income taxes payable in connection with the payment of the value of the Restricted Stock Units and the Corporation, its employees and agents shall bear no liability in connection with the payment of such taxes. The Corporation shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments.

11. NO GUARANTEE OF EMPLOYMENT

The existence of the Plan is in no way to be construed as a guarantee of continued employment for any Participant, or of entitlement to any future Plan awards, benefits, or payments.

12. ADJUSTMENTS

(a) In the event that the outstanding Shares of the Corporation shall be increased or decreased, or changed into, or exchanged for a different number or kind of shares or other securities of the Corporation or another corporation, whether through a stock dividend, stock split, consolidation, recapitalization, amalgamation, reorganization, arrangement or other transaction, and such transaction or event is not a Change in Control, the HRC Committee or the Board may make appropriate adjustment to the number or kind of shares or securities upon which Restricted Stock Units are based under the Plan, and as regards to Restricted Stock Units previously granted or to be granted pursuant to the Plan, in the number and kind of shares or securities upon which the Restricted Stock Units are based.

(b) The appropriate adjustments in the number of Restricted Stock Units may be made by the Board in its discretion in order to give effect to the adjustments in the number

of Shares of the Corporation resulting from the implementation and operation of the Shareholder Rights Plan Agreement dated as of November 9, 1995 between the Corporation and CIBC Mellon Trust Company, as the same may be amended, replaced or substituted from time to time.

13. EFFECT OF REORGANIZATION

In the event of any take-over bid or any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution or similar transaction or other business combination that is not a Change of Control in which the Corporation is not the surviving or continuing corporation (a "Reorganization"), all Restricted Stock Units granted hereunder and outstanding on the date of such Reorganization shall be assumed by the surviving or continuing corporation or entity, provided that the HRC Committee or the Board may make appropriate adjustment in the manner in which maturing of or payment on such Restricted Stock Units will occur prior to such assumption. If, in the event of any such Reorganization, provision for such assumption satisfactory to the HRC Committee or the Board is not made by the surviving or continuing corporation, all unmatured Restricted Stock Units held by a Participant as at the date of the Reorganization shall mature on a date (the "Revised Maturity Date"), as determined by the HRC Committee, that is not less than seven days and not more than 30 days prior to the date of the Reorganization, and each Participant shall have paid to him or her, in full satisfaction for any amounts payable pursuant to Restricted Stock Units under the Plan, an amount calculated pursuant to Section 7 in respect of all matured Restricted Stock Units held by such Participant, such payment to be made within 30 days after the Revised Maturity Date determined by the HRC Committee.

Notwithstanding the above, with respect to Participants who are US Taxpayers, no payment shall be made and no vesting of any Restricted Stock Unit shall accelerate under this Section 13 unless such Reorganization also qualifies as a change in the ownership or effective control of the Corporation, or in the ownership of a substantial portion of the assets of the Corporation, within the meaning of Code Section 409A(2)(A)(v). In the case of a Reorganization that does not so qualify, payments to any such Participant shall be made in accordance with Section 7. The payment monies owing to these Participants will be placed in an irrevocable trust which is located in the United States of America and subject to the claims of the general creditors of the Corporation prior to the Reorganization.

14. AMENDMENTS, ETC.

The HRC Committee may at any time recommend to the Board for its approval the revision, suspension or discontinuance of the Plan in whole or in part. No such revision, suspension, or discontinuance shall alter or impair the rights of a Participant in respect of matured Restricted Stock Units of such Participant, without the consent of that Participant. In

addition, no such revision, suspension or discontinuance shall result in adverse taxation under Code Section 409A or cause the Plan to become a "salary deferral arrangement" for the purposes of the Income Tax Act (Canada), unless otherwise determined by the HRC Committee with the consent of the Participant.

15. TRANSFERABILITY

Restricted Stock Units are not transferable other than by will or according to the laws of descent and distribution.

16. CONFLICT WITH WRITTEN EMPLOYMENT AGREEMENT

In the event of a conflict between the terms of this Plan and the terms of any written employment agreement between a Participant and the Corporation, the terms of the written employment agreement shall prevail.

17. CODE SECTION 409A COMPLIANCE

With respect to any Participant who is a U.S. Taxpayer, the Corporation intends that the Plan shall comply with the applicable provisions of Code Section 409A, or an exemption from the application of Code Section 409A, in order to prevent the inclusion in the gross income of such Participant of any amount in a taxable year that is prior to the taxable year in which such amount would otherwise be paid or made available to such Participant under the terms of the Plan. The Plan shall be construed, interpreted and administered in a manner consistent with such intent. In furtherance of this intent, to the extent that any term of the Plan is ambiguous, such term shall be interpreted to comply with Code Section 409A, or an exemption from the application of Code Section 409A, as determined by the Corporation. In no event may any participant who is a U.S. Taxpayer designate, directly or indirectly, the calendar year of any payment to be made under the Plan.

18. INCENTIVE COMPENSATION CLAWBACK POLICY

Where applicable, payments made to Participants under this Plan will be governed by the terms of the Corporation's Incentive Compensation Clawback Policy.

19. EFFECTIVE DATE

The Plan was originally effective on September 1, 2006, and is amended and restated under the form of this Plan document to be effective as of February 16, 2017.

February 16, 2017

EXHIBIT 10.12

ENBRIDGE INC.

INCENTIVE STOCK OPTION PLAN (2007), as revised

1. PURPOSE

The purpose of the Incentive Stock Option Plan (2007) (the "**Plan**") is to:

(a) focus Participants on the share price appreciation in alignment with the long-term focus of the Corporation;

(b) assist in attracting, retaining, engaging and rewarding Participants, including officers, of the Corporation and its Subsidiaries; and

(c) provide an opportunity for Participants to earn competitive total compensation.

2. DEFINED TERMS

In this Plan (including any schedules to this Plan):

(a) **"affiliate"** has the meaning ascribed to that term in the Securities Act (Alberta);

(b) **"associate"** has the meaning ascribed to that term in the Securities Act (Alberta);

(c) **"Blackout Period"** means a period of time imposed by the Corporation where Participants holding Options may not trade in securities of the Corporation;

(d) **"Board"** means the Board of Directors of the Corporation;

(e) **"CEO"** means the Chief Executive Officer of the Corporation;

(f) **"Change of Control"** means:

(i) the sale to a person or acquisition by a person not affiliated with the Corporation or its Subsidiaries of assets of the Corporation or its Subsidiaries having a value greater than 50% of the fair market value of the assets of the Corporation and its Subsidiaries determined on a consolidated basis prior to such sale whether such sale or acquisition occurs by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise;

(ii) any change in the holding, direct or indirect, of shares of the Corporation by a person not affiliated with the Corporation as a result of which such person, or a group of persons, or persons acting in concert, or persons associated or affiliated with any such person or group within the meaning of the *Securities Act* (Alberta), are in a position to exercise effective control of the Corporation whether such

change in the holding of such shares occurs by way of takeover bid, reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise; and for the purposes of this Plan, a person or group of persons holding shares or other securities in excess of the number which, directly or following conversion thereof, would entitle the holders thereof to cast 20% or more of the votes attaching to all shares of the Corporation which, directly or following conversion of the convertible securities forming part of the holdings of the person or group of persons noted above, may be cast to elect directors of the Corporation shall be deemed, other than a person holding such shares or other securities in the ordinary course of business as an investment manager who is not using such holding to exercise effective control, to be in a position to exercise effective control of the Corporation;

(iii) any reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction involving the Corporation where shareholders of the Corporation immediately prior to such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction hold less than 50% of the shares of the Corporation or of the continuing corporation following completion of such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, transfer, sale or other transaction;

(iv) the Corporation ceases to be a distributing corporation as that term is defined in the *Canada Business Corporations Act*;

(v) any event or transaction which the Board, in its discretion, deems to be a Change of Control; or

(vi) Incumbent Directors ceasing to be a majority of the Board; provided that:

(vii) any transaction whereby shares held by shareholders of the Corporation are transferred or exchanged for units or securities of a trust, partnership or other entity which trust, partnership or other entity continues to own directly or indirectly all of the shares of the Corporation previously owned by the shareholders of the Corporation and the former shareholders of the Corporation continue to be beneficial holders of such units or securities in the same proportions following the transaction as

they were beneficial holders of shares of the Corporation prior to the transaction will be deemed not to constitute a change of control; and

(viii) any change of control initiated or commenced by the Board (and whether or not such transaction was initiated or commenced by the Board shall be conclusively determined by the Board) will not constitute a change of control for purposes of this Plan;

(g) "**Code**" means the United States Internal Revenue Code of 1986, as amended;

(h) "**constructive dismissal**" means, unless consented to by the Participant, any action that constitutes constructive dismissal of the Participant, including without limiting the generality of the foregoing:

(i) where the Participant ceases to be an officer of the Corporation, unless the Participant is appointed as an officer of a successor to a material portion of the assets of the Corporation;

(ii) a material decrease in the title, position, responsibilities, powers or reporting relationships of the Participant;

(iii) a reduction in the base salary (excluding any annual incentive bonus) of the Participant; or

(iv) any material reduction in the value of the Participant's employee benefits, plans and programs (other than any annual incentive bonus);

(i) "**Corporation**" means Enbridge Inc., and includes any successor entity thereto;

(j) "**Director**" means a director of the Corporation;

(k) "**Fair Market Value**" means, as of a particular day, the weighted average of the board lot trading prices per Share on the Toronto Stock Exchange, or the New York Stock Exchange, for the last five Trading Days immediately prior to such day;

(l) "**For Cause**" includes "just cause" as defined in the common law and also includes any circumstance in which the Participant shall have been convicted of a criminal act of dishonesty resulting or intending to result directly or indirectly in gain or personal enrichment of the Participant;

(m) "**Grant Date**" has the meaning set forth in Section 6(c); (n) "Grant Price" has the meaning set forth in Section 6(c);

(o) "**HRC Committee**" means the Human Resources & Compensation Committee of the Board, established and duly authorized to act in accordance with the By-Laws of the Corporation;

(p) "**Incumbent Director**" means any member of the Board who was a member of the Board immediately prior to the occurrence of the transaction, elections or appointments giving rise to a Change of Control and any successor to an Incumbent Director who was recommended for election at a meeting of shareholders of the Corporation, or elected or appointed to succeed any Incumbent Director, by the affirmative vote of the Directors, which affirmative vote includes a majority of the Incumbent Directors then on the Board;

(q) "**Insider**" means:

(i) an insider, as defined in the *Securities Act* (Alberta); and

(ii) an associate of any person who is an insider by virtue of (i) above;

(r) "**Notice Period**" means the notice period for termination of employment agreed to between the Corporation (or its Subsidiary) and the Participant, or, in the absence of any such agreement, the notice period required under applicable law;

(s) "**Option**" means an Option to purchase Shares granted to the Participant in accordance with the terms and conditions of this Plan;

(t) "**Participant**" means any employee, including an officer, of the Corporation or a Subsidiary who has been designated by the HRC Committee to receive and be granted Options in accordance with Section 5;

(u) "**Plan**" means the Incentive Stock Option Plan (2007) of the Corporation described in this document, and as the same may be duly amended or varied from time to time in accordance with the provisions of this Plan;

(v) "**Retirement Plan**" means a pension plan of the Corporation established or in effect from time to time which applies when an employee retires from the employment of the Corporation or any of its Subsidiaries;

(w) "**Share**" means a common share in the capital of the Corporation;

(x) "**Share Reserve**" has the meaning ascribed to that term in Section 4;

(y) "**Subsidiary**" means:

(i) any corporation that is a subsidiary (as such term is defined in the *Canada Business Corporations Act*) of the Corporation, as such provision is from time to time amended, varied or re-enacted;

(ii) any partnership or limited partnership that is controlled by the Corporation (the Corporation will be deemed to control a partnership or limited partnership if the Corporation possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such partnership or limited partnership, whether through the ownership of voting securities, by contract or otherwise); and

(iii) subject to regulatory approval, any corporation, partnership, limited partnership, trust, limited liability company or other form of business entity that the HRC Committee determines ought to be treated as a subsidiary for purposes of the Plan, provided that the HRC Committee shall have the sole discretion to determine that any such entity has ceased to be a subsidiary for purposes of the Plan;

(z) "**Term**" has the meaning ascribed to that term in Section 6;

(aa) "**Trading Day**" means any day on which the Toronto Stock Exchange or the New York Stock Exchange, as the case may be, is open for trading; and

(bb) "**United States Incentive Stock Option**" has the meaning set forth in Section 8(a).

3. GOVERNANCE

(a) Subject to any determinations or approvals required to be made by the Board, the HRC Committee will administer the Plan in its sole discretion. The HRC Committee shall have the full power and sole responsibility to interpret the provisions of the Plan and to make regulations and formulate administrative provisions for its implementation, and to make such changes in the regulations and administrative procedures as, from time to time, the HRC Committee deems proper and in the best interests of the Corporation. Such regulations and provisions may include the delegation to any Director or Directors or any officer or officers of the Corporation or its Subsidiaries of such administrative duties and powers of the HRC Committee as it may, in its sole discretion, deem fit. The determinations of the HRC Committee in the administration of the Plan shall be final and conclusive.

(b) The HRC Committee is also authorized to approve, for each Option granted under the Plan, the terms for vesting any Option granted under the Plan.

(c) Subject to Section 12, the HRC Committee may waive any restrictions with respect to participation in the Plan or vesting with respect to any specific

Participants where, in the opinion of the HRC Committee, it is reasonable to do so and such waiver does not prejudice the rights of the Participant under the Plan.

(d) Subject to Section 12, the HRC Committee may amend the Plan for any general administrative matters, correct, remedy or reconcile any errors, inconsistencies or ambiguities, cashless exercise, vesting or termination provisions, and recommend to the Board for its approval any other amendments.

(e) Grants to Participants will be considered each year, unless otherwise determined in the sole discretion of the HRC Committee.

4. SHARES AND SHARE RESERVE

The Shares subject to the Options and other provisions of the Plan shall be authorized and unissued common shares of the Corporation. The total number of Shares reserved to be issued under the Plan (and its predecessors) and the Performance Stock Option Plan (2007) shall not exceed in the aggregate 16,500,000 Shares (the "**Share Reserve**"), subject to the adjustment provisions set forth in Section 9. Shares subject to Options which are terminated, cancelled or expire prior to exercise shall be available for the grant of further Options hereunder.

Any changes to the Share Reserve, shall be recommended by the CEO to the HRC Committee for its review and recommendation to the Board. Any increase in the Share Reserve shall be subject to the approval of the shareholders of the Corporation in accordance with the rules of the Toronto Stock Exchange.

5. PARTICIPATION AND GRANT OF OPTIONS

(a) The CEO may from time to time recommend to the HRC Committee employees of the Corporation or its Subsidiaries for participation in the Plan and the extent and terms of their participation. The HRC Committee shall consider such recommendations and may approve such recommended employees for participation in the Plan and the extent and terms of their participation, subject to the following:

(i) the total number of Shares reserved for issuance to any one Participant pursuant to all security based compensation arrangements of the Corporation shall not exceed in the aggregate 5% of the number of Shares outstanding at the time of reservation;

(ii) the total number of Shares reserved for issuance to Insiders pursuant to all security based compensation arrangements of the Corporation shall not exceed 10% of the number of Shares outstanding at the time of reservation;

(iii) the total number of Shares issued to Insiders pursuant to all security based compensation arrangements of the Corporation within any one-

year period shall not exceed 10% of the number of Shares outstanding at the time of issuance (excluding any other shares issued under all security based compensation arrangements of the Corporation during such one-year period); and

(iv) the total number of Shares issued to any one Insider and such Insider's associates (as defined in the *Securities Act* (Alberta)) pursuant to all security based compensation arrangements of the Corporation within any one-year period shall not exceed 5% of the number of Shares outstanding at the time of issuance (excluding any other shares issued under all security based compensation arrangements of the Corporation during such one-year period).

For the purposes of (ii), (iii) and (iv) above, any entitlement to acquire Shares granted pursuant to the Plan prior to the Participant becoming an Insider are to be excluded from the calculation.

(b) The CEO:

(i) may issue inducement grants to any new employee of the Corporation, or a Subsidiary other than new employees that report directly to the CEO and may with the approval of the HRC Committee issue inducement grants to new employees that report directly to the CEO, provided that the number of Options comprising any such grant shall not exceed the lesser of: (i) the amount provided for in the policies of the HRC Committee from time to time; and (ii) 2% of the number of outstanding Shares (on a non-dilutive basis) at the applicable date, and such inducement grant will be reported to the HRC Committee at the next committee meeting; and

(ii) shall recommend to the HRC Committee specific grants to Participants who report directly to the CEO and the total grants for all other levels of Participants.

(c) The HRC Committee shall:

(i) determine and recommend to the Board, for its approval, the grant date of Options;

(ii) determine and recommend to the Board, for its approval, the grants to be made to the CEO; and

(iii) review and recommend to the Board, for its approval, any other grants made pursuant to the Plan.

(d) Directors who are not full-time employees of the Corporation or a Subsidiary shall not be eligible to become Participants.

(e) A designated employee shall have the right not to participate in the Plan, and any decision not to participate shall not affect his or her employment with the Corporation or a Subsidiary. Participation in the Plan does not confer upon the Participant any right to continued employment with the Corporation or a Subsidiary.

6. OPTION TERMS

(a) Term

The term ("**Term**") during which an Option shall be exercisable shall be fixed by the HRC Committee at the time of grant, but in no case shall a term exceed 10 years, and each Option shall be subject to earlier termination, as provided in Section 7; provided that when the Term expires in a Blackout Period the Term shall be extended to a date that is five Trading Days after the end of the Blackout Period.

(b) Exercise

An Option shall vest and become exercisable in accordance with the terms set by the HRC Committee at the time of grant. A Participant may exercise vested installments of his or her Option in whole or in part at any time and from time to time during the Term.

(c) Grant and Price

Subject to the following sentence, the price (the "**Grant Price**") at which Shares will be issued to a Participant pursuant to the Option shall be determined on the date (the "**Grant Date**") that the Option is awarded and the Grant Price shall not be less than 100% of the Fair Market Value determined as at the Grant Date. If an Option is awarded at a time when a Blackout Period is in effect, the Grant Price of the Option will be set on and the Grant Date will be the sixth Trading Day following the termination of the Blackout Period; provided that where another Blackout Period commences within such six Trading Days, the determination of the Grant Price and the Grant Date will be further postponed and will be set as provided above in this sentence (and so on from time to time).

(d) Payment

Participants shall be required to make payment in full for any Shares purchased upon the exercise, in whole or in part, of any Option granted under the Plan and no Shares shall be issued until full payment has been made. Payment must be in the currency of Canada or the United States of America.

(e) Share Settled Options

If approved by the Board, in lieu of paying the Grant Price for the Shares to be issued pursuant to such exercise, the Participant may elect to acquire the number

of Shares determined by subtracting the Grant Price from the Fair Market Value of the Shares on the date of exercise, multiplying the difference by the number of Shares in respect of which the Option was otherwise being exercised and then dividing that product by such Fair Market Value of the Shares. In such event, the number of Shares as so determined (and not the number of Shares to be issued under the Option) will be deemed to be issued under the Plan.

(f) Share Ownership Guidelines

If on exercise of any Options the number of Shares held by the Participant is less than the number of Shares to be held by him or her pursuant to any share ownership guidelines of the Corporation in effect from time to time and applicable to such Participant, then the Participant shall be required to retain Shares acquired on exercise of Options (net of Shares that are required to be sold by the Participant to meet any tax liabilities arising on exercise of the Options) to meet the requirements of such share ownership guidelines.

(g) Transferability

Options are not transferable or assignable other than by will or according to the laws of descent and distribution.

7. TERMINATION

(a) Voluntary Termination

If a Participant voluntarily terminates his or her employment with the Corporation or a Subsidiary, all unexercised and vested Options held by such Participant as at the last day of such Participant's employment with the Corporation (or its Subsidiary) shall remain exercisable until the earlier of: (i) 30 days following the Participant's last day of employment with the Corporation (or its Subsidiary); and (ii) the expiry of the Term of the Options; following which any unexercised and vested Options shall be cancelled.

All unvested Options held by the Participant as at the last day of the Participant's employment with the Corporation (or its Subsidiary) shall be cancelled on the Participant's last day of employment with the Corporation (or its Subsidiary).

(b) Involuntary Termination Not For Cause

If the employment of a Participant is terminated by the Corporation or a Subsidiary other than For Cause, all unexercised and vested Options held by such Participant as at the Participant's last day of employment with the Corporation (or its Subsidiary) shall remain exercisable until the earlier of: (i) 30 days following the expiration of any Notice Period; and (ii) the expiry of the Term of the Options; following which any vested and unexercised Options shall be cancelled.

All unvested Options held by the Participant on the last day of employment with the Corporation (or its Subsidiary) shall continue to vest in accordance with the Plan and shall be exercisable until the earlier of: (i) 30 days following the expiry of the Notice Period; and (ii) the expiry of the Term of the Options; following which all vested and unexercised Options and all unvested Options shall be cancelled.

For the purposes of this subsection 7(b), if a Participant's employment terminates due to the constructive dismissal of the Participant, such termination shall be treated as an involuntary termination by the Corporation or a Subsidiary other than For Cause.

(c) Involuntary Termination For Cause

If the employment of a Participant is terminated by the Corporation or a Subsidiary For Cause, all Options held by such Participant as at the date of such termination, whether vested or unvested, shall be cancelled on the Participant's last day of active employment with the Corporation (or its Subsidiary).

(d) Death

If the employment of a Participant with the Corporation or a Subsidiary is terminated as a result of the death of such Participant, all unvested Options held by such Participant shall vest on the date of such Participant's death. All outstanding Options held by such Participant as at the date of termination of the Participant shall remain exercisable until the earlier of: (i) 12 months following the date of such Participant's death; and (ii) the expiry of the Term of the Options; following which any unexercised Options shall be cancelled.

(e) Retirement

If a Participant has attained the age of 55 and retires from his or her employment with the Corporation or a Subsidiary pursuant to a Retirement Plan and he or she is eligible for benefits under a Retirement Plan, all Options (vested and unvested) held by such Participant as at the Participant's last day of employment with the Corporation (or its Subsidiary) shall continue in accordance with the Plan, including vesting as provided in the Plan; provided that Options may only be exercised until the earlier of: (i) three years following the date of such Participant's retirement; and (ii) the expiry of the Term of the Options; following which any unexercised and vested Options and unvested Options shall be cancelled.

(f) Disability

If the employment of a Participant with the Corporation (or a Subsidiary) is terminated as a result of the "disability" of such Participant, all Options held by such Participant on the last day of the Participant's employment with the

Corporation (or its Subsidiary) shall continue in accordance with the terms of such Options as if the Participant continued to be actively employed by the Corporation (or its Subsidiary).

For purposes of the foregoing, a Participant shall be considered to be suffering from a "disability" if he or she is eligible for benefits under a Corporation-sponsored long term disability benefits plan.

(g) Leaves of Absence

If a Participant is on a parental or other leave of absence approved by the Corporation or a Subsidiary for a period of greater than three months, all unexercised and vested Options held by such Participant as at the Participant's last day of active employment prior to such parental or other leave shall continue to be exercisable in accordance with the terms of such Options, following which all unexercised and vested Options held by such Participant shall be cancelled. All unvested Options held by such Participant as at the Participant's last day of active employment prior to such parental or other leave shall continue to vest during such Participant's leave, provided that if the Participant does not return to active employment by the end of the leave, all vested and unvested Options as at the end of the leave of absence shall be treated in accordance with the second paragraph of subsection 7(a) on the assumption that the Participant's last day of employment is the end of the leave of absence. Unless otherwise determined by the HRC Committee, no additional Option grants shall be made to any Participant during such Participant's leave of absence.

(h) Secondments

If a Participant is seconded to an entity other than a Subsidiary, the HRC Committee (in the case of Participants that report directly to the CEO) and the CEO (in the case of all other Participants) shall determine the manner in which all Options, vested and unvested, held by the Participant as at the date of the secondment shall be treated under the Plan.

(i) Change of Control

In the event of a Change of Control, all unvested Options held by a Participant shall vest on a date, as determined by the HRC Committee, that is not more than 30 days and not less than five days prior to the date of the Change of Control. In connection with any Change of Control, the HRC Committee will allow, where necessary in the circumstances, for the conditional vesting and exercise of Options and where such conditions are not met and the Change of Control does not occur the Options shall continue as if no vesting or exercise had occurred.

(j) No Future Grants; No Cash Payment

Upon the occurrence of any of the foregoing events listed under subsections 7(a) to (f) in respect of a Participant, such Participant shall not be entitled to receive any further Option grants or the value of any grants foregone as a consequence of any such event and, except as set forth herein, shall not be entitled to receive any cash payment for the value of any unexercised Options, vested or unvested, held by the Participant as at the date of occurrence of such event.

8. TERMS AND CONDITIONS OF UNITED STATES INCENTIVE STOCK OPTIONS

(a) Designated employees of any Subsidiary located in the United States of America may be granted "incentive stock options" within the meaning of Section 422 of the Code ("**United States Incentive Stock Options**"). The maximum number of Shares that may be issued under the Plan as United States Incentive Stock Options shall not be greater than 2,000,000 Shares. An Option that is a United States Incentive Stock Option will be designated as such in the applicable Option agreement and no Option that is not so designated will be treated as a United States Incentive Stock Option under the Plan.

(b) No United States Incentive Stock Options shall be granted to any Participant if, as a result of such grant, the aggregate Fair Market Value (as of the time the Option is proposed to be granted) of the Shares covered by all the United States Incentive Stock Options granted under this Plan, and any other plan of the Corporation or any Subsidiary, to the Participant, which are or will become exercisable for the first time by the Participant in a single calendar year, exceeds US $100,000 or such amount as shall be specified in Section 422 of the Code.

(c) The exercise price of a United States Incentive Stock Option shall not be less than 100% of Grant Price as at the Grant Date.

(d) No United States Incentive Stock Option may be granted under the Plan to any individual who, at the time the option is granted, owns stock possessing more than 10% of the total combined voting power of all classes of stock of his or her employer corporation or of its parent or subsidiary corporations (as such ownership may be determined for purposes of Section 422(b)(6) of the Code), unless (i) at the time such United States Incentive Stock Option is granted, the Grant Price is at least 110% of the Fair Market Value of the Shares subject thereto and (ii) the United States Incentive Stock Option by its terms is not exercisable after the expiration of five years from the date granted.

(e) Notwithstanding the provisions of this Section 8, exercise periods for United States Incentive Stock Options on the happening of an event described in Sections 7(b), (d), (e) and (f) shall be as set forth in the applicable Option agreement.

(f) United States Incentive Stock Options shall otherwise be subject to the terms and conditions as set forth in this Plan.

9. ADJUSTMENTS

(a) In the event that the number of outstanding Shares is increased or decreased, or changed into, or exchanged for a different number or kind of shares or other securities of the Corporation or another corporation, whether through a stock dividend, stock split, consolidation, recapitalization, amalgamation, reorganization, arrangement or other transaction effected without receipt of consideration, the HRC Committee or the Board may make appropriate adjustment in the number or kind of shares or securities available for Options pursuant to the Plan and, as regards Options previously granted or to be granted pursuant to the Plan, in the number and kind of shares or securities and the purchase price thereof and the manner in which installments of the Options vest and become exercisable.

(b) The appropriate adjustments in the number of Shares under Option, the Grant Price per share and the period during which each Option may be exercised may be made by the Board in its discretion and in order to give effect to the adjustments in the number of shares of the Corporation resulting from the implementation and operation of the Shareholder Rights Plan Agreement dated as of November 9, 1995 between the Corporation and CIBC Mellon Trust Company, as amended, restated or revised from time to time.

10. EFFECT OF REORGANIZATION

In the event of any take-over bid or any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution or similar transaction or other business combination that is not a Change of Control in which the Corporation is not the surviving or continuing corporation (a "**Reorganization**"), all Options granted hereunder and outstanding on the date of such Reorganization, shall be assumed by the surviving or continuing corporation, provided that the HRC Committeeor the Board may make appropriate adjustment in the manner in which installments of the Options become exercisable prior to such assumption. If, in the event of any such Reorganization, provision for such assumption satisfactory to the HRC Committee or the Board is not made by the surviving or continuing corporation, each Participant shall have distributed to him or her within 30 days after the Reorganization in full satisfaction in the case of an unexpired Option, or part thereof, whether or not exercisable, cash representing the excess, if any, of the Fair Market Value of the Shares determined as at the third Trading Day immediately preceding the closing date of such Reorganization over the exercise price of such Option (less applicable tax withholdings).

11. TAXES AND REPORTING

Notwithstanding anything else contained herein, each Participant shall be responsible for the payment of all applicable taxes, including, but not limited to, income taxes payable in connection with the exercise of any Options under the Plan and the Corporation, its employees and agents shall bear no liability in connection with the payment of such taxes.

12. AMENDMENT OF THE PLAN

The HRC Committee may at any time recommend to the Board for its approval the revision, suspension or discontinuance of this Plan in whole or in part. The Board may also at any time amend, revise or repeal any terms of this Plan and any Option granted under this Plan (any such change, an "amendment") without obtaining approval of the shareholders. Notwithstanding the foregoing, the Corporation will obtain the approval of the shareholders of the Corporation for an amendment relating to:

(a) the maximum number of shares reserved for issuance under the Plan; (b) a reduction in the Grant Price for any Options;

(c) the cancellation of any Options and the reissue of or replacement of such Options with Options having a lower Grant Price;

(d) an extension to the term of any Option;

(e) any change allowing other than full-time employees of the Corporation or a Subsidiary to become Participants in the Plan;

(f) any change whereby Options would become transferable or assignable other than by will or according to the laws of descent and distribution.

13. CONFLICT WITH WRITTEN EMPLOYMENT AGREEMENT

In the event of a conflict between the terms of this Plan and the terms of any written employment agreement between a Participant and the Corporation, the terms of the written employment agreement shall prevail.

14. EFFECTIVE DATE

The Plan shall be effective as of January 1, 2007, provided that any Option issued under this Plan may not be exercised until this Plan has been approved by the Shareholders of the Corporation in accordance with the rules of the Toronto Stock Exchange (and where applicable, the rules of other stock exchanges on which the Shares may be listed and posted for trading). On the effective date, the Incentive Stock Option Plan (2002) (the "**Prior Plan**") shall be discontinued, except with respect to unexercised Options outstanding under the Prior Plan.

EXHIBIT 10.13

ENBRIDGE INC.

INCENTIVE STOCK OPTION PLAN (2007), as amended and restated (2011)

1. PURPOSE

The purpose of the Incentive Stock Option Plan (2007), as amended and restated (the "**Plan**") is to:

(a) focus Participants on the share price appreciation in alignment with the long-term focus of the Corporation;

(b) assist in attracting, retaining, engaging and rewarding Participants, including officers, of the Corporation and its Subsidiaries; and

(c) provide an opportunity for Participants to earn competitive total compensation.

2. DEFINED TERMS

In this Plan (including any schedules to this Plan):

(a) "**affiliate**" has the meaning ascribed to that term in the *Securities Act* (Alberta);

(b) **"associate"** has the meaning ascribed to that term in the *Securities Act* (Alberta);(c) "**Blackout Period**" means a period of time imposed by the Corporation where Participants holding Options may not trade in securities of the Corporation

(d) "**Board**" means the Board of Directors of the Corporation;

(e) "**CEO**" means the Chief Executive Officer of the Corporation;

(f) "**Change of Control**" means:

(i) the sale to a person or acquisition by a person not affiliated with the Corporation or its Subsidiaries of assets of the Corporation or its Subsidiaries having a value greater than 50% of the fair market value of the assets of the Corporation and its Subsidiaries determined on a consolidated basis prior to such sale whether such sale or acquisition occurs by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise;

(ii) any change in the holding, direct or indirect, of shares of the Corporation by a person not affiliated with the Corporation as a result of which such

person, or a group of persons, or persons acting in concert, or persons associated or affiliated with any such person or group within the meaning of the *Securities Act* (Alberta), are in a position to exercise effective control of the Corporation whether such change in the holding of such shares occurs by way of takeover bid, reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise; and for the purposes of this Plan, a person or group of persons holding shares or other securities in excess of the number which, directly or following conversion thereof, would entitle the holders thereof to cast 20% or more of the votes attaching to all shares of the Corporation which, directly or following conversion of the convertible securities forming part of the holdings of the person or group of persons noted above, may be cast to elect directors of the Corporation shall be deemed, other than a person holding such shares or other securities in the ordinary course of business as an investment manager who is not using such holding to exercise effective control, to be in a position to exercise effective control of the Corporation;

(iii) any reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction involving the Corporation where shareholders of the Corporation immediately prior to such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction hold less than 50% of the shares of the Corporation or of the continuing corporation following completion of such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, transfer, sale or other transaction;

(iv) the Corporation ceases to be a distributing corporation as that term is defined in the *Canada Business Corporations Act*;

(v) any event or transaction which the Board, in its discretion, deems to be a Change of Control; or

(vi) Incumbent Directors ceasing to be a majority of the Board; provided that:

(vii) any transaction whereby shares held by shareholders of the Corporation are transferred or exchanged for units or securities of a trust, partnership or other entity which trust, partnership or other entity continues to own directly or indirectly all of the shares of the Corporation previously owned by the shareholders of the Corporation and the former shareholders of the Corporation continue to be beneficial holders of such units or securities in

the same proportions following the transaction as they were beneficial holders of shares of the Corporation prior to the transaction will be deemed not to constitute a change of control; and

(viii) any change of control initiated or commenced by the Board (and whether or not such transaction was initiated or commenced by the Board shall be conclusively determined by the Board) will not constitute a change of control for purposes of this Plan;

(g) "**Code**" means the United States Internal Revenue Code of 1986, as amended;

(h) "**constructive dismissal**" means, unless consented to by the Participant, any

action that constitutes constructive dismissal of the Participant, including without limiting the generality of the foregoing:

(i) where the Participant ceases to be an officer of the Corporation, unless the Participant is appointed as an officer of a successor to a material portion of the assets of the Corporation;

(ii) a material decrease in the title, position, responsibilities, powers or reporting relationships of the Participant;

(iii) a reduction in the base salary (excluding any annual incentive bonus) of the Participant; or

(iv) any material reduction in the value of the Participant's employee benefits, plans and programs (other than any annual incentive bonus);

(i) "**Corporation**" means Enbridge Inc., and includes any successor entity thereto;

(j) "**Director**" means a director of the Corporation;

(k) "**Fair Market Value**" means, as of a particular day, the weighted average of the board lot trading prices per Share on the Toronto Stock Exchange, or the New York Stock Exchange, for the last five Trading Days immediately prior to such day;

(l) "**For Cause**" includes "just cause" as defined in the common law and also includes any circumstance in which the Participant shall have been convicted of a criminal act of dishonesty resulting or intending to result directly or indirectly in gain or personal enrichment of the Participant;

(m) "**Grant Date**" has the meaning set forth in Section 6(c);

(n) "**Grant Price**" has the meaning set forth in Section 6(c);

(o) "**HRC Committee**" means the Human Resources & CompensationCommittee of the Board, established and duly authorized to act in accordance with the By-Laws of the Corporation;

(p) "**Incumbent Director**" means any member of the Board who was a member of the Board immediately prior to the occurrence of the transaction, elections or appointments giving rise to a Change of Control and any successor to an Incumbent Director who was recommended for election at a meeting of shareholders of the Corporation, or elected or appointed to succeed any Incumbent Director, by the affirmative vote of the Directors, which affirmative vote includes a majority of the Incumbent Directors then on the Board;

(q) **Insider**" means:

(i) an insider, as defined in the *Securities Act* (Alberta); and

(ii) an associate of any person who is an insider by virtue of (i) above;

(r) "**Notice Period**" means the notice period for termination of employment agreed to between the Corporation (or its Subsidiary) and the Participant, or, in the absence of any such agreement, the notice period required under applicable law;

(s) **"Option"** means an Option to purchase Shares granted to the Participant in accordance with the terms and conditions of this Plan;

(t) "**Participant**" means any employee, including an officer, of the Corporation or a Subsidiary who has been designated by the HRC Committee to receive and be granted Options in accordance with Section 5;

(u) "**Plan**" means the Incentive Stock Option Plan (2007) of the Corporation described in this document, and as the same may be duly amended or varied from time to time in accordance with the provisions of this Plan;

(v) "**Retirement Plan**" means a pension plan of the Corporation established or in effect from time to time which applies when an employee retires from the employment of the Corporation or any of its Subsidiaries;

(w) "**Share**" means a common share in the capital of the Corporation;

(x) "**Share Reserve**" has the meaning ascribed to that term in Section 4;

(y) "**Subsidiary**" means:

(i) any corporation that is a subsidiary (as such term is defined in the *Canada Business Corporations Act*) of the Corporation, as such provision is from time to time amended, varied or re-enacted;

(ii) any partnership or limited partnership that is controlled by the Corporation (the Corporation will be deemed to control a partnership or limited partnership if the Corporation possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such partnership or limited partnership, whether through the ownership of voting securities, by contract or otherwise); and

(iii) subject to regulatory approval, any corporation, partnership, limited partnership, trust, limited liability company or other form of business entity that the HRC Committee determines ought to be treated as a subsidiary for purposes of the Plan, provided that the HRC Committee shall have the sole discretion to determine that any such entity has ceased to be a subsidiary for purposes of the Plan;

(z) "**Term**" has the meaning ascribed to that term in Section 6;

(aa) "**Trading Day**" means any day on which the Toronto Stock Exchange or the New York Stock Exchange, as the case may be, is open for trading; and

(bb) "**United States Incentive Stock Option**" has the meaning set forth in Section 8(a).

3. GOVERNANCE

(a) Subject to any determinations or approvals required to be made by the Board, the HRC Committee will administer the Plan in its sole discretion. The HRC Committee shall have the full power and sole responsibility to interpret the provisions of the Plan and to make regulations and formulate administrative provisions for its implementation, and to make such changes in the regulations and administrative procedures as, from time to time, the HRC Committee deems proper and in the best interests of the Corporation. Such regulations and provisions may include the delegation to any Director or Directors or any officer or officers of the Corporation or its Subsidiaries of such administrative duties and powers of the HRC Committee as it may, in its sole discretion, deem fit. The determinations of the HRC Committee in the administration of the Plan shall be final and conclusive.

(b) The HRC Committee is also authorized to approve, for each Option granted under the Plan, the terms for vesting any Option granted under the Plan.

(c) Subject to Section 12, the HRC Committee may waive any restrictions with respect to participation in the Plan or vesting with respect to any specific Participants where, in the opinion of the HRC Committee, it is reasonable to do so and such waiver does not prejudice the rights of the Participant under the Plan.

(d) Subject to Section 12, the HRC Committee may amend the Plan for any general administrative matters, correct, remedy or reconcile any errors, inconsistencies or ambiguities, cashless exercise, vesting or termination provisions, and recommend to the Board for its approval any other amendments.

(e) Grants to Participants will be considered each year, unless otherwise determined in the sole discretion of the HRC Committee.

4. SHARES AND SHARE RESERVE

The Shares subject to the Options and other provisions of the Plan shall be authorized and unissued common shares of the Corporation. The total number of Shares initially reserved to be issued under the Plan (and its predecessors) and the Performance Stock Option Plan (2007) shall not exceed in the aggregate 16,500,000 Shares (the "**Initial Share Reserve**"), subject to the adjustment provisions set forth in Section 9. The total number of Shares added to the Initial Share Reserve and reserved to be issued under the Plan (and its predecessors) and the Performance Stock Option Plan (2007) shall not exceed in the aggregate 9,500,000 Shares (the "**Additional Share Reserve**" and, together with the Initial Share Reserve, the "**Share Reserve**"), subject to the adjustment provisions set forth in Section 9. Shares subject to Options which are terminated, cancelled or expire prior to exercise shall be available for the grant of further Options hereunder. In addition, the difference between (i) the number of Shares in respect of which an Option is being exercised and (ii) the number of Shares received under the Share Settled Option (as provided in Section 6(e)) shall be deemed not to be issued under the Plan and shall be available for the grant of further Options hereunder.

Any changes to the Share Reserve, including the Additional Share Reserve, shall be recommended by the CEO to the HRC Committee for its review and recommendation to the Board. Any increase in the Share Reserve, including the Additional Share Reserve, shall be subject to the approval of the shareholders of the Corporation in accordance with the rules of the Toronto Stock Exchange.

5. PARTICIPATION AND GRANT OF OPTIONS

(a) The CEO may from time to time recommend to the HRC Committee employees of the Corporation or its Subsidiaries for participation in the Plan and the extent and terms of their participation. The HRC Committee shall consider such recommendations and may approve such recommended employees for

participation in the Plan and the extent and terms of their participation, subject to the following:

(i) the total number of Shares reserved for issuance to any one Participant pursuant to all security based compensation arrangements of the Corporation shall not exceed in the aggregate 5% of the number of Shares outstanding at the time of reservation;

(ii) the total number of Shares reserved for issuance to Insiders pursuant to all security based compensation arrangements of the Corporation shall not exceed 10% of the number of Shares outstanding at the time of reservation;

(iii) the total number of Shares issued to Insiders pursuant to all security based compensation arrangements of the Corporation within any one-year period shall not exceed 10% of the number of Shares outstanding at the time of issuance (excluding any other shares issued under all security based compensation arrangements of the Corporation during such one-year period); and

(iv) the total number of Shares issued to any one Insider and such Insider's associates (as defined in the *Securities Act* (Alberta)) pursuant to all security based compensation arrangements of the Corporation within any one-year period shall not exceed 5% of the number of Shares outstanding at the time of issuance (excluding any other shares issued under all security based compensation arrangements of the Corporation during such one-year period).

For the purposes of (ii), (iii) and (iv) above, any entitlement to acquire Shares granted pursuant to the Plan prior to the Participant becoming an Insider are to be excluded from the calculation.

(b) The CEO:

(i) may issue inducement grants to any new employee of the Corporation, or a Subsidiary other than new employees that report directly to the CEO and may with the approval of the HRC Committee issue inducement grants to new employees that report directly to the CEO, provided that the number of Options comprising any such grant shall not exceed the lesser of: (i) the amount provided for in the policies of the HRC Committee from time to time; and (ii) 2% of the number of outstanding Shares (on a non-dilutive basis) at the applicable date, and such inducement grant will be reported to the HRC Committee at the next committee meeting; and

(ii) shall recommend to the HRC Committee specific grants to Participants who report directly to the CEO and the total grants for all other levels of Participants.

(c) The HRC Committee shall:

(i) determine and recommend to the Board, for its approval, the grant date of Options;

(ii) determine and recommend to the Board, for its approval, the grants to be made to the CEO; and

(iii) review and recommend to the Board, for its approval, any other grants made pursuant to the Plan.

(d) Directors who are not full-time employees of the Corporation or a Subsidiary shall not be eligible to become Participants.

(e) A designated employee shall have the right not to participate in the Plan, and any decision not to participate shall not affect his or her employment with the Corporation or a Subsidiary. Participation in the Plan does not confer upon the Participant any right to continued employment with the Corporation or a Subsidiary.

6. OPTION TERMS

(a) Term

The term ("**Term**") during which an Option shall be exercisable shall be fixed by the HRC Committee at the time of grant, but in no case shall a term exceed 10 years, and each Option shall be subject to earlier termination, as provided in Section 7; provided that when the Term expires in a Blackout Period the Term shall be extended to a date that is five Trading Days after the end of the Blackout Period.

(b) Exercise

An Option shall vest and become exercisable in accordance with the terms set by the HRC Committee at the time of grant. A Participant may exercise vested installments of his or her Option in whole or in part at any time and from time to time during the Term.

(c) Grant and Price

Subject to the following sentence, the price (the "**Grant Price**") at which Shares will be issued to a Participant pursuant to the Option shall be determined on the date (the "**Grant Date**") that the Option is awarded and the Grant Price shall not be less than 100% of the Fair Market Value determined as at the Grant Date. If an Option is awarded at a time when a Blackout Period is in effect, the Grant Price of the Option will be set on and the Grant Date will be the sixth Trading Day following the termination of the Blackout Period; provided that where another Blackout Period commences within such six Trading Days, the determination of the Grant Price and the Grant Date will be further postponed and will be set as provided above in this sentence (and so on from time to time).

(d) Payment

Participants shall be required to make payment in full for any Shares purchased upon the exercise, in whole or in part, of any Option granted under the Plan and no Shares shall be issued until full payment has been made. Payment must be in the currency of Canada or the United States of America.

(e) Share Settled Options

If approved by the Board, in lieu of paying the Grant Price for the Shares to be issued pursuant to such exercise, the Participant may elect to acquire the number of Shares determined by subtracting the Grant Price from the Then Fair Market Value of the Shares on the date of exercise, multiplying the difference by the number of Shares in respect of which the Option was otherwise being exercised and then dividing that product by the Then Fair Market Value of the Shares. For this purpose, the "**Then Fair Market Value**" means the price at which the Shares could be sold or are sold on the Toronto Stock Exchange or the New York Stock Exchange on the date of exercise of the Option. In such event, the number of Shares as so determined (and not the number of Shares to be issued under the Option) will be deemed to be issued under the Plan.

(f) Share Ownership Guidelines

If on exercise of any Options the number of Shares held by the Participant is less than the number of Shares to be held by him or her pursuant to any share ownership guidelines of the Corporation in effect from time to time and applicable to such Participant, then the Participant shall be required to retain Shares acquired on exercise of Options (net of Shares that are required to be sold by the Participant to meet any tax liabilities arising on exercise of the Options) to meet the requirements of such share ownership guidelines.

(g) Transferability

Options are not transferable or assignable other than by will or according to the laws of descent and distribution.

7. TERMINATION

(a) Voluntary Termination

If a Participant voluntarily terminates his or her employment with the Corporation or a Subsidiary, all unexercised and vested Options held by such Participant as at the last day of such Participant's employment with the Corporation (or its Subsidiary) shall remain exercisable until the earlier of: (i) 30 days following the Participant's last day of employment with the Corporation (or its Subsidiary); and (ii) the expiry of the Term of the Options; following which any unexercised and vested Options shall be cancelled.

All unvested Options held by the Participant as at the last day of the Participant's employment with the Corporation (or its Subsidiary) shall be cancelled on the Participant's last day of employment with the Corporation (or its Subsidiary).

(b) Involuntary Termination Not For Cause

If the employment of a Participant is terminated by the Corporation or a Subsidiary other than For Cause, all unexercised and vested Options held by such Participant as at the Participant's last day of employment with the Corporation (or its Subsidiary) shall remain exercisable until the earlier of: (i) 30 days following the expiration of any Notice Period; and (ii) the expiry of the Term of the
Options; following which any vested and unexercised Options shall be cancelled.

All unvested Options held by the Participant on the last day of employment with the Corporation (or its Subsidiary) shall continue to vest in accordance with the Plan and shall be exercisable until the earlier of: (i) 30 days following the expiry of the Notice Period; and (ii) the expiry of the Term of the Options; following which all vested and unexercised Options and all unvested Options shall be cancelled.

For the purposes of this subsection 7(b), if a Participant's employment terminates due to the constructive dismissal of the Participant, such termination shall be treated as an involuntary termination by the Corporation or a Subsidiary other than For Cause.

(c) Involuntary Termination For Cause

If the employment of a Participant is terminated by the Corporation or a Subsidiary For Cause, all Options held by such Participant as at the date of such termination, whether vested or unvested, shall be cancelled on the Participant's last day of active employment with the Corporation (or its Subsidiary).

(d) Death

If the employment of a Participant with the Corporation or a Subsidiary is terminated as a result of the death of such Participant, all unvested Options held by such Participant shall vest on the date of such Participant's death. All outstanding Options held by such Participant as at the date of termination of the Participant shall remain exercisable until the earlier of: (i) 12 months following
the date of such Participant's death; and (ii) the expiry of the Term of the Options;
following which any unexercised Options shall be cancelled.

(e) Retirement

If a Participant has attained the age of 55 and retires from his or her employment with the Corporation or a Subsidiary pursuant to a Retirement Plan and he or she is eligible for benefits under a Retirement Plan, all Options (vested and unvested) held by such Participant as at the Participant's last day of employment with the Corporation (or its Subsidiary) shall continue in accordance with the Plan, including vesting as provided in the Plan; provided that Options may only be exercised until the earlier of: (i) three years following the date of such Participant's retirement; and (ii) the expiry of the Term of the Options; following which any unexercised and vested Options and unvested Options shall be cancelled.

(f) Disability

If the employment of a Participant with the Corporation (or a Subsidiary) is terminated as a result of the "disability" of such Participant, all Options held by such Participant on the last day of the Participant's employment with the Corporation (or its Subsidiary) shall continue in accordance with the terms of such Options as if the Participant continued to be actively employed by the Corporation (or its Subsidiary).

For purposes of the foregoing, a Participant shall be considered to be suffering from a "disability" if he or she is eligible for benefits under a
Corporation-sponsored long term disability benefits plan.

(g) Leaves of Absence

If a Participant is on a parental or other leave of absence approved by the Corporation or a Subsidiary for a period of greater than three months, all unexercised and vested Options held by such Participant as at the Participant's last day of active employment prior to such parental or other leave shall continue to be exercisable in accordance with the terms of such Options, following which all unexercised and vested Options held by such Participant shall be cancelled. All unvested Options held by such Participant as at the Participant's last day of active employment prior to such parental or other leave shall continue to vest

during such Participant's leave, provided that if the Participant does not return to active employment by the end of the leave, all vested and unvested Options as at the end of the leave of absence shall be treated in accordance with the second paragraph of subsection 7(a) on the assumption that the Participant's last day of employment is the end of the leave of absence. Unless otherwise determined by
the HRC Committee, no additional Option grants shall be made to any Participant during such Participant's leave of absence.

(h) Secondments

If a Participant is seconded to an entity other than a Subsidiary, the HRC Committee (in the case of Participants that report directly to the CEO) and the CEO (in the case of all other Participants) shall determine the manner in which all Options, vested and unvested, held by the Participant as at the date of the secondment shall be treated under the Plan.

(i) Change of Control

In the event of a Change of Control, all unvested Options held by a Participant shall vest on a date, as determined by the HRC Committee, that is not more than
30 days and not less than five days prior to the date of the Change of Control. In connection with any Change of Control, the HRC Committee will allow, where necessary in the circumstances, for the conditional vesting and exercise of Options and where such conditions are not met and the Change of Control does not occur the Options shall continue as if no vesting or exercise had occurred.

(j) No Future Grants; No Cash Payment

Upon the occurrence of any of the foregoing events listed under subsections 7(a) to (f) in respect of a Participant, such Participant shall not be entitled to receive any further Option grants or the value of any grants foregone as a consequence of any such event and, except as set forth herein, shall not be entitled to receive any cash payment for the value of any unexercised Options, vested or unvested, held by the Participant as at the date of occurrence of such event.

8. TERMS AND CONDITIONS OF UNITED STATES INCENTIVE STOCK OPTIONS

(a) Designated employees of any Subsidiary located in the United States of America may be granted "incentive stock options" within the meaning of Section 422 of the Code ("**United States Incentive Stock Options**"). The maximum number of
Shares that may be issued under the Plan as United States Incentive Stock Options shall not be greater than 2,000,000 Shares. An Option that is a United States Incentive Stock Option will be designated as such in the applicable Option agreement and no Option that is not so designated will be treated as a United
States Incentive Stock Option under the Plan.

(b) No United States Incentive Stock Options shall be granted to any Participant if, as a result of such grant, the aggregate Fair Market Value (as of the time the Option is proposed to be granted) of the Shares covered by all the United States Incentive Stock Options granted under this Plan, and any other plan of the Corporation or any Subsidiary, to the Participant, which are or will become exercisable for the first time by the Participant in a single calendar year, exceeds US $100,000 or such amount as shall be specified in Section 422 of the Code.

(c) The exercise price of a United States Incentive Stock Option shall not be less than 100% of Grant Price as at the Grant Date.

(d) No United States Incentive Stock Option may be granted under the Plan to any individual who, at the time the option is granted, owns stock possessing more than 10% of the total combined voting power of all classes of stock of his or her employer corporation or of its parent or subsidiary corporations (as such ownership may be determined for purposes of Section 422(b) (6) of the Code), unless (i) at the time such United States Incentive Stock Option is granted, the Grant Price is at least 110% of the Fair Market Value of the Shares subject thereto and (ii) the United States Incentive Stock Option by its terms is not exercisable after the expiration of five years from the date granted.

(e) Notwithstanding the provisions of this Section 8, exercise periods for United States Incentive Stock Options on the happening of an event described in Sections 7(b), (d), (e) and (f) shall be as set forth in the applicable Option agreement.

(f) United States Incentive Stock Options shall otherwise be subject to the terms and conditions as set forth in this Plan.

9. ADJUSTMENTS

(a) In the event that the number of outstanding Shares is increased or decreased, or changed into, or exchanged for a different number or kind of shares or other securities of the Corporation or another corporation, whether through a stock dividend, stock split, consolidation, recapitalization, amalgamation, reorganization, arrangement or other transaction effected without receipt of consideration, the HRC Committee or the Board may make appropriate adjustment in the number or kind of shares or securities available for Options pursuant to the Plan and, as regards Options previously granted or to be granted pursuant to the Plan, in the number and kind of shares or securities and the purchase price thereof and the manner in which installments of the Options vest and become exercisable.

(b) The appropriate adjustments in the number of Shares under Option, the Grant Price per share and the period during which each Option may be exercised may be made by the Board in its discretion and in order to give effect to the adjustments

in the number of shares of the Corporation resulting from the implementation and operation of the Shareholder Rights Plan Agreement dated as of November 9,
1995 between the Corporation and CIBC Mellon Trust Company, as amended, restated or revised from time to time.

10. EFFECT OF REORGANIZATION

In the event of any take-over bid or any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution or similar transaction or other business combination that is not a Change of Control in which the Corporation is not the surviving or continuing corporation (a "**Reorganization**"), all Options granted hereunder and outstanding on the date of such Reorganization, shall be assumed by the surviving or continuing corporation, provided that the HRC Committee
or the Board may make appropriate adjustment in the manner in which installments of the Options become exercisable prior to such assumption. If, in the event of any such Reorganization, provision for such assumption satisfactory to the HRC Committee or the Board is not made by the surviving or continuing corporation, each Participant shall have distributed to him or her within 30 days after the Reorganization in full satisfaction in the case of an unexpired Option, or part thereof, whether or not exercisable, cash
representing the excess, if any, of the Fair Market Value of the Shares determined as at the third Trading Day immediately preceding the closing date of such Reorganization over the exercise price of such Option (less applicable tax withholdings).

11. TAXES AND REPORTING

Notwithstanding anything else contained herein, each Participant shall be responsible for the payment of all applicable taxes, including, but not limited to, income taxes payable in connection with the exercise of any Options under the Plan and the Corporation, its employees and agents shall bear no liability in connection with the payment of such
taxes.

12. AMENDMENT OF THE PLAN

The HRC Committee may at any time recommend to the Board for its approval the revision, suspension or discontinuance of this Plan in whole or in part. The Board may also at any time amend, revise or repeal any terms of this Plan and any Option granted under this Plan (any such change, an "amendment") without obtaining approval of the shareholders. Notwithstanding the foregoing, the Corporation will obtain the approval of the shareholders of the Corporation for an amendment relating to:

(a) the maximum number of shares reserved for issuance under the Plan;
(b) a reduction in the Grant Price for any Options;

(c) the cancellation of any Options and the reissue of or replacement of such Options with Options having a lower Grant Price;

(d) an extension to the term of any Option;

(e) any change allowing other than full-time employees of the Corporation or a Subsidiary to become Participants in the Plan;

(f) any change whereby Options would become transferable or assignable other than by will or according to the laws of descent and distribution; or

(g) any amendment to this Section 12.

13. CONFLICT WITH WRITTEN EMPLOYMENT AGREEMENT

In the event of a conflict between the terms of this Plan and the terms of any written employment agreement between a Participant and the Corporation, the terms of the written employment agreement shall prevail.

14. EFFECTIVE DATE

The Plan shall be effective as of January 1, 2007, provided that any Option issued under this Plan may not be exercised until this Plan has been approved by the shareholders of the Corporation in accordance with the rules of the Toronto Stock Exchange (and where applicable, the rules of other stock exchanges on which the Shares may be listed and posted for trading); provided further that any Options issued under this Plan pursuant to the Additional Share Reserve may not be exercised until the shareholders of the Corporation approve the provisions of Section 4 providing for the Additional Share Reserve. On the effective date, the Incentive Stock Option Plan (2002) (the "**Prior Plan**") shall be discontinued, except with respect to unexercised Options outstanding under the Prior Plan.

EXHIBIT 10.14

ENBRIDGE INC.

INCENTIVE STOCK OPTION PLAN (2007), as amended and restated (2011 and 2014)

1. PURPOSE

The purpose of the Incentive Stock Option Plan (2007), as amended and restated (the "**Plan**") is to:

(a) focus Participants on the share price appreciation in alignment with the long-term focus of the Corporation;

(b) assist in attracting, retaining, engaging and rewarding Participants, including officers, of the Corporation and its Subsidiaries; and

(c) provide an opportunity for Participants to earn competitive total compensation.

2. DEFINED TERMS

In this Plan (including any schedules to this Plan):

(a) "**affiliate**" has the meaning ascribed to that term in the *Securities Act* (Alberta);

(b) **"associate"** has the meaning ascribed to that term in the *Securities Act* (Alberta);

(c) "**Blackout Period**" means a period of time imposed by the Corporation where Participants holding Options may not trade in securities of the Corporation;

(d) "**Board**" means the Board of Directors of the Corporation;

(e) "**CEO**" means the Chief Executive Officer of the Corporation;

(f) "**Change of Control**" means:

(i) the sale to a person or acquisition by a person not affiliated with the Corporation or its Subsidiaries of assets of the Corporation or its Subsidiaries having a value greater than 50% of the fair market value of the assets of the Corporation and its Subsidiaries determined on a consolidated basis prior to such sale whether such sale or acquisition occurs by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise;

(ii) any change in the holding, direct or indirect, of shares of the Corporation by a person not affiliated with the Corporation as a result of which such
person, or a group of persons, or persons acting in concert, or persons associated or affiliated with any such person or group within the meaning of the *Securities Act* (Alberta), are in a position to exercise effective control of the Corporation whether such change in the holding of such shares occurs by way of takeover bid, reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise; and for the purposes of this Plan, a person or group of persons holding shares or other securities in excess of the number which, directly or following conversion thereof, would entitle the holders thereof to cast 20% or more of the votes attaching to all shares of the Corporation which, directly or following conversion of the convertible securities forming part of the holdings of the person or group of persons noted above, may be cast to elect directors of the Corporation shall be deemed, other than a person holding such shares or other securities in the ordinary course of business as an investment manager who is not using such holding to exercise effective control, to be in a position to exercise effective control of the Corporation;

(iii) any reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction involving the Corporation where shareholders of the Corporation immediately prior to such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction hold less than 50% of the shares of the Corporation or of the continuing corporation following completion of such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, transfer, sale or other transaction;

(iv) the Corporation ceases to be a distributing corporation as that term is defined in the *Canada Business Corporations Act*;

(v) any event or transaction which the Board, in its discretion, deems to be a Change of Control; or

(vi) Incumbent Directors ceasing to be a majority of the Board;

provided that:

(vii) any transaction whereby shares held by shareholders of the Corporation are transferred or exchanged for units or securities of a trust, partnership or other entity which trust, partnership or other entity continues to own

directly or indirectly all of the shares of the Corporation previously owned by the shareholders of the Corporation and the former shareholders of the Corporation continue to be beneficial holders of such units or securities in the same proportions following the transaction as they were beneficial holders of shares of the Corporation prior to the transaction will be deemed not to constitute a change of control; and

(viii) any change of control initiated or commenced by the Board (and whether or not such transaction was initiated or commenced by the Board shall be conclusively determined by the Board) will not constitute a change of control for purposes of this Plan;

(g) "**Code**" means the United States Internal Revenue Code of 1986, as amended;

(h) "**constructive dismissal**" means, unless consented to by the Participant, any action that constitutes constructive dismissal of the Participant, including without limiting the generality of the foregoing:

(i) where the Participant ceases to be an officer of the Corporation, unless the Participant is appointed as an officer of a successor to a material portion of the assets of the Corporation;

(ii) a material decrease in the title, position, responsibilities, powers or reporting relationships of the Participant;

(iii) a reduction in the base salary (excluding any annual incentive bonus) of the Participant; or

(iv) any material reduction in the value of the Participant's employee benefits, plans and programs (other than any annual incentive bonus);

(i) "**Corporation**" means Enbridge Inc., and includes any successor entity thereto;

(j) "**Director**" means a director of the Corporation;

(k) "**Fair Market Value**" means, as of a particular day, the weighted average of the board lot trading prices per Share on the Toronto Stock Exchange, or the New York Stock Exchange, for the last five Trading Days immediately prior to such day;

(l) "**For Cause**" includes "just cause" as defined in the common law and also includes any circumstance in which the Participant shall have been convicted of

a criminal act of dishonesty resulting or intending to result directly or indirectly in gain or personal enrichment of the Participant;

(m) "**Grant Date**" has the meaning set forth in Section 6(c);

(n) "**Grant Price**" has the meaning set forth in Section 6(c);

(o) "**HRC Committee**" means the Human Resources & CompensationCommittee of the Board, established and duly authorized to act in accordance with the By-Laws of the Corporation;

(p) "**Incumbent Director**" means any member of the Board who was a member of the Board immediately prior to the occurrence of the transaction, elections or appointments giving rise to a Change of Control and any successor to an Incumbent Director who was recommended for election at a meeting of shareholders of the Corporation, or elected or appointed to succeed any Incumbent Director, by the affirmative vote of the Directors, which affirmative vote includes a majority of the Incumbent Directors then on the Board;

(q) **Insider**" means:

(i) an insider, as defined in the *Securities Act* (Alberta); and

(ii) an associate of any person who is an insider by virtue of (i) above;

(r) "**Notice Period**" means the notice period for termination of employment agreed to between the Corporation (or its Subsidiary) and the Participant, or, in the absence of any such agreement, the notice period required under applicable law;

(s) **"Option"** means an Option to purchase Shares granted to the Participant in accordance with the terms and conditions of this Plan;

(t) "**Participant**" means any employee, including an officer, of the Corporation or a Subsidiary who has been designated by the HRC Committee to receive and be granted Options in accordance with Section 5;

(u) "**Plan**" means the Incentive Stock Option Plan (2007) of the Corporation described in this document, and as the same may be duly amended or varied from time to time in accordance with the provisions of this Plan;

(v) "**Retirement Plan**" means a pension plan of the Corporation established or in effect from time to time which applies when an employee retires from the employment of the Corporation or any of its Subsidiaries;

(w) "**Share**" means a common share in the capital of the Corporation;

(x) "**Share Reserve**" has the meaning ascribed to that term in Section 4;

(y) "**Subsidiary**" means:

(i) any corporation that is a subsidiary (as such term is defined in the *Canada Business Corporations Act*) of the Corporation, as such provision is from time to time amended, varied or re-enacted;

(ii) any partnership or limited partnership that is controlled by the Corporation (the Corporation will be deemed to control a partnership or limited partnership if the Corporation possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such partnership or limited partnership, whether through the ownership of voting securities, by contract or otherwise); and

(iii) subject to regulatory approval, any corporation, partnership, limited partnership, trust, limited liability company or other form of business entity that the HRC Committee determines ought to be treated as a subsidiary for purposes of the Plan, provided that the HRC Committee shall have the sole discretion to determine that any such entity has ceased to be a subsidiary for purposes of the Plan;

(z) "**Term**" has the meaning ascribed to that term in Section 6;

(aa) "**Trading Day**" means any day on which the Toronto Stock Exchange or the New York Stock Exchange, as the case may be, is open for trading; and

(bb) "**United States Incentive Stock Option**" has the meaning set forth in Section 8(a).

3. GOVERNANCE

(a) Subject to any determinations or approvals required to be made by the Board, the HRC Committee will administer the Plan in its sole discretion. The HRC Committee shall have the full power and sole responsibility to interpret the provisions of the Plan and to make regulations and formulate administrative provisions for its implementation, and to make such changes in the regulations and administrative procedures as, from time to time, the HRC Committee deems proper and in the best

interests of the Corporation. Such regulations and provisions may include the delegation to any Director or Directors or any officer or officers of the Corporation or its Subsidiaries of such administrative duties and powers of the HRC Committee as it may, in its sole discretion, deem fit. The determinations of the HRC Committee in the administration of the Plan shall be final and conclusive.

(b) The HRC Committee is also authorized to approve, for each Option granted under the Plan, the terms for vesting any Option granted under the Plan.

(c) Subject to Section 12, the HRC Committee may waive any restrictions with respect to participation in the Plan or vesting with respect to any specific Participants where, in the opinion of the HRC Committee, it is reasonable to do so and such waiver does not prejudice the rights of the Participant under the Plan.

(d) Subject to Section 12, the HRC Committee may amend the Plan for any general administrative matters, correct, remedy or reconcile any errors, inconsistencies or ambiguities, cashless exercise, vesting or termination provisions, and recommend to the Board for its approval any other amendments.

(e) Grants to Participants will be considered each year, unless otherwise determined in the sole discretion of the HRC Committee.

4. SHARES AND SHARE RESERVE

The Shares subject to the Options and other provisions of the Plan shall be authorized and unissued common shares of the Corporation. The total number of Shares initially reserved to be issued under the Plan (and its predecessors) and the Performance Stock Option Plan (2007, as amended and restated in 2011) shall not exceed in the aggregate **52,000,000** (the "**Initial Share Reserve**"), subject to the adjustment provisions set forth in Section 9. The total number of Shares added to the Initial Share Reserve and reserved to be issued under the Plan (and its predecessors) and the Performance Stock Option Plan (2007, as amended and restated in 2011) shall not exceed in the aggregate **19,000,000** Shares (the "**Additional Share Reserve**" and, together with the Initial Share Reserve, the "**Share Reserve**"), subject to the adjustment provisions set forth in Section 9. For greater certainty, the threshold set forth above in respect of the Initial Share Reserve has been adjusted to give effect to the Corporation's two (2) for one (1) split of the Shares effective May 25, 2011. Shares subject to Options which are terminated, cancelled or expire prior to exercise shall be available for the grant of further Options hereunder. In addition, the difference between (i) the number of Shares in respect of which an Option is being exercised and (ii) the number of Shares received under the Share Settled Option (as provided in Section 6(e)) shall be deemed not to be issued under the Plan and shall be available for the grant of further Options hereunder.

Any changes to the Share Reserve, including the Additional Share Reserve, shall be recommended by the CEO to the HRC Committee for its review and recommendation to the Board. Any increase in the Share Reserve, including the Additional Share Reserve, shall be subject to the approval of the shareholders of the Corporation in accordance with the rules of the Toronto Stock Exchange.

5. PARTICIPATION AND GRANT OF OPTIONS

(a) The CEO may from time to time recommend to the HRC Committee employees of the Corporation or its Subsidiaries for participation in the Plan and the extent and terms of their participation. The HRC Committee shall consider such recommendations and may approve such recommended employees for participation in the Plan and the extent and terms of their participation, subject to the following:

(i) the total number of Shares reserved for issuance to any one Participant pursuant to all security based compensation arrangements of the Corporation shall not exceed in the aggregate 5% of the number of Shares outstanding at the time of reservation;

(ii) the total number of Shares reserved for issuance to Insiders pursuant to all security based compensation arrangements of the Corporation shall not exceed 10% of the number of Shares outstanding at the time of reservation;

(iii) the total number of Shares issued to Insiders pursuant to all security based compensation arrangements of the Corporation within any one-year period shall not exceed 10% of the number of Shares outstanding at the time of issuance (excluding any other shares issued under all security based compensation arrangements of the Corporation during such one-year period); and

(iv) the total number of Shares issued to any one Insider and such Insider's associates (as defined in the *Securities Act* (Alberta)) pursuant to all security based compensation arrangements of the Corporation within any one-year period shall not exceed 5% of the number of Shares outstanding at the time of issuance (excluding any other shares issued under all security based compensation arrangements of the Corporation during such one-year period).

For the purposes of (ii), (iii) and (iv) above, any entitlement to acquire Shares granted pursuant to the Plan prior to the Participant becoming an Insider are to be excluded from the calculation.

(b) The CEO:

(i) may issue inducement grants to any new employee of the Corporation, or a Subsidiary other than new employees that report directly to the CEO and may with the approval of the HRC Committee issue inducement grants to new employees that report directly to the CEO, provided that the number of Options comprising any such grant shall not exceed the lesser of: (i) the amount provided for in the policies of the HRC Committee from time to time; and (ii) 2% of the number of outstanding Shares (on a non-dilutive basis) at the applicable date, and such inducement grant will be reported to the HRC Committee at the next committee meeting; and

(ii) shall recommend to the HRC Committee specific grants to Participants who report directly to the CEO and the total grants for all other levels of Participants.

(c) The HRC Committee shall:

(i) determine and recommend to the Board, for its approval, the grant date of Options;

(ii) determine and recommend to the Board, for its approval, the grants to be made to the CEO; and

(iii) review and recommend to the Board, for its approval, any other grants made pursuant to the Plan.

(d) Directors who are not full-time employees of the Corporation or a Subsidiary shall not be eligible to become Participants.

(e) A designated employee shall have the right not to participate in the Plan, and any decision not to participate shall not affect his or her employment with the Corporation or a Subsidiary. Participation in the Plan does not confer upon the Participant any right to continued employment with the Corporation or a Subsidiary.

6. OPTION TERMS

(a) Term

The term ("**Term**") during which an Option shall be exercisable shall be fixed by the HRC Committee at the time of grant, but in no case shall a term exceed 10 years, and each Option shall be subject to earlier termination, as provided in Section 7; provided that when the Term expires in a Blackout Period the Term shall be extended to a date that is five Trading Days after the end of the Blackout Period.

(b) Exercise

An Option shall vest and become exercisable in accordance with the terms set by the HRC Committee at the time of grant. A Participant may exercise vested installments of his or her Option in whole or in part at any time and from time to time during the Term.

(c) Grant and Price

Subject to the following sentence, the price (the "**Grant Price**") at which Shares will be issued to a Participant pursuant to the Option shall be determined on the date (the "**Grant Date**") that the Option is awarded and the Grant Price shall not be less than 100% of the Fair Market Value determined as at the Grant Date. If an Option is awarded at a time when a Blackout Period is in effect, the Grant Price of the Option will be set on and the Grant Date will be the sixth Trading Day following the termination of the Blackout Period; provided that where another Blackout Period commences within such six Trading Days, the determination of the Grant Price and the Grant Date will be further postponed and will be set as provided above in this sentence (and so on from time to time).

(d) Payment

Participants shall be required to make payment in full for any Shares purchased upon the exercise, in whole or in part, of any Option granted under the Plan and no Shares shall be issued until full payment has been made. Payment must be in the currency of Canada or the United States of America.

(e) Share Settled Options

If approved by the Board, in lieu of paying the Grant Price for the Shares to be issued pursuant to such exercise, the Participant may elect to acquire the number of Shares determined by subtracting the Grant Price from the Then Fair Market Value of the Shares on the date of exercise, multiplying the difference by the number of Shares in respect of which the Option was otherwise being exercised and then dividing that product by the Then Fair Market Value of the Shares. For this purpose, the "**Then Fair Market Value**" means the price at which the Shares could be sold or are sold on the Toronto Stock Exchange or the New York Stock Exchange on the date of exercise of the Option. In such event, the number of Shares as so determined (and not the number of Shares to be issued under the Option) will be deemed to be issued under the Plan.

(f) Share Ownership Guidelines

If on exercise of any Options the number of Shares held by the Participant is less than the number of Shares to be held by him or her pursuant to any share ownership guidelines of the Corporation in effect from time to time and applicable to such Participant, then the Participant shall be required to retain Shares acquired on exercise of Options (net of Shares that are required to be sold by the Participant to meet any tax liabilities arising on exercise of the Options) to meet the requirements of such share ownership guidelines.

(g) Transferability

Options are not transferable or assignable other than by will or according to the laws of descent and distribution.

7. TERMINATION

(a) Voluntary Termination

If a Participant voluntarily terminates his or her employment with the Corporation or a Subsidiary, all unexercised and vested Options held by such Participant as at the last day of such Participant's employment with the Corporation (or its Subsidiary) shall remain exercisable until the earlier of: (i) 30 days following the Participant's last day of employment with the Corporation (or its Subsidiary); and

(ii) the expiry of the Term of the Options; following which any unexercised and vested Options shall be cancelled.

All unvested Options held by the Participant as at the last day of the Participant's employment with the Corporation (or its Subsidiary) shall be cancelled on the Participant's last day of employment with the Corporation (or its Subsidiary).

(b) Involuntary Termination Not For Cause

If the employment of a Participant is terminated by the Corporation or a Subsidiary other than For Cause, all unexercised and vested Options held by such Participant as at the Participant's last day of employment with the Corporation (or its Subsidiary) shall remain exercisable until the earlier of: (i) 30 days following the expiration of any Notice Period; and (ii) the expiry of the Term of the Options; following which any vested and unexercised Options shall be cancelled.

All unvested Options held by the Participant on the last day of employment with the Corporation (or its Subsidiary) shall continue to vest in accordance with the Plan and shall be exercisable until the earlier of: (i) 30 days following the expiry of the Notice Period; and (ii) the expiry of the Term of the Options; following which all vested and unexercised Options and all unvested Options shall be cancelled.

For the purposes of this subsection 7(b), if a Participant's employment terminates due to the constructive dismissal of the Participant, such termination shall be treated as an involuntary termination by the Corporation or a Subsidiary other than For Cause.

(c) Involuntary Termination For Cause

If the employment of a Participant is terminated by the Corporation or a Subsidiary For Cause, all Options held by such Participant as at the date of such termination, whether vested or unvested, shall be cancelled on the Participant's last day of active employment with the Corporation (or its Subsidiary).

(d) Death

If the employment of a Participant with the Corporation or a Subsidiary is terminated as a result of the death of such Participant, all unvested Options held by such Participant shall vest on the date of such Participant's death. All outstanding Options held by such Participant as at the date of termination of the Participant shall remain exercisable until the earlier of: (i) 12 months following the date of such Participant's death; and (ii) the expiry of the Term of the Options; following which any unexercised Options shall be cancelled.

(e) Retirement

If a Participant has attained the age of 55 and retires from his or her employment with the Corporation or a Subsidiary pursuant to a Retirement Plan and he or she is eligible for benefits under a Retirement Plan, all Options (vested and unvested) held by such Participant as at the Participant's last day of employment with the Corporation (or its Subsidiary) shall continue in accordance with the Plan,

including vesting as provided in the Plan; provided that Options may only be exercised until the earlier of: (i) three years following the date of such Participant's retirement; and (ii) the expiry of the Term of the Options; following which any unexercised and vested Options and unvested Options shall be cancelled.

(f) Disability

If the employment of a Participant with the Corporation (or a Subsidiary) is terminated as a result of the "disability" of such Participant, all Options held by such Participant on the last day of the Participant's employment with the Corporation (or its Subsidiary) shall continue in accordance with the terms of such Options as if the Participant continued to be actively employed by the Corporation (or its Subsidiary).

For purposes of the foregoing, a Participant shall be considered to be suffering from a "disability" if he or she is eligible for benefits under a
Corporation-sponsored long term disability benefits plan.

(g) Leaves of Absence

If a Participant is on a parental or other leave of absence approved by the Corporation or a Subsidiary for a period of greater than three months, all unexercised and vested Options held by such Participant as at the Participant's last day of active employment prior to such parental or other leave shall continue to be exercisable in accordance with the terms of such Options, following which all unexercised and vested Options held by such Participant shall be cancelled. All unvested Options held by such Participant as at the Participant's last day of active employment prior to such parental or other leave shall continue to vest during such Participant's leave, provided that if the Participant does not return to active employment by the end of the leave, all vested and unvested Options as at the end of the leave of absence shall be treated in accordance with the second paragraph of subsection 7(a) on the assumption that the Participant's last day of employment is the end of the leave of absence. Unless otherwise determined by
the HRC Committee, no additional Option grants shall be made to any Participant during such Participant's leave of absence.

(h) Secondments

If a Participant is seconded to an entity other than a Subsidiary, the HRC Committee (in the case of Participants that report directly to the CEO) and the CEO (in the case of all other Participants) shall determine the manner in which all Options, vested and unvested, held by the Participant as at the date of the secondment shall be treated under the Plan.

(i) Change of Control

In the event of a Change of Control, all unvested Options held by a Participant shall vest on a date, as determined by the HRC Committee, that is not more than
30 days and not less than five days prior to the date of the Change of Control. In connection with any Change of Control, the HRC Committee will allow, where necessary in the circumstances, for the conditional vesting and exercise of Options and where such conditions are not met and the Change of Control does not occur the Options shall continue as if no vesting or exercise had occurred.

(j) No Future Grants; No Cash Payment

Upon the occurrence of any of the foregoing events listed under subsections 7(a) to (f) in respect of a Participant, such Participant shall not be entitled to receive any further Option grants or the value of any grants foregone as a consequence of any such event and, except as set forth herein, shall not be entitled to receive any cash payment for the value of any unexercised Options, vested or unvested, held by the Participant as at the date of occurrence of such event.

8. TERMS AND CONDITIONS OF UNITED STATES INCENTIVE STOCK OPTIONS

(a) Designated employees of any Subsidiary located in the United States of America may be granted "incentive stock options" within the meaning of Section 422 of the Code ("**United States Incentive Stock Options**"). The maximum number of
Shares that may be issued under the Plan as United States Incentive Stock Options shall not be greater than 2,000,000 Shares**.** An Option that is a United States

Incentive Stock Option will be designated as such in the applicable Option agreement and no Option that is not so designated will be treated as a United
States Incentive Stock Option under the Plan.

(b) No United States Incentive Stock Options shall be granted to any Participant if, as a result of such grant, the aggregate Fair Market Value (as of the time the Option is proposed to be granted) of the Shares covered by all the United States Incentive Stock Options granted under this Plan, and any other plan of the Corporation or any Subsidiary, to the Participant, which are or will become exercisable for the first time by the Participant in a single calendar year, exceeds US $100,000 or such amount as shall be specified in Section 422 of the Code.

(c) The exercise price of a United States Incentive Stock Option shall not be less than
100% of Grant Price as at the Grant Date.

(d) No United States Incentive Stock Option may be granted under the Plan to any individual who, at the time the option is granted, owns stock possessing more than
10% of the total combined voting power of all classes of stock of his or her employer corporation or of its parent or subsidiary corporations (as such ownership may be determined for purposes of Section 422(b) (6) of the Code), unless (i) at the time such United States Incentive Stock Option is granted, the Grant Price is at least 110% of the Fair Market Value of the Shares subject thereto and (ii) the United States Incentive Stock Option by its terms is not exercisable after the expiration of five years from the date granted.

(e) Notwithstanding the provisions of this Section 8, exercise periods for United
States Incentive Stock Options on the happening of an event described in Sections
7(b), (d), (e) and (f) shall be as set forth in the applicable Option agreement.

(f) United States Incentive Stock Options shall otherwise be subject to the terms and conditions as set forth in this Plan.

9. ADJUSTMENTS

(a) In the event that the number of outstanding Shares is increased or decreased, or changed into, or exchanged for a different number or kind of shares or other securities of the Corporation or another corporation, whether through a stock dividend, stock split, consolidation, recapitalization, amalgamation, reorganization, arrangement or other transaction effected without receipt of c

onsideration, the HRC Committee or the Board may make appropriate adjustment in the number or kind of shares or securities available for Options pursuant to the Plan and, as regards Options previously granted or to be granted pursuant to the Plan, in the number and kind of shares or securities and the purchase price thereof and the manner in which installments of the Options vest and become exercisable.

(b) The appropriate adjustments in the number of Shares under Option, the Grant Price per share and the period during which each Option may be exercised may be made by the Board in its discretion and in order to give effect to the adjustments in the number of shares of the Corporation resulting from the implementation and operation of the Shareholder Rights Plan Agreement dated as of November 9, 1995 between the Corporation and CIBC Mellon Trust Company, as amended, restated or revised from time to time.

10. EFFECT OF REORGANIZATION

In the event of any take-over bid or any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution or similar transaction or other business combination that is not a Change of Control in which the Corporation is not the surviving or continuing corporation (a "**Reorganization**"), all Options granted hereunder and outstanding on the date of such Reorganization, shall be assumed by the surviving or continuing corporation, provided that the HRC Committee or the Board may make appropriate adjustment in the manner in which installments of the Options become exercisable prior to such assumption. If, in the event of any such Reorganization, provision for such assumption satisfactory to the HRC Committee or the Board is not made by the surviving or continuing corporation, each Participant shall have distributed to him or her within 30 days after the Reorganization in full satisfaction in the case of an unexpired Option, or part thereof, whether or not exercisable, cash representing the excess, if any, of the Fair Market Value of the Shares determined as at the third Trading Day immediately preceding the closing date of such Reorganization over the exercise price of such Option (less applicable tax withholdings).

11. TAXES AND REPORTING

Notwithstanding anything else contained herein, each Participant shall be responsible for the payment of all applicable taxes, including, but not limited to, income taxes payable in connection with the exercise of any Options under the Plan and the Corporation, its employees and agents shall bear no liability in connection with the payment of such taxes.

12. AMENDMENT OF THE PLAN

The HRC Committee may at any time recommend to the Board for its approval the revision, suspension or discontinuance of this Plan in whole or in part. The Board may also at any time amend, revise or repeal any terms of this Plan and any Option granted under this Plan (any such change, an "amendment") without obtaining approval of the shareholders. Notwithstanding the foregoing, the Corporation will obtain the approval of the shareholders of the Corporation for an amendment relating to:

(a) the maximum number of shares reserved for issuance under the Plan;

(b) a reduction in the Grant Price for any Options;

(c) the cancellation of any Options and the reissue of or replacement of such Options with Options having a lower Grant Price;

(d) an extension to the term of any Option;

(e) any change allowing other than full-time employees of the Corporation or a

Subsidiary to become Participants in the Plan;

(f) any change whereby Options would become transferable or assignable other than by will or according to the laws of descent and distribution; or

(g) any amendment to this Section 12.

13. CONFLICT WITH WRITTEN EMPLOYMENT AGREEMENT

In the event of a conflict between the terms of this Plan and the terms of any written employment agreement between a Participant and the Corporation, the terms of the written employment agreement shall prevail.

14. EFFECTIVE DATE

The Plan shall be effective as of January 1, 2007, provided that any Option issued under this Plan may not be exercised until this Plan has been approved by the shareholders of the Corporation in accordance with the rules of the Toronto Stock Exchange (and where applicable, the rules of other stock exchanges on which the Shares may be listed and posted for trading); provided further that any Options issued under this Plan pursuant to the Additional Share Reserve may not be exercised until the shareholders of the Corporation approve the provisions of Section 4 providing for the Additional Share Reserve. On the effective date, the Incentive Stock Option Plan (2002) (the "**Prior Plan**") shall be discontinued, except with respect to unexercised Options outstanding under the Prior Plan.

ENBRIDGE INC.

INCENTIVE STOCK OPTION PLAN (2007), as revised

1. PURPOSE

The purpose of the Incentive Stock Option Plan (2007), as amended and restated (the "**Plan**") is to:

(a) focus Participants on the share price appreciation in alignment with the long-term focus of the Corporation;

(b) assist in attracting, retaining, engaging and rewarding Participants, including officers, of the Corporation and its Subsidiaries; and

(c) provide an opportunity for Participants to earn competitive total compensation.

2. DEFINED TERMS

In this Plan (including any schedules to this Plan):

(a) "**affiliate**" has the meaning ascribed to that term in the *Securities Act* (Alberta);

(b) **"associate"** has the meaning ascribed to that term in the *Securities Act* (Alberta);

(c) "**Blackout Period**" means a period of time imposed by the Corporation where Participants holding Options may not trade in securities of the Corporation;

(d) "**Board**" means the Board of Directors of the Corporation;

(e) "**CEO**" means the Chief Executive Officer of the Corporation;

(f) "**Change of Control**" means:

(i) the sale to a person or acquisition by a person not affiliated with the Corporation or its Subsidiaries of assets of the Corporation or its Subsidiaries having a value greater than 50% of the fair market value of the assets of the Corporation and its Subsidiaries determined on a consolidated basis prior to such sale whether such sale or acquisition occurs by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise;

(ii) any change in the holding, direct or indirect, of shares of the Corporation by a person not affiliated with the Corporation as a result of which such person, or a group of persons, or persons acting in concert, or persons associated or

affiliated with any such person or group within the meaning of the *Securities Act* (Alberta), are in a position to exercise effective control of the Corporation whether such change in the holding of such shares occurs by way of takeover bid, reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise; and for the purposes of this Plan, a person or group of persons holding shares or other securities in excess of the number which, directly or following conversion thereof, would entitle the holders thereof to cast 20% or more of the votes attaching to all shares of the Corporation which, directly or following conversion of the convertible securities forming part of the holdings of the person or group of persons noted above, may be cast to elect directors of the Corporation shall be deemed, other than a person holding such shares or other securities in the ordinary course of business as an investment manager who is not using such holding to exercise effective control, to be in a position to exercise effective control of the Corporation;

(iii) any reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction involving the Corporation where shareholders of the Corporation immediately prior to such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction hold less than 50% of the shares of the Corporation or of the continuing corporation following completion of such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, transfer, sale or other transaction;

(iv) the Corporation ceases to be a distributing corporation as that term is defined in the *Canada Business Corporations Act*;

(v) any event or transaction which the Board, in its discretion, deems to be a Change of Control; or

(vi) Incumbent Directors ceasing to be a majority of the Board;

provided that:

(vii) any transaction whereby shares held by shareholders of the Corporation are transferred or exchanged for units or securities of a trust, partnership or other entity which trust, partnership or other entity continues to own directly or indirectly all of the shares of the Corporation previously owned by the shareholders of the Corporation and the former shareholders of the Corporation continue to be beneficial holders of such units or securities in the same proportions following the transaction as they were beneficial holders of shares of the Corporation prior to the transaction will be deemed not to constitute a change of control; and

(viii) any change of control initiated or commenced by the Board (and whether or not such transaction was initiated or commenced by the Board shall be conclusively determined by the Board) will not constitute a change of control for purposes of this Plan;

(g) "**Code**" means the United States Internal Revenue Code of 1986, as amended;

(h) "**constructive dismissal**" means, unless consented to by the Participant, any action that constitutes constructive dismissal of the Participant, including without limiting the generality of the foregoing:

(i) where the Participant ceases to be an officer of the Corporation, unless the Participant is appointed as an officer of a successor to a material portion of the assets of the Corporation;

(ii) a material decrease in the title, position, responsibilities, powers or reporting relationships of the Participant;

(iii) a reduction in the base salary (excluding any annual incentive bonus) ofthe Participant; or

(iv) any material reduction in the value of the Participant's employee benefits,plans and programs (other than any annual incentive bonus);

(i) "**Corporation**" means Enbridge Inc., and includes any successor entity thereto;

(j) "**Director**" means a director of the Corporation;

(k) "**Double Trigger Date**" has the meaning set forth in Section 7(i);

(l) "**Fair Market Value**" means, as of a particular day, the weighted average of the board lot trading prices per Share on the Toronto Stock Exchange, or the New York Stock Exchange, for the last five Trading Days immediately prior to such day;

(m) "**For Cause**" includes "just cause" as defined in the common law and also includes any circumstance in which the Participant shall have been convicted of a criminal act of dishonesty resulting or intending to result directly or indirectly in gain or personal enrichment of the Participant;

(n) "**Grant Date**" has the meaning set forth in Section 6(c);

(o) "**Grant Price**" has the meaning set forth in Section 6(c);

(p) "**HRC Committee**" means the Human Resources & Compensation Committee of the Board, established and duly authorized to act in accordance with the By-Laws of the Corporation;

(q) "**Incumbent Director**" means any member of the Board who was a member of the Board immediately prior to the occurrence of the transaction, elections or appointments giving rise to a Change of Control and any successor to an Incumbent Director who was recommended for election at a meeting of shareholders of the Corporation, or elected or appointed to succeed any Incumbent Director, by the

affirmative vote of the Directors, which affirmative vote includes a majority of the Incumbent Directors then on the Board;

(r) **Insider**" means:

(i) an insider, as defined in the *Securities Act* (Alberta); and

(ii) an associate of any person who is an insider by virtue of (i) above;

(s) "**Notice Period**" means the notice period for termination of employment agreed to between the Corporation (or its Subsidiary) and the Participant, or, in the absence of any such agreement, the notice period as communicated to the Participant by the Corporation (or its Subsidiary), which in no case will be less than the minimum statutory notice period that may be required under applicable employment standards legislation;

(t) **"Option"** means an Option to purchase Shares granted to the Participant in accordance with the terms and conditions of this Plan;

(u) "**Participant**" means any employee, including an officer, of the Corporation or a Subsidiary who has been designated by the HRC Committee to receive and be granted Options in accordance with Section 5;

(v) "**Plan**" means the Incentive Stock Option Plan (2007) of the Corporation described in this document, and as the same may be duly amended or varied from time to time in accordance with the provisions of this Plan;

(w) "**Retirement Plan**" means a pension plan of the Corporation established or in effect from time to time which applies when an employee retires from the employment of the Corporation or any of its Subsidiaries;

(x) "**Share**" means a common share in the capital of the Corporation;

(y) "**Share Reserve**" has the meaning ascribed to that term in Section 4;

(z) "**Subsidiary**" means:

(i) any corporation that is a subsidiary (as such term is defined in the *Canada Business Corporations Act*) of the Corporation, as such provision is from time to time amended, varied or re-enacted;

(ii) any partnership or limited partnership that is controlled by the Corporation (the Corporation will be deemed to control a partnership or limited partnership if the Corporation possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such partnership or limited partnership, whether through the ownership of voting securities, by contract or otherwise); and

(iii) subject to regulatory approval, any corporation, partnership, limited partnership, trust, limited liability company or other form of business entity that the HRC Committee determines ought to be treated as a subsidiary for purposes of the Plan, provided that the HRC Committee shall have the sole discretion to determine that any such entity has ceased to be a subsidiary for purposes of the Plan;

(aa) "**Term**" has the meaning ascribed to that term in Section 6;

(bb) "**Trading Day**" means any day on which the Toronto Stock Exchange or the New York Stock Exchange, as the case may be, is open for trading; and

(cc) "**United States Incentive Stock Option**" has the meaning set forth in Section 8(a).

3. GOVERNANCE

(a) Subject to any determinations or approvals required to be made by the Board, the HRC Committee will administer the Plan in its sole discretion. The HRC Committee shall have the full power and sole responsibility to interpret the provisions of the Plan and to make regulations and formulate administrative provisions for its implementation, and to make such changes in the regulations and administrative procedures as, from time to time, the HRC Committee deems proper and in the best interests of the Corporation. Such regulations and provisions may include the delegation to any Director or Directors or any officer or officers of the Corporation or its Subsidiaries of such administrative duties and powers of the HRC Committee as it may, in its sole discretion, deem fit. The determinations of the HRC Committee in the administration of the Plan shall be final and conclusive.

(b) The HRC Committee is also authorized to approve, for each Option granted under the Plan, the terms for vesting any Option granted under the Plan.

(c) Subject to Section 12, the HRC Committee may waive any restrictions with respect to participation in the Plan or vesting with respect to any specific Participants where, in the opinion of the HRC Committee, it is reasonable to do so and such waiver does not prejudice the rights of the Participant under the Plan.

(d) Subject to Section 12, the HRC Committee may amend the Plan for any general administrative matters, correct, remedy or reconcile any errors, inconsistencies or ambiguities, cashless exercise, vesting or termination provisions, and recommen to the Board for its approval any other amendments.

(e) Grants to Participants will be considered each year, unless otherwise determined in the sole discretion of the HRC Committee.

4. SHARES AND SHARE RESERVE

The Shares subject to the Options and other provisions of the Plan shall be authorized and unissued common shares of the Corporation. The total number of Shares initially

reserved to be issued under the Plan (and its predecessors) and the Performance Stock Option Plan (2007, as amended and restated in 2011) shall not exceed in the aggregate **52,000,000** (the "**Initial Share Reserve**"), subject to the adjustment provisions set forth in Section 9. The total number of Shares added to the Initial Share Reserve and reserved to be issued under the Plan (and its predecessors) and the Performance Stock Option Plan (2007, as amended and restated in 2011) shall not exceed in the aggregate **19,000,000** Shares (the "**Additional Share Reserve**" and, together with the Initial Share Reserve, the "**Share Reserve**"), subject to the adjustment provisions set forth in Section 9. For greater certainty, the threshold set forth above in respect of the Initial Share Reserve has been adjusted to give effect to the Corporation's two (2) for one (1) split of the Shares effective May 25, 2011. Shares subject to Options which are terminated, cancelled or expire prior to exercise shall be available for the grant of further Options hereunder. In addition, the difference between (i) the number of Shares in respect of which an Option is being exercised and (ii) the number of Shares received under the Share Settled Option (as provided in Section 6(e)) shall be deemed not to be issued under the Plan and shall be available for the grant of further Options hereunder.

Any changes to the Share Reserve, including the Additional Share Reserve, shall be recommended by the CEO to the HRC Committee for its review and recommendation to the Board. Any increase in the Share Reserve, including the Additional Share Reserve, shall be subject to the approval of the shareholders of the Corporation in accordance with the rules of the Toronto Stock Exchange.

5. PARTICIPATION AND GRANT OF OPTIONS

(a) The CEO may from time to time recommend to the HRC Committee employees of the Corporation or its Subsidiaries for participation in the Plan and the extent and terms of their participation. The HRC Committee shall consider such recommendations and may approve such recommended employees for participation in the Plan and the extent and terms of their participation, subject to the following:

(i) the total number of Shares reserved for issuance to any one Participant pursuant to all security based compensation arrangements of the Corporation shall not exceed in the aggregate 5% of the number of Shares outstanding at the time of reservation;

(ii) the total number of Shares reserved for issuance to Insiders pursuant to all security based compensation arrangements of the Corporation shall not exceed 10% of the number of Shares outstanding at the time of reservation;

(iii) the total number of Shares issued to Insiders pursuant to all security based compensation arrangements of the Corporation within any one-year period shall not exceed 10% of the number of Shares outstanding at the time of

issuance (excluding any other shares issued under all security based compensation arrangements of the Corporation during such one-year period); and

(iv) the total number of Shares issued to any one Insider and such Insider's associates (as defined in the *Securities Act* (Alberta)) pursuant to all security based compensation arrangements of the Corporation within any one-year period shall not exceed 5% of the number of Shares outstanding at the time of issuance (excluding any other shares issued under all security based compensation arrangements of the Corporation during such one-year period).

For the purposes of (ii), (iii) and (iv) above, any entitlement to acquire Shares granted pursuant to the Plan prior to the Participant becoming an Insider are to be excluded from the calculation.

(b) The CEO:

(i) may issue inducement grants to any new employee of the Corporation, or a Subsidiary other than new employees that report directly to the CEO and may with the approval of the HRC Committee issue inducement grants to new employees that report directly to the CEO, provided that the number of Options comprising any such grant shall not exceed the lesser of: (i) the amount provided for in the policies of the HRC Committee from time to time; and (ii) 2% of the number of outstanding Shares (on a non-dilutive basis) at the applicable date, and such inducement grant will be reported to the HRC Committee at the next committee meeting; and

(ii) shall recommend to the HRC Committee specific grants to Participants who report directly to the CEO and the total grants for all other levels of Participants.

(c) The HRC Committee shall:

(i) determine and recommend to the Board, for its approval, the grant date of Options;

(ii) determine and recommend to the Board, for its approval, the grants to be made to the CEO; and

(iii) review and recommend to the Board, for its approval, any other grants made pursuant to the Plan.

(d) Directors who are not full-time employees of the Corporation or a Subsidiary shall not be eligible to become Participants.

(e) A designated employee shall have the right not to participate in the Plan, and any decision not to participate shall not affect his or her employment with the Corporation or a Subsidiary. Participation in the Plan does not confer upon the Participant any right to continued employment with the Corporation or a Subsidiary.

6. OPTION TERMS

(a) Term

The term ("**Term**") during which an Option shall be exercisable shall be fixed by the HRC Committee at the time of grant, but in no case shall a term exceed 10 years, and each Option shall be subject to earlier termination, as provided in Section 7; provided that when the Term expires in a Blackout Period the Term shall be extended to a date that is five Trading Days after the end of the Blackout Period.

(b) Exercise

An Option shall vest and become exercisable in accordance with the terms set by the HRC Committee at the time of grant. A Participant may exercise vested installments of his or her Option in whole or in part at any time and from time to time during the Term.

(c) Grant and Price

Subject to the following sentence, the price (the "**Grant Price**") at which Shares will be issued to a Participant pursuant to the Option shall be determined on the date (the "**Grant Date**") that the Option is awarded and the Grant Price shall not be less than 100% of the Fair Market Value determined as at the Grant Date. If an Option is awarded at a time when a Blackout Period is in effect, the Grant Price of the Option will be set on and the Grant Date will be the sixth Trading Day following the termination of the Blackout Period; provided that where another Blackout Period commences within such six Trading Days, the determination of the Grant Price and the Grant Date will be further postponed and will be set as provided above in this sentence (and so on from time to time).

(d) Payment

Participants shall be required to make payment in full for any Shares purchased upon the exercise, in whole or in part, of any Option granted under the Plan and no Shares shall be issued until full payment has been made. Payment must be in the currency of Canada or the United States of America.

(e) Share Settled Options

If approved by the Board, in lieu of paying the Grant Price for the Shares to be issued pursuant to such exercise, the Participant may elect to acquire the number of Shares determined by subtracting the Grant Price from the Then Fair Market Value of the Shares on the date of exercise, multiplying the difference by the number of Shares in respect of which the Option was otherwise being exercised and then dividing that product by the Then Fair Market Value of the Shares. For this purpose, the "**Then Fair Market Value**" means the price at which the Shares could be sold or are sold on the Toronto Stock Exchange or the New York Stock Exchange on the date of exercise of the Option. In such event, the number of Shares as so determined (and not the number of Shares to be issued under the Option) will be deemed to be issued under the Plan.

(f) Share Ownership Guidelines

If on exercise of any Options the number of Shares held by the Participant is less than the number of Shares to be held by him or her pursuant to any share ownership guidelines of the Corporation in effect from time to time and applicable to such Participant, then the Participant shall be required to retain Shares acquired on exercise of Options (net of Shares that are required to be sold by the Participant to meet any tax liabilities arising on exercise of the Options) to meet the requirements of such share ownership guidelines.

(g) Transferability

Options are not transferable or assignable other than by will or according to the laws of descent and distribution.

7. TERMINATION

(a) Voluntary Termination

If a Participant voluntarily terminates his or her employment with the Corporation or a Subsidiary, all unexercised and vested Options held by such Participant as at the last day of such Participant's employment with the Corporation (or its Subsidiary) shall remain exercisable until the earlier of: (i) 30 days following the Participant's last day of employment with the Corporation (or its Subsidiary); and (ii) the expiry of the Term of the Options; following which any unexercised and vested Options shall be cancelled.

All unvested Options held by the Participant as at the last day of the Participant's employment with the Corporation (or its Subsidiary) shall be cancelled on the Participant's last day of employment with the Corporation (or its Subsidiary).

(b) Involuntary Termination Not For Cause

If the employment of a Participant is terminated by the Corporation or a Subsidiary other than For Cause, all unexercised and vested Options held by such Participant as at the Participant's last day of employment with the Corporation (or its Subsidiary) shall remain exercisable until the earlier of: (i) 30 days following the expiration of any Notice Period; and (ii) the expiry of the Term of the Options; following which any vested and unexercised Options shall be cancelled.

All unvested Options held by the Participant on the last day of employment with the Corporation (or its Subsidiary) shall continue to vest in accordance with the Plan and shall be exercisable until the earlier of: (i) 30 days following the expiry of the Notice Period; and (ii) the expiry of the Term of the Options; following which all vested and unexercised Options and all unvested Options shall be cancelled.

For the purposes of this subsection 7(b): (i) if a Participant's employment terminates due to the constructive dismissal of the Participant; or (ii) if a Participant ceases to be employed by a Subsidiary of the Corporation because such Participant's employer ceases to be a Subsidiary of the Corporation; then each such termination or cessation of being employed by a Subsidiary shall be treated as an involuntary termination by the Corporation or a Subsidiary other than For Cause.

(c) Involuntary Termination For Cause

If the employment of a Participant is terminated by the Corporation or a Subsidiary For Cause, all Options held by such Participant as at the date of such termination, whether vested or unvested, shall be cancelled on the Participant's last day of active employment with the Corporation (or its Subsidiary).

(d) Death

If the employment of a Participant with the Corporation or a Subsidiary is terminated as a result of the death of such Participant, all unvested Options held by such Participant shall vest on the date of such Participant's death. All outstanding Options held by such Participant as at the date of termination of the Participant shall remain exercisable until the earlier of: (i) 12 months following the date of such Participant's death; and (ii) the expiry of the Term of the Options; following which any unexercised Options shall be cancelled.

(e) Retirement

If a Participant has attained the age of 55 and retires from his or her employment with the Corporation or a Subsidiary pursuant to a Retirement Plan and he or she

is eligible for benefits under a Retirement Plan, all Options (vested and unvested) held by such Participant as at the Participant's last day of employment with the Corporation (or its Subsidiary) shall continue in accordance with the Plan, including vesting as provided in the Plan; provided that Options may only be exercised until the earlier of: (i) three years following the date of such Participant's retirement; and (ii) the expiry of the Term of the Options; following which any unexercised and vested Options and unvested Options shall be cancelled.

Notwithstanding the foregoing, should a Participant qualify for retirement under the definition provided within this subsection 7(e), and should the employment of such Participant with the Corporation or a Subsidiary be terminated by the Corporation (or its Subsidiary) for any reason other than For Cause, the provisions of subsection 7(b) will apply.

(f) Disability

If the employment of a Participant with the Corporation (or a Subsidiary) is terminated as a result of the "disability" of such Participant, all Options held by such Participant on the last day of the Participant's employment with the Corporation (or its Subsidiary) shall continue in accordance with the terms of such Options as if the Participant continued to be actively employed by the Corporation (or its Subsidiary).

For purposes of the foregoing, a Participant shall be considered to be suffering from a "disability" if he or she is eligible for benefits under a Corporation-sponsored long term disability benefits plan.

(g) Leaves of Absence

If a Participant is on a parental or other leave of absence approved by the Corporation or a Subsidiary for a period of greater than three months, all unexercised and vested Options held by such Participant as at the Participant's last day of active employment prior to such parental or other leave shall continue to be exercisable in accordance with the terms of such Options, following which all unexercised and vested Options held by such Participant shall be cancelled. All unvested Options held by such Participant as at the Participant's last day of active employment prior to such parental or other leave shall continue to vest during such Participant's leave, provided that if the Participant does not return to active employment by the end of the leave, all vested and unvested Options as at the end of the leave of absence shall be treated in accordance with the second paragraph of subsection 7(a) on the assumption that the Participant's last day of employment is the end of the leave of absence. Unless otherwise determined by the HRC Committee, no additional Option grants shall be made to any Participant during such Participant's leave of absence.

(h) Secondments

If a Participant is seconded to an entity other than a Subsidiary, the HRC Committee (in the case of Participants that report directly to the CEO) and the CEO (in the case of all other Participants) shall determine the manner in which all Options, vested and unvested, held by the Participant as at the date of the secondment shall be treated under the Plan.

(i) Double Trigger Change of Control

Any Option held by a Participant as at February 15, 2017 shall continue to be governed by the "Change of Control" provisions of subsection 7(i) of the particular version of the Plan document for the Incentive Stock Option Plan (2007), as subsequently amended, that was in effect on the date such Option was granted.

With respect to any Option granted to a Participant on or after February 16, 2017, if the employment of a Participant with the Corporation or a Subsidiary is terminated by the Corporation (or its Subsidiary) other than For Cause (including if a Participant's employment terminates due to the constructive dismissal of the Participant) within 2 years after the Change of Control, such Participant's date of termination of employment being the "Double Trigger Date", then the following provisions of this subsection 7(i) shall apply.

All unvested Options held by a Participant as at the Double Trigger Date shall vest on the Double Trigger Date.

(j) No Future Grants; No Cash Payment

Upon the occurrence of any of the foregoing events listed under subsections 7(a) to (f) in respect of a Participant, such Participant shall not be entitled to receive any further Option grants or the value of any grants foregone as a consequence of any such event and, except as set forth herein, shall not be entitled to receive any cash payment for the value of any unexercised Options, vested or unvested, held by the Participant as at the date of occurrence of such event.

8. TERMS AND CONDITIONS OF UNITED STATES INCENTIVE STOCK OPTIONS

(a) Designated employees of any Subsidiary located in the United States of America may be granted "incentive stock options" within the meaning of Section 422 of the Code ("**United States Incentive Stock Options**"). The maximum number of Shares that may be issued under the Plan as United States Incentive Stock Options

shall not be greater than 2,000,000 Shares**.** An Option that is a United States Incentive Stock Option will be designated as such in the applicable Option agreement and no Option that is not so designated will be treated as a United States Incentive Stock Option under the Plan.

(b) No United States Incentive Stock Options shall be granted to any Participant if, as a result of such grant, the aggregate Fair Market Value (as of the time the Option is proposed to be granted) of the Shares covered by all the United States Incentive Stock Options granted under this Plan, and any other plan of the Corporation or any Subsidiary, to the Participant, which are or will become exercisable for the first time by the Participant in a single calendar year, exceeds US $100,000 or such amount as shall be specified in Section 422 of the Code.

(c) The exercise price of a United States Incentive Stock Option shall not be less than 100% of Grant Price as at the Grant Date.

(d) No United States Incentive Stock Option may be granted under the Plan to any individual who, at the time the option is granted, owns stock possessing more than 10% of the total combined voting power of all classes of stock of his or her employer corporation or of its parent or subsidiary corporations (as such ownership may be determined for purposes of Section 422(b) (6) of the Code), unless (i) at the time such United States Incentive Stock Option is granted, the Grant Price is at least 110% of the Fair Market Value of the Shares subject thereto and (ii) the United States Incentive Stock Option by its terms is not exercisable after the expiration of five years from the date granted.

(e) Notwithstanding the provisions of this Section 8, exercise periods for United States Incentive Stock Options on the happening of an event described in Sections 7(b), (d), (e) and (f) shall be as set forth in the applicable Option agreement.

(f) United States Incentive Stock Options shall otherwise be subject to the terms and conditions as set forth in this Plan.

9. ADJUSTMENTS

(a) In the event that the number of outstanding Shares is increased or decreased, or changed into, or exchanged for a different number or kind of shares or other securities of the Corporation or another corporation, whether through a stock dividend, stock split, consolidation, recapitalization, amalgamation, reorganization, arrangement or other transaction effected without receipt of consideration, the HRC Committee or the Board may make appropriate adjustment in the number or kind of shares or securities available for Options pursuant to the Plan and, as regards Options previously granted or to be granted pursuant to the Plan, in the number and kind of shares or securities and the

purchase price thereof and the manner in which installments of the Options vest and become exercisable.

(b) The appropriate adjustments in the number of Shares under Option, the Grant Price per share and the period during which each Option may be exercised may be made by the Board in its discretion and in order to give effect to the adjustments in the number of shares of the Corporation resulting from the implementation and operation of the Shareholder Rights Plan Agreement dated as of November 9, 1995 between the Corporation and CIBC Mellon Trust Company, as amended, restated or revised from time to time.

10. EFFECT OF REORGANIZATION

In the event of any take-over bid or any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution or similar transaction or other business combination that is not a Change of Control in which the Corporation is not the surviving or continuing corporation (a "**Reorganization**"), all Options granted hereunder and outstanding on the date of such Reorganization, shall be assumed by the surviving or continuing corporation, provided that the HRC Committee or the Board may make appropriate adjustment in the manner in which installments of the Options become exercisable prior to such assumption. If, in the event of any such Reorganization, provision for such assumption satisfactory to the HRC Committee or the Board is not made by the surviving or continuing corporation, each Participant shall have distributed to him or her within 30 days after the Reorganization in full satisfaction in the case of an unexpired Option, or part thereof, whether or not exercisable, cash representing the excess, if any, of the Fair Market Value of the Shares determined as at the third Trading Day immediately preceding the closing date of such Reorganization over the exercise price of such Option (less applicable tax withholdings).

11. TAXES AND REPORTING

Notwithstanding anything else contained herein, each Participant shall be responsible for the payment of all applicable taxes, including, but not limited to, income taxes payable in connection with the exercise of any Options under the Plan and the Corporation, its employees and agents shall bear no liability in connection with the payment of such taxes.

12. AMENDMENT OF THE PLAN

The HRC Committee may at any time recommend to the Board for its approval the revision, suspension or discontinuance of this Plan in whole or in part. The Board may also at any time amend, revise or repeal any terms of this Plan and any Option granted under this Plan (any such change, an "amendment") without obtaining approval of the shareholders. Notwithstanding the foregoing, the Corporation will obtain the approval of the shareholders of the Corporation for an amendment relating to:

(a) the maximum number of shares reserved for issuance under the Plan;

(b) a reduction in the Grant Price for any Options;

(c) the cancellation of any Options and the reissue of or replacement of such Options with Options having a lower Grant Price;

(d) an extension to the term of any Option;

(e) any change allowing other than full-time employees of the Corporation or a Subsidiary to become Participants in the Plan;

(f) any change whereby Options would become transferable or assignable other than by will or according to the laws of descent and distribution; or

(g) any amendment to this Section 12.

13. CONFLICT WITH WRITTEN EMPLOYMENT AGREEMENT

In the event of a conflict between the terms of this Plan and the terms of any written employment agreement between a Participant and the Corporation, the terms of the written employment agreement shall prevail.

14. EFFECTIVE DATE

This Plan was originally effective as of January 1, 2007, provided that any Option issued under this Plan may not be exercised until this Plan has been approved by the shareholders of the Corporation in accordance with the rules of the Toronto Stock Exchange (and where applicable, the rules of other stock exchanges on which the Shares may be listed and posted for trading); provided further that any Options issued under this Plan pursuant to the Additional Share Reserve may not be exercised until the shareholders of the Corporation approve the provisions of Section 4 providing for the Additional Share Reserve. On the effective date, the Incentive Stock Option Plan (2002) (the "**Prior Plan**") shall be discontinued, except with respect to unexercised Options outstanding under the Prior Plan. This Plan is amended and restated under the form of this Plan document to be effective as of February 16, 2017.

February 16, 2017

EXHIBIT 10.16

ENBRIDGE INC.

DIRECTORS' COMPENSATION PLAN

November 3, 2015

Effective January 1, 2016

ENBRIDGE INC.

DIRECTORS' COMPENSATION PLAN

1. DEFINED TERMS

As used herein, the following terms shall have the following meanings, respectively:

"Beneficiary" means any person(s) designated by a Director as indicated on the Designation of Beneficiary Form, to receive any cash amount or Shares under this Plan in the event of the Director's death;

"Board" means the Board of Directors of the Corporation;

"Canadian Election Form" means the election form required to be submitted by the Canadian Taxpayers to the Corporation;

"Canadian Taxpayer" means a Director whose income is subject to Canadian federal income taxation;

"Code" means the *U.S. Internal Revenue Code of 1986*, as amended;

"Comparator Group" has the meaning set forth in Section 4;

"Compensation" has the meaning set forth in Section 7;

"Corporation" means Enbridge Inc., and includes any successor corporation thereto;

"Deferred Stock Unit Account" has the meaning set forth in Subsection 9(a);

"Deferred Stock Units" mean units credited to a Director in accordance with Subsection 9(b);

"Designation of Beneficiary Form" means the form attached hereto as Appendix "B";

"Director" means a director of the Corporation;

"Dual-Taxed Member" means a Director that is both a U.S. Taxpayer and a Canadian Taxpayer;

"Estate" means the estate of a deceased Director**;**

"Governance Committee" means the Governance Committee of the Board;

"Market Value", as of a particular day, means the weighted average of the trading price for one (1) Share on The Toronto Stock Exchange for the five (5) Trading Days immediately preceding that day;

"Payment Date" means the date on which Directors would normally receive payments of Compensation;

"Plan" means this Directors' Compensation Plan effective January 1, 2016, as the same may be amended or varied from time to time;

"Retirement Date", in respect of a Director, means the effective date on which the Director ceases to be a Director, for any reason whatsoever;

"Share" means a common share of the Corporation;

"Trading Day" means any day, other than a Saturday or Sunday, on which The Toronto Stock Exchange is open for trading;

"Trustee" means the trustee engaged by the Corporation to hold Shares and all the rights, privileges and benefits conferred by this Plan in trust for the Directors;

"U.S. Election Form" means the election form required to be submitted by U.S. Taxpayers to the Corporation; and

"U.S. Taxpayer" means a Director whose income is subject to U.S. federal income taxation.

2. PURPOSE AND OBJECTIVES

(a) The purpose of this Plan is to provide a compensation system for Directors. This Plan applies only to the members of the Board and does not apply to board members of affiliate organizations or employees of the Corporation or any of its subsidiaries.

(b) The objectives of this Plan are:

(i) to compensate Directors commensurate with the risks, responsibilities and time commitments assumed by Board members;

(ii) to attract and retain the services of the most qualified individuals to serve on the Board;

(iii) to align the interests of Directors with the Corporation's shareholders;

(iv) to provide competitive levels of compensation by considering various pay components typically provided to directors; and

(v) to deliver such compensation in a tax effective manner.

(c) The Board provides oversight and stewardship over this Plan through the Governance Committee and has overall responsibility for determining the philosophical framework of the Directors' compensation program.

3. ADMINISTRATION

The Governance Committee will administer this Plan in its discretion. The Governance Committee shall have the power to interpret the provisions of this Plan and to make regulations and formulate administrative provisions for its implementation, and to make such changes in the regulations and administrative provisions as, from time to time, the Governance Committee deems proper and in the best interests of the Corporation. Such regulations and provisions may include the delegation to any Director(s) or any officer(s) of the Corporation of such administrative duties and powers of the Governance Committee as it may see fit.

4. EXTERNAL BENCHMARKING

(a) The Board supports maintaining a level of compensation for Directors that is competitive with compensation levels paid to directors of comparable public corporations; reflects the risks accompanying Board membership and the time commitments and responsibilities required of Directors, committee members and Board or Committee Chairs; and reflects the size and complexity of the Corporation's business.

(b) The Governance Committee will, from time to time, with the assistance of qualified external experts in the area of compensation benchmarking, review and determine the appropriate comparable public corporations against which comparisons are made (the **"Comparator Group"**) with the intention that such Comparator Group be consistent with the periodic evaluation of executive management compensation.

(c) To the extent possible and appropriate, the Governance Committee shall align the Comparator Group with the group used to benchmark executive management compensation practices as approved by the Human Resources & Compensation Committee (refer to Enbridge Inc. senior management compensation policy C*ompensation Comparators)*.

5. COMMUNICATION

The Board recognizes that Compensation is an important component of corporate governance and is committed to ensuring that the material terms of the compensation program are properly disclosed to shareholders and regulators.

6. APPLICATION

This Plan applies to each individual while serving as a Director and, subject to Subsections 10(c), (d), (e), (f) and 11(a) (ii) and (iii), (c), (d) and (e), shall cease to apply on the Director's Retirement Date.

7. DIRECTORS' COMPENSATION

(a) General

The Board, on the recommendation of the Governance Committee, shall determine from time to time the amount of compensation to be paid to Directors (the "**Compensation**") including, without limitation, amounts in respect of retainers (including the retainer for the Chair of the Corporation and Chairs of committees of the Board), Board meeting and committee meeting attendance fees, and any other amounts which the Board in its discretion considers to be appropriate. In addition, the Board shall determine the amount of expenses, if any, for which the Directors will be reimbursed.

(a) Fee Structure and Payment Particulars

(i) Compensation will be made on the basis of a flat fee structure that incorporates all Board, committee, and Chair retainers as determined by the Board. The Board's policy is to target flat fee levels at the 50th percentile of total compensation levels paid to directors of the Comparator Group (as defined in Section 4).

(ii) As of January 1, 2016, Compensation shall be as set out in Appendix "A". Changes to Appendix "A" may be made by the Board following a recommendation of or consultation with the Governance Committee. Upon any such change being approved by the Board, a new Appendix "A" incorporating the changes and effective as of the date established by the Board shall be attached to the Plan and become Appendix "A" for all purposes of the Plan.

(iii) Compensation is paid quarterly, in arrears. Directors who are principally resident in a country other than Canada shall be paid Compensation in the number of U.S. dollars equal to the number of Canadian dollars paid to other Directors.

(iv) A percentage of the Compensation may be withheld in cases where a Director's attendance at Board meetings or Committee meetings or both, falls below the established minimum. The Governance Committee will review the continuation of the Director on the Board if an inordinate number of meetings are missed.

(b) Forms of Payment

The Board, on the recommendation of the Governance Committee, shall determine the portion(s), if any, of the Compensation that a Director may elect to receive by way of cash, Shares or Deferred Stock Units. Until revised by the Board, each Director and Chair of the Board may, subject to requirements of minimum share ownership criteria, as set out in Appendix "A", elect to receive Compensation as cash, Shares or Deferred Stock Units, in whole or in part, in the following multiples: 100%; 75%, 50% and 25% (totalling 100% of the Compensation payable to such Director).

8. COMPENSATION - SHARES

(a) In respect of any amount of Compensation payable to a Director in Shares, funds sufficient for the purchase in the open market of such Shares shall be paid to the Trustee by the Corporation in trust for such Director from time to time, and shall be applied by the Trustee to the purchase of Shares, in the open market on a stock exchange, for that Director.

(b) The Shares to which a Director becomes entitled hereunder shall be calculated on the basis of the Market Value thereof two (2) weeks prior to the Payment Date.

(c) Certificates representing such Shares shall be registered in the name of the Director and held by the Trustee for the benefit of such Director and shall be delivered to such Director if and when requested by the Director.

(d) The Trustee shall maintain an account for each Director and credit to that account all Shares acquired by the Trustee for the Director under this Section 8 and debit to that account all such Shares delivered by the Trustee to the Director under this Section 8.

(e) A statement of account will be provided by the Trustee to each Director annually or in any event promptly after each purchase of Shares on such Director's behalf, and will set out the number of Shares so purchased, the aggregate number of Shares held by the Trustee for such Director, and any information required by the Director for tax reporting purposes.

(f) Shares held by the Trustee may not be pledged, sold or otherwise disposed of by a Director.

9. COMPENSATION - DEFERRED STOCK UNITS

(a) Deferred Stock Unit Account

An account, to be known as a **"Deferred Stock Unit Account"**, shall be maintained by the Corporation for each Director and will show the number of Deferred Stock Units credited to a Director, to four (4) decimal places, from time to time.

(b) Crediting Deferred Stock Unit Account

In respect of any amount of Compensation payable to a Director in Deferred Stock Units, the number of Deferred Stock Units to be credited to that Director will be calculated by dividing the dollar amount of the quarterly Compensation payable to that Director in Deferred Stock Units on the Payment Date by the Market Value two (2) weeks prior to such date.

(c) Additional Deferred Stock Units From Dividends On Shares

In addition to Subsection 9(b), whenever any cash dividend or other cash distribution is paid on the Shares, additional Deferred Stock Units will be credited to the Director's

Deferred Stock Unit Account. The number of such additional Deferred Stock Units will be calculated by dividing the aggregate dividends that would have been paid to such Director if the Deferred Stock Units in the Director's Deferred Stock Unit Account had been Shares, by the Market Value of a Share on the date on which the dividends are paid on the Shares, less the amount of any discount then in effect for the reinvestment of dividends under the Corporation's Dividend Reinvestment and Share Purchase Plan.

10. CANADIAN TAXPAYER - DEFERRED STOCK UNITS

This Section 10 only applies to Canadian Taxpayers:

(a) Choice of Compensation Mix

(i) The Directors shall select on or before December 31 of the preceding year in which Compensation will be earned, the portion of such Compensation to be received by the Director in cash, Shares or Deferred Stock Units in respect of that calendar year and, failing such election, the Director shall, subject to any minimum amounts of cash, Shares or Deferred Stock Units as set out in Appendix "A", be deemed to have elected 100% in cash.

(ii) Where a Director joins the Board after January 1 in any year, such Director shall make his or her compensation mix election within thirty (30) days of his or her election or appointment to the Board.

(iii) In all cases, the Directors' elections shall be irrevocable and shall remain in force from the date of such election until the date of the next election.

(b) Canadian Election Form

Each Director shall fill out a Canadian Election Form indicating their elected compensation mix and deliver such Canadian Election Form to the Corporation on the dates set out above.

(c) Elected Payment Date – Canadian Taxpayer

Except as provided in Subsection 10(e), the determined value of the Deferred Stock Units credited to the Deferred Stock Unit Account of a Director whose income is subject to Canadian income tax, net of required withholdings, shall be paid to that Director on a date to be agreed upon by that Director and the Corporation, provided that the payment date must be a date subsequent to the Retirement Date and may be no later than December 31 of the first calendar year commencing after that Retirement Date.

(d) No Election Default

If no such payment date agreement is reached, pursuant to Subsection 10(c), the payment date will be December 31 of the first calendar year commencing after that Director's Retirement Date.

(e) Payment on Death of a Canadian Taxpayer

(i) When a Director dies, the value of the Deferred Stock Units credited to that Director's Deferred Stock Unit Account, net of applicable withholdings, shall be paid to his or her Beneficiary as soon as practicable after the Director's death, provided that the payment shall be made no later than December 31 of the first calendar year commencing after that Director's Retirement Date.

(ii) Notwithstanding the above, if the Beneficiary of the deceased Director has not been determined within sixty (60) days after the Director's death, the Corporation shall make such payment to the Estate.

(f) Determining Value for Canadian Taxpayers

To determine the value of Deferred Stock Units for the purposes of a payment to a Director (or, where the Director has died, his or her Beneficiary or Estate, as the case may be) under Subsections 10(c), (d) or (e), a Deferred Stock Unit will be valued equal to the Market Value multiplied by the number of Deferred Stock Units (including fractional Units) credited to a Director's Deferred Stock Unit Account on the following basis:

(i) for Subsections 10 (c) and (d), the Market Value on the third (3rd) Trading Day before the elected payment date; and

(ii) for Subsection 10(e), the Market Value on the next Trading Day after the Director's death.

(g) Effect of Reorganization of the Corporation for Canadian Taxpayers

In the event of any merger, consolidation or other reorganization of the Corporation in which the Corporation is not the surviving or continuing corporation, all Deferred Stock Units granted hereunder and outstanding on the date of such reorganization shall be assumed by the surviving or continuing corporation. If, in the event of any such merger, consolidation or other reorganization, provision for such assumption satisfactory to an owner of a Deferred Stock Unit granted under this Plan is not made by the surviving or continuing corporation, such owner shall have distributed to him or her within sixty (60) days after the reorganization, in full satisfaction, cash in payment of the Market Value on the Trading Day immediately preceding the day of such reorganization.

11. US TAXPAYER- DEFERRED STOCK UNITS

This Section 11 only applies to U.S. Taxpayers:

(a) Choice of Compensation Mix and Election Payment Date

Directors shall elect on or before December 31 of the calendar year immediately preceding the calendar year in which Compensation will be earned:

(i) the portion of such Compensation to be received by those Directors in cash, Shares or Deferred Stock Units in respect of that calendar year. If no election is made the Director shall, subject to any minimum amounts of cash, Shares or Deferred Stock Units as set out in Appendix "A", be deemed to have elected 100% in cash;

(ii) the date, to be agreed upon by each of the Directors and the Corporation for payment of such Director's Deferred Stock Unit Account where such date may be any date after that Director's Retirement Date, provided that the payment date is after that Retirement Date and no later than December 31 of the first calendar year commencing after that Retirement Date. If no such payment date is determined, the Corporation, at its sole discretion, shall pay the amount owing from Director's Deferred Stock Unit Account within ninety (90) days following that Director's Retirement Date;

(iii) where a Director joins the Board after January 1 in any year, such Director shall make his or her election for both compensation mix and payment date within thirty (30) days of his or her election or appointment to the Board; and

(iv) in all cases, the Directors' elections shall be irrevocable and shall remain in force from the date of such election until the Director's Retirement Date.

(b) U.S. Election Form

Each Director shall fill out a U.S. Election Form indicating their elected compensation mix and payment date of their Deferred Stock Unit Account and deliver such U.S. Election Form to the Corporation. Such form shall be irrevocable.

(c) Specified Employee

Notwithstanding Subsection 11 (a), if the payment of a Director's Deferred Stock Unit Account would be subject to taxation or penalties under Code Section 409A because the timing of such payment is not delayed as provided in Section 409A for a "specified employee," then if the Director is (1) a U.S. Taxpayer and (2) a "specified employee" under Code Section 409A, any payment which that Director would otherwise be entitled to receive during the six (6) month period following the Director's Retirement Date shall be delayed and paid within fifteen (15) days after the date that is six (6) months following the Director's Retirement Date, or such earlier date upon which such amount can be paid under Code Section 409A without being subject to such taxation, such as upon that Director's death.

(d) Payment on Death of a U.S. Taxpayer

(i) When a Director dies, the value of the Deferred Stock Unit Account, credited to that Director's Deferred Stock Unit Account, net of applicable withholdings, shall be paid to his or her Beneficiary not later than by the later of (i) the end of the calendar year of the Director's Retirement Date, or (ii) ninety (90) days following that Director's date of death, provided that the Beneficiary shall not be permitted to designate the taxable year in which such payment is made.

(ii) Notwithstanding the above, if the Beneficiary of the deceased Director has not been determined within sixty (60) days after the Director's death, the Corporation shall make such payment to the Estate.

(e) Determining Value for U.S. Taxpayers

To determine the value of Deferred Stock Units for the purposes of a payment to a Director (or, where the Director has died, his or her Beneficiary or Estate, as the case may be) under Subsections 11(a)(ii), (iii), (c) or (d), a Deferred Stock Unit will be valued equal to the Market Value multiplied by the number of Deferred Stock Units (including fractional Units) credited to a Director's Deferred Stock Unit Account on the following basis:

(i) for Subsections 11(a)(ii)(iii) and (c), the Market Value on the third (3rd) Trading Day before the elected payment date; and

(ii) for Subsection 11(d), the Market Value on the next Trading Day after the Director's death.

(f) Dual-Taxed Members

In the event that a Director is both a U.S. Taxpayer and a Canadian Taxpayer at the time that the Director's Deferred Stock Units become payable, the provisions of this Section 11(f) shall apply:

(i) If the Director has made a valid election under Section 11(a) and (b) with regard to payment of the Director's Deferred Stock Units, payment of such Director's Deferred Stock Unit Account shall be made in accordance such election, subject to Section 11(c).

(ii) If the Director has not made a valid election under Section 11(a) and (b) with regard to payment of the Director's Deferred Stock Units, payment of such Director's Deferred Stock Unit Account shall be made as of a date determined by the Corporation in its discretion, with such payment date to be within ninety (90) days following the Director's Retirement Date, subject to the following:

a. If the ninety (90) day period begins in one calendar year and ends in the following calendar year, the payment date within such 90-

day period shall be determined in the sole discretion of the Corporation, and the Director shall not be permitted to make a payment election under Section 10(c) and (d) of the Plan that applies for a Canadian Taxpayer; or

b. If the ninety (90) day period begins and ends in the same calendar year, the Director shall be permitted to make a payment election under Section 10(c) and (d) of the Plan, but the payment date elected by the Director must fall within the 90-day period following the Director's retirement Date.

(g) Code Section 409A Compliance

With respect to any Director who is a U.S. Taxpayer, the Corporation intends that this Plan shall comply with the applicable provisions of Code Section 409A, or an exemption from the application of Code Section 409A, in order to prevent the inclusion in the gross income of such Director of any deferred amount in a taxable year that is prior to the taxable year in which such amount would otherwise be distributed or made available to such Director under the terms of this Plan. This Plan shall be construed, interpreted and administered in a manner consistent with such intent. In furtherance of this intent, to the extent that any term of this Plan is ambiguous, such term shall be interpreted to comply with Code Section 409A, or an exemption from the application of Code Section 409A, as determined by the Corporation.

(h) Effect of Reorganization of the Corporation for U.S. Taxpayers and Dual-Taxed Members

In the event of any merger, consolidation or other reorganization of the Corporation where the surviving or continuing corporation does not assume all of the Director's Deferred Stock Units that are outstanding on the date of such reorganization, and such event constitutes a "change in control" of the Corporation within the meaning of Code Section 409A, then the surviving or continuing corporation shall distribute to the Director, within sixty (60) days after the closing date of such event, in complete satisfaction of all the rights of the Director under this Plan, cash in full payment of the Market Value of the Director's Deferred Stock Units as valued as of the Trading Day immediately preceding the closing date of such event. In the event that the Director is a Dual-Taxed Member, this Section 11(h) shall apply and Section 10(g) shall be inapplicable.

12. BROKERAGE COMMISSIONS

All brokerage commissions and other transaction costs in respect of Share purchases made under Section 8 of this Plan shall be paid by the Corporation.

13. TAXES AND REPORTING

(a) The Corporation shall deduct from all amounts otherwise payable to a Director (or Beneficiary or Estate, as the case may be) all amounts, including applicable taxes, that are required by law to be withheld with respect to amount otherwise payable.

(b) Notwithstanding anything else contained herein, each Director who participates in this Plan shall be responsible for:

(i) the payment of all applicable taxes including, but not limited to, income taxes payable in connection with the acquisition, holding and delivery of Shares for or to a Director pursuant to this Plan and the payment of the value of the Deferred Stock Units, subject to deduction and remittance by the Corporation of applicable withholding taxes; and

(ii) compliance with the continuous disclosure requirements of the applicable securities commissions or similar regulatory authorities in Canada and those exchanges upon which the Corporation's Shares are traded, including, but not limited to, the preparation and filing of insider trading reports respecting the acquisition of Shares pursuant to this Plan,

and the Corporation, its employees and agents shall bear no liability in connection with the payment of such taxes or the compliance with such disclosure requirements.

14. DILUTION ADJUSTMENTS

In the event that the outstanding Shares of the Corporation shall be increased or decreased, or changed into, or exchanged for a different number or kind of shares or other securities of the Corporation or another corporation, whether through a stock dividend, stock split, consolidation, recapitalization, amalgamation, reorganization, arrangement or other transaction, the Governance Committee or the Board may make appropriate adjustments to the number or kind of shares or securities upon which Deferred Stock Units are based under this Plan, and as regards Deferred Stock Units previously granted or to be granted pursuant to this Plan, in the number or kind of shares or securities upon which Deferred Stock Units are based and the purchase price therefor.

15. OPERATION OF RIGHTS PLAN

The appropriate adjustments in the number of Deferred Stock Units may be made by the Board in its discretion in order to give effect to the adjustments in the number of Shares of the Corporation resulting from the implementation and operation of the Shareholder Rights Plan Agreement originally dated as of November 9, 1995 and as amended from time to time.

16. AMENDMENTS, ETC.

Subject to applicable regulatory approval, the Board may revise, suspend or discontinue this Plan in whole or in part. No such revision, suspension, or discontinuance shall alter

or impair the rights of a Director in respect of Deferred Stock Units or Shares previously granted or received under this Plan, without the consent of that Director.

17. PERIODIC REVIEW

The compensation available, and competitiveness of this Plan relative to the Comparator Group, will be reviewed:

(a) by external consultants every second year, commencing in 2015; and

(b) by internal management every second year, commencing in 2014.

18. EFFECTIVE DATE

This Plan is effective as of January 1, 2016, and may be amended from time to time. Commencing January 1, 2016, no new Shares or Deferred Stock Units shall be granted or received under any previous “Directors’ Compensation Plan” for Enbridge Inc. Any Shares or Deferred Stock Units previously granted or received under such previous compensation plans shall continue without alteration, including any previous elected payment date made by a Director, or impairment of the rights of a Director with respect to such Compensation.

APPENDIX "A"
to the Directors' Compensation Plan

Retainer and Fees

1. Flat Fee Schedule

The following table establishes the annual fee schedule for Directors and is effective as of January 1, 2016.

Compensation Elements	Annual Fee	Elective Payment Form[1]					
		Before minimum share ownership			After minimum share ownership		
		Cash	Shares	DSUs	Cash	Shares	DSUs[2]
Board Retainer	$235,000	Up to 50%	Up to 50%	50% to 100%	Up to 75%	Up to 75%	25% to 100%
Additional Board Chair Retainer	$260,000						
Additional Committee Chair Retainer:							
AFRC	$25,000						
HRCC	$20,000						
S&R	$15,000						
GC	$10,000						
CSR	$10,000						

[1] Directors may elect the form of payment in increments of 25% up to the percentage amounts specified in the table.

[2] At least 25% of any retainer payable must be elected in the form of Deferred Stock Units.

2. Penalty for Non-At\tendance

At the end of each year, the Governance Committee will review the record of attendance of Directors at Committee meetings and Board meetings. The Chair of the Governance Committee along with the Board Chair, at their discretion, will recommend to the Board appropriate penalties for non-attendance by Directors at Committee and Board meetings.

3. Travel Fees

A per diem allowance of $1,500 shall be paid in cash to Directors who travel from their home state or province to a meeting in another state or province.

4. Share Ownership Requirement

Effective January 1, 2016, Directors shall hold a personal investment in Shares and Deferred Stock Units of at least three (3) times the amount of the annual Board Retainer, expressed in Canadian currencyand be required to achieve such investment within five (5) years of joining the Board.

APPENDIX "B"

to the Directors' Compensation Plan

DESIGNATION OF BENEFICIARY FORM

I, _____ *(Director's Name)* for the purposes of designating a Beneficiary pursuant to the Directors' Compensation Plan of Enbridge Inc. hereby designate _____ name of Beneficiary (ies)) as my Beneficiary of the Compensation owed to me by the Corporation.

At my own discretion, I make an additional designation should my Beneficiary not survive me. I designate as my contingent Beneficiary _____ *(insert name of contingent Beneficiary)* of the Compensation owed to me by the Corporation.

I make this designation on the _____ day of _____, 20 _____.

_____
Signature

_____
Print Name

Instructions:
This Designation of Beneficiary Form should be completed, signed and delivered to Enbridge Inc. as soon as possible once you have been appointed to the Board of the Corporation. Any changes to the above will require the delivery of an amended form.

In the event that you would like to name a contingent beneficiary, should your primary beneficiary not survive you, please indicate above, a contingent beneficiary.

For questions regarding your Plan or Form, please call Tyler Robinson at (403) 231-5935.
For delivery to Enbridge Inc., please fax your Form to (403) 231-5929.

EXHIBIT 10.17

ENBRIDGE INC.

SHORT TERM INCENTIVE PLAN (2007), as revised

1. PURPOSE

The purpose of the Short Term Incentive Plan (2007) (the "**Plan**") is to:

(a) create employee engagement in the understanding and achievement of annual business plans;

(b) focus employee performance on the achievement of objectives at the corporate, business unit and individual levels;

(c) assist in attracting, retaining and engaging employees who develop and execute the business plans of the Corporation and its subsidiaries; and

(d) tie competitive total cash compensation levels to the achievement of objectives at all levels.

2. DEFINED TERMS

In this Plan (including any schedules to this Plan):

(a) **"affiliate"** has the meaning ascribed to that term in the *Securities Act* (Alberta);

(b) "**Base Salary**" means the base salary of a Participant;

(c) "**Board**" means the Board of Directors of the Corporation;

(d) "**CEO**" means the Chief Executive Officer of the Corporation;

(e) "**Change of Control**" means:

(i) the sale to a person or acquisition by a person not affiliated with the Corporation or its Subsidiaries of assets of the Corporation or its Subsidiaries having a value greater than 50% of the fair market value of the assets of the Corporation and its Subsidiaries determined on a consolidated basis prior to such sale whether such sale or acquisition occurs by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise;

(ii) any change in the holding, direct or indirect, of shares of the Corporation by a person not affiliated with the Corporation as a result of which such person, or a group of persons, or persons acting in concert, or persons associated or affiliated with any such person or group within the meaning of the *Securities Act* (Alberta), are in a position to exercise effective control of the Corporation whether such change in the holding of such shares occurs by way of takeover bid, reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise; and for the purposes of this Plan, a person or group of persons holding shares or other securities in excess of the number which, directly or following conversion thereof, would entitle the holders thereof to cast 20% or more of the votes attaching to all shares of the Corporation which, directly or following conversion of the convertible securities forming part of the holdings of the person or group of persons noted above, may be cast to elect directors of the Corporation shall be deemed, other than a person holding such shares or other securities in the ordinary course of business as an investment manager who is not using such holding to exercise effective control, to be in a position to exercise effective control of the Corporation;

(iii) any reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction involving the Corporation where shareholders of the Corporation immediately prior to such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction hold less than 50% of the shares of the Corporation or of the continuing corporation following completion of such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, transfer, sale or other transaction;

(iv) the Corporation ceases to be a distributing corporation as that term is defined in the *Canada Business Corporations Act*;

(v) any event or transaction which the Board, in its discretion, deems to be a Change of Control; or

(vi) Incumbent Directors ceasing to be a majority of the Board;

provided that:

(vii) any transaction whereby shares held by shareholders of the Corporation are transferred or exchanged for units or securities of a trust, partnership or other entity which trust, partnership or other entity continues to own directly or indirectly all of the shares of the Corporation previously owned by the shareholders of the Corporation and the former shareholders of the Corporation continue to be beneficial holders of such units or securities in

the same proportions following the transaction as they were beneficial holders of shares of the Corporation prior to the transaction will be deemed not to constitute a change of control; and

(viii) any change of control initiated or commenced by the Board (and whether or not such transaction was initiated or commenced by the Board shall be conclusively determined by the Board) will not constitute a change of control for purposes of this Plan;

(f) **"Code"** means the United States Internal Revenue Code of 1986, as amended;

(g) "**constructive dismissal**" means, unless consented to by the Participant, any action that constitutes constructive dismissal of the Participant at common law, including without limiting the generality of the foregoing:

(i) where the Participant ceases to be an officer of the Corporation, unless the Participant is appointed as an officer of a successor to a material portion of the assets of the Corporation;

(ii) a material decrease in the title, position, responsibilities, powers or reporting relationships of the Participant;

(iii) a reduction in the Base Salary (excluding any annual incentive bonus) of the Participant; or

(iv) any material reduction in the value of the Participant's employee benefits, plans and programs (other than any annual incentive bonus);

Notwithstanding the above, for a Participant who is (A) subject to the employment laws of any state of the United States and (B) not subject to the application of "constructive dismissal" under Canadian employment law, the term "constructive dismissal" hereunder means, unless consented to by such Participant, any action that constitutes pursuant to the law of the applicable state (including the common law) constructive discharge of the Participant; and, for all purposes of the Plan with respect to such Participant, "constructive dismissal" shall also include each of the actions described in clauses (i) through (iv) above.

(h) "**Corporation**" means Enbridge Inc., and includes any successor entity thereto;

(i) "**Direct Reports**" means executives of the Corporation or its Subsidiaries that report directly to the CEO;

(j) "**Director**" means a director of the Corporation;

(k) "**Double Trigger Date**" has the meaning given to it in subsection 8(i);

(l) "**For Cause**" includes "just cause" as defined in the common law and also includes any circumstance in which the Participant shall have been convicted of a criminal act of dishonesty resulting or intending to result directly or indirectly in gain or personal enrichment of the Participant;

(m) "**HRC Committee**" means the Human Resources and Compensation Committee of the Board, established and duly authorized to act by the Board;

(n) "**Incumbent Director**" means any member of the Board who was a member of the Board immediately prior to the occurrence of the transaction, elections or appointments giving rise to a Change of Control and any successor to an Incumbent Director who was recommended for election at a meeting of shareholders of the Corporation, or elected or appointed to succeed any Incumbent Director, by the affirmative vote of the directors, which affirmative vote includes a majority of the Incumbent Directors then on the Board;

(o) "**Maximum Award**" means, subject to Section 6(c), the maximum amount of compensation payable to a Participant under the Plan, being twice the Target Award;

(p) "**Notice Period**" means the notice period for termination of employment agreed to between the Corporation (or its Subsidiary) and the Participant, or, in the absence of any such agreement, the minimum statutory notice period that may be required under applicable employment standards legislation;

(q) "**Participant**" means an individual who becomes a participant of the Plan in accordance with Section 4;

(r) "**Plan**" means the Short Term Incentive Plan (2007) of the Corporation described in this document, and as the same may be duly amended or varied from time to time in accordance with the provisions of this Plan;

(s) "**Retirement Plan**" means a pension plan of the Corporation established or in effect from time to time which applies when an employee retires from the employment of the Corporation or its Subsidiaries;

(t) "**STIP Payment**" means the amount payable under the Plan to Participants upon the achievement of certain performance measures, calculated in accordance with Section 6;

(u) "**Subsidiary**" means

(i) any corporation that is a subsidiary (as such term is defined in the *Canada Business Corporations Act*) of the Corporation, as such provision is from time to time amended, varied or re-enacted;

(ii) any partnership or limited partnership that is controlled by the Corporation (the Corporation will be deemed to control a partnership or limited partnership if the Corporation possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such partnership or limited partnership, whether through the ownership of voting securities, by contract or otherwise); and

(iii) subject to regulatory approval, any corporation, partnership, limited partnership, trust, limited liability company or other form of business entity that the HRC Committee determines ought to be treated as a subsidiary for purposes of the Plan, provided that the HRC Committee shall have the sole discretion to determine that any such entity has ceased to be a subsidiary for purposes of the Plan;

(v) "**Target Award**" means the target amount of compensation payable to a Participant under the Plan, calculated as a percentage of the Participant's annual Base Salary;

(w) "**Term**" means a period of one fiscal year of the Corporation or as otherwise determined by the HRC Committee; and

(x) "**U.S. Taxpayer**" means an individual whose income is subject to U.S. federal income taxation.

3. GOVERNANCE

(a) Subject to any determinations or approvals required to be made by the Board, the HRC Committee will administer the Plan in its sole discretion. The HRC Committee shall have the full power and sole responsibility to interpret the provisions of the Plan and to make regulations and formulate administrative provisions for its implementation, and to make such changes in the regulations and administrative procedures as, from time to time, the HRC Committee deems proper and in the best interests of the Corporation. Such regulations and provisions may include the delegation to any Director or Directors or any officer or officers of the Corporation or its Subsidiaries of such administrative duties and powers of the HRC Committee as it may, in its sole discretion, deem fit. The HRC Committee may amend the Plan to correct, remedy or reconcile any errors, inconsistencies or ambiguities in this Plan. The determinations of the HRC Committee in the administration of the Plan shall be final and conclusive.

(b) The HRC Committee shall have the authority to exercise discretion in the approval of STIP Payments, including without limitation the authority at any time to waive, amend or otherwise vary eligibility criteria, performance measures and the levels of Target and Maximum Awards under the Plan where in the opinion of the HRC Committee it is reasonable to do so and it does not materially prejudice

the rights of a Participant under the Plan and it does not cause the Participant to be subject to adverse tax treatment under Code Section 409A.

(c) Subject to any determinations or approvals required to be made by the HRC Committee under the Plan, the CEO shall have authority to administer the Plan.

4. PARTICIPATION AND TARGET AWARDS

(a) The CEO shall determine employees, other than his Direct Reports, eligible to participate in the Plan. The CEO shall recommend to the HRC Committee for its approval the participation in the Plan of his Direct Reports. The CEO shall also recommend to the HRC Committee for its approval the Target and Maximum Award for each Participant, other than the CEO.

(b) The CEO shall recommend to the HRC Committee for its approval the weighting for Corporation, business unit and individual performance measures of his Direct Reports.

(c) The HRC Committee will determine and recommend to the Board for its approval the Target and Maximum Award for the CEO.

(d) Directors who are not full-time employees of the Corporation or a Subsidiary shall not be eligible to become Participants.

(e) A designated employee shall have the right not to participate in the Plan, and any decision not to participate shall not affect his or her employment with the Corporation or a Subsidiary. Participation in the Plan does not confer upon the Participant any right to continued employment with the Corporation or a Subsidiary.

5. PERFORMANCE MEASURES

(a) At the start of each fiscal year the HRC Committee shall approve the Corporation performance measures, the target for the fiscal year and the levels of performance required to be achieved to receive a STIP Payment, and shall also approve any amendments to these measures and levels.

(b) The CEO shall establish:

(i) the weighting for Corporation, business unit and individual performance measures for all Participants, other than Direct Reports;

(ii) the financial targets and range of performance measures for each business unit;

(iii) any other scorecard performance measures, targets and range of performance measures for each business unit.

(c) The HRC Committee shall review and recommend to the Board for its approval the performance measures for the CEO.

(d) A copy of all performance measures that have been adopted under the Plan shall be appended to the minutes of the meeting at which such performances measures have been reviewed or approved, as applicable.

6. STIP PAYMENTS

(a) Except as otherwise provided herein, the amount of the STIP Payment for each Participant for a particular Term shall be based upon the achievement of the Corporation, business unit and individual performance measures established for the Participant under Section 5, the Base Salary of the Participant during the applicable Term, and if applicable, proration based on active service as defined in Section 8.

(b) Following receipt of the Corporation and business unit financial performance for the fiscal year and the receipt from the CEO of his recommendations on other performance measures, the HRC Committee will review and determine the extent to which the performance relative to targets has been achieved and shall approve the STIP Payments for all Participants except the CEO. The HRC Committee shall review and recommend to the Board for approval the CEO's STIP Payment.

(c) Notwithstanding the foregoing, no STIP Payment payable to a Participant shall exceed an amount equal to two times the Target Award for the Participant for the Term unless approved by the CEO or, in the case of Direct Reports, unless approved by the HRC Committee. The CEO shall report to the HRC Committee by way of information, the Participants who are to receive a STIP Payment in excess of two times the Target Award.

(d) Notwithstanding the foregoing, no STIP Payment payable to a Participant designated as a "front office" employee within the energy marketing group shall exceed an amount equal to three times the Target Award for the Participant for the Term unless approved by the CEO. The CEO shall report to the HRC Committee by way of information, the "front office" Participants, other than energy marketing group employees, who are to receive a STIP Payment in excess of three times the Target Award. This Section 6(d) will become effective on January 1, 2014.

7. PAYMENTS

(a) Timing of Payment

Except as otherwise provided herein, the STIP Payment payable to a Participant hereunder in respect of a Term shall be paid to the Participant only upon approval by the Chair of the Audit, Finance and Risk Committee of the Corporation of

preliminary financial information and subsequent approval of the HRC Committee. In any event, payments shall be made no later than two and one-half months after the end of the Term.

(b) Form of Payment

Except where otherwise determined by the HRC Committee, all STIP Payments hereunder shall be paid in cash and shall be subject to applicable withholding taxes as required by applicable legislation.

8. TERMINATION

(a) Voluntary Termination

If a Participant voluntarily terminates his or her employment with the Corporation or a Subsidiary, any STIP Payment or Target Award for the Term in which the date of termination occurs shall be cancelled.

If the Participant is an employee of the Corporation or a Subsidiary existing under the laws of Canada or any province thereof, any unpaid STIP Payment payable to the Participant in respect of a Term that has ended prior to date of the Participant's termination shall be paid in accordance with Section 7.

If the Participant is an employee of a Subsidiary existing under the laws of any state of the United States, such Participant shall not be entitled to receive payment of any unpaid STIP Payment payable to the Participant in respect of a Term that has ended prior to date of the Participant's termination unless the Participant continues to be actively employed by such Subsidiary on the applicable payment date in accordance with Section 7.

(b) Involuntary Termination Not For Cause

If the employment of a Participant with the Corporation or a Subsidiary is terminated by the Corporation (or its Subsidiary) for any reason other than For Cause, then the STIP Payment for the Participant for the Term shall be prorated based on the number of days of active employment of the Participant during the Term to the total number of days in the Term (and for this purpose the Notice Period shall be counted as active employment) and paid not later than the date specified in Section 7. For this purpose, the amount of STIP Payment shall be determined using Corporation, business unit and individual performance each at target (1x multiplier).

Any unpaid STIP Payment payable to the Participant in respect of a Term that has ended prior to date of the Participant's termination shall be paid in accordance with Section 7.

For the purposes of this subsection 8(b): (i) if a Participant's employment terminates due to the constructive dismissal of the Participant; or (ii) if a Participant ceases to be employed by a Subsidiary of the Corporation because such Participant's employer ceases to be a Subsidiary of the Corporation; then each such termination or cessation of being employed by a Subsidiary shall be treated as an involuntary termination by the Corporation or a Subsidiary other than For Cause.

(c) Involuntary Termination For Cause

If the employment of a Participant is terminated by the Corporation or a Subsidiary For Cause, then all unpaid STIP Payments and all Target Awards in respect of such Participant shall be cancelled as of the Participant's last day of employment with the Corporation (or its Subsidiary).

(d) Death

If the employment of a Participant with the Corporation or a Subsidiary is terminated as a result of the death of such Participant, the STIP Payment for the Participant for the Term shall be prorated based on the number of days of active employment of the Participant during the applicable Term to the total number of days in the Term. Such payment shall be made automatically without the requirement of pre-approval from the HRC Committee and shall be paid not later than two and one-half months from the date of death. For this purpose, the amount of STIP Payment shall be determined using Corporation, business unit and individual performance each at target (1x multiplier).

Any unpaid STIP Payment payable to the Participant in respect of a Term that has ended prior to the date of the Participant's death shall be paid in accordance with Section 7.

(e) Retirement

If a Participant has attained the age of 55 and retires from his or her employment with the Corporation or a Subsidiary pursuant to a Retirement Plan, then the STIP Payment for the Participant for the Term shall be prorated based on the number of days of active employment of the Participant during the applicable Term to the total number of days in the Term and such amount shall be paid not later than the date specified in Section 7.

Any unpaid STIP Payment payable to the Participant in respect of a Term that has ended prior to date of the Participant's retirement shall be paid in accordance with Section 7.

Notwithstanding the foregoing, should a Participant qualify for retirement under the definition provided within this subsection 8(e), and should the employment of such Participant with the Corporation or a Subsidiary be terminated by the Corporation (or its Subsidiary) for any reason other than For Cause, the provisions of subsection 8(b) will apply.

(f) Disability

If the employment of the Participant is terminated due to the "disability" of the Participant, the STIP Payment for the Participant for the Term shall be prorated based on the number of days of active employment of the Participant during the applicable Term to the total number of days in the Term and such amount shall be paid not later than the date specified in Section 7. For this purpose, the amount of STIP Payment shall be determined using Corporation, business unit and individual performance each at target (1x multiplier).

Any unpaid STIP Payment payable to the Participant in respect of a Term that has ended prior to date of the Participant's disability shall be paid in accordance with Section 7.

For purposes of this subsection 8(f), a Participant is said to be suffering from a "disability" if he or she is eligible for benefits under a Corporation-sponsored long term disability benefits plan.

(g) Leaves of Absence

If a Participant commences a voluntary leave (including a parental or adoption leave) or other leave approved by the Corporation or any of its Subsidiaries, then the STIP Payment for the Participant for the Term shall be prorated based on the number of days of active employment of the Participant during the applicable Term to the total number of days in the Term.

Any unpaid STIP Payment payable to the Participant in respect of a Term that has ended prior to date of the Participant's leave of absence shall be paid in accordance with Section 7.

(h) Secondments

If a Participant is seconded to an entity other than a Subsidiary, the HRC Committee (in the case of Participants that are Direct Reports) and the CEO (in the case of all other Participants) shall determine the treatment of Target Awards in respect of the Participant under the Plan; provided that no such Target Awards shall be treated in a manner that would cause the Participant to be subject to adverse tax treatment under Code Section 409A.

Notwithstanding the foregoing, any unpaid STIP Payment payable to the Participant in respect of a Term that has ended prior to date of the Participant's secondment shall be paid in accordance with Section 7.

(i) Double Trigger Change of Control

If the employment of a Participant with the Corporation or a Subsidiary is terminated by the Corporation (or its Subsidiary) other than For Cause (including if a Participant's employment terminates due to the constructive dismissal of the Participant) within 2 years after the Change of Control, such Participant's date of termination of employment being the "Double Trigger Date", then the following provisions of this subsection 8(i) shall apply.

Each Participant shall be entitled to be paid a STIP Payment, unless otherwise determined by the HRC Committee, in an amount determined at the Double Trigger Date and prorated based on the number of days of active employment of the Participant in the Term to the Double Trigger Date to the total number of days in the Term using the following:

(i) Corporation, business unit and individual performance shall each be at target (1x multiplier); and

(ii) recommendations on other performance measures shall be provided by the CEO.

The STIP Payment shall be made within 75 days following the Double Trigger Date.

Any unpaid STIP Payment payable to the Participant in respect of a Term that has ended prior to the Double Trigger Date shall be paid in accordance with Section 7, provided, however, that such payment shall be made within 75 days following the Double Trigger Date.

Notwithstanding the above, with respect to Participants who are U.S. Taxpayers, no payment shall be made under this subsection 8(i) unless such Change of Control also qualifies as a change in the ownership or effective control of the Corporation, or in the ownership of a substantial portion of the assets of the Corporation, within the meaning of Code Section 409A(2)(A)(v). In the case of a Change of Control that does not so qualify, payments to any such Participant shall be made in accordance with Section 7. The payment monies owing to these Participants will be placed in an irrevocable trust which is located in the United States of America and subject to the claims of the general creditors of the Corporation prior to the Change of Control.(j) No Future Awards

Upon the occurrence of any of the foregoing events listed under subsections 8(a) to (f) in respect of a Participant, such Participant shall not be entitled to receive

any further awards under the Plan and, except as set forth herein, shall not be entitled to receive cash payment for the value of any unpaid STIP Payment, vested or unvested, held by the Participant as at the date of occurrence of such event.

9. NEW HIRES

If a Participant commences employment with the Corporation or a Subsidiary in the middle of a Term, then the STIP Payment for the Participant for the Term shall be prorated based on the number of days of active employment of the Participant during the Term to the total number of days in the Term, and paid not later than the date specified in Section 7.

10. FUNDING

For certainty, the Corporation has no obligation during any Term to pay or deposit any money into any account for the benefit of a Participant.

11. TAXES AND REPORTING

Notwithstanding anything else contained herein, each Participant shall be responsible for the payment of all applicable taxes, including, but not limited to, income taxes payable in connection with any payment under the Plan and the Corporation, its employees and agents shall bear no liability in connection with the payment of such taxes. The Corporation shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments.

12. AMENDMENTS, ETC.

The HRC Committee may at any time recommend to the Board for its approval the revision, suspension or discontinuance of the Plan in whole or in part. No such revision, suspension, or discontinuance shall alter or impair the rights of a Participant in respect of a STIP Payment previously approved by the HRC Committee for such Participant, without the consent of that Participant. In addition, no revision, suspension or discontinuance shall result in adverse taxation under Code Section 409A or cause the Plan to become a “salary deferral arrangement” for the purposes of the Income Tax Act (Canada), unless otherwise determined by the HRC Committee with the consent of the Participant.

13. NO GUARANTEE OF EMPLOYMENT

The existence of the Plan is in no way to be construed as a guarantee of continued employment for any Participant, or of entitlement to any future Plan awards, benefits or payments.

14. CURRENCY

February 16, 2017

The currency of the STIP Payment for a Term will be the same currency as the Base Salary at the end of the same Term of a Participant.

15. EFFECT OF REORGANIZATION

In the event of any take-over bid or any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution or similar transaction or other business combination that is not a Change of Control in which the Corporation is not the surviving or continuing corporation (a "**Reorganization**"), all obligations of the Corporation to pay to a Participant any STIP Payment arising from an outstanding Target Award hereunder shall be assumed by the surviving or continuing corporation, provided that the HRC Committee or the Board may make appropriate adjustment in the manner and timing in which such payments are to be made prior to such assumption. If, in the event of any such Reorganization, provision for such assumption satisfactory to the HRC Committee or the Board is not made by the surviving or continuing corporation, each Participant shall have paid to him or her, in full satisfaction for any amounts payable to such Participant under the Plan, a STIP Payment in the amount that such Participant would receive if the Reorganization was treated as a Change of Control under Section 8(i), unless otherwise determined by the HRC Committee. Such payment shall be made within 30 days after the date of the Reorganization.

Notwithstanding the above, with respect to Participants who are U.S. Taxpayers, no payment shall be made under this Section 15 unless such Reorganization also qualifies as a change in the ownership or effective control of the Corporation, or in the ownership of a substantial portion of the assets of the Corporation, within the meaning of Code Section 409A(2)(A)(v). In the case of a Reorganization that does not so qualify, payments to any such Participant shall be made in accordance with Section 7. The payment monies owing to these Participants will be placed in an irrevocable trust which is located in the United States of America and subject to the claims of the general creditors of the Corporation prior to the Reorganization.

16. CONFLICT WITH WRITTEN EMPLOYMENT AGREEMENT

In the event of a conflict between the terms of this Plan and the terms of any written employment agreement between a Participant and the Corporation, the terms of the written employment agreement shall prevail.

17. CODE SECTION 409A COMPLIANCE

With respect to any Participant who is a U.S. Taxpayer, the Corporation intends that the Plan shall comply with the applicable provisions of Code Section 409A, or an exemption from the application of Code Section 409A, in order to prevent the inclusion in the gross income of such Participant of any amount in a taxable year that is prior to the taxable year in which such amount would otherwise be paid or made available to such Participant under the terms of the Plan. The Plan shall be construed, interpreted and administered in a manner consistent with such intent. In furtherance of this intent, to the extent that any

term of the Plan is ambiguous, such term shall be interpreted to comply with Code Section 409A, or an exemption from the application of Code Section 409A, as determined by the Corporation. In no event may any participant who is a U.S. Taxpayer designate, directly or indirectly, the calendar year of any payment to be made under the Plan.

18. INCENTIVE COMPENSATION CLAWBACK POLICY

Where applicable, payments made to Participants under this Plan will be governed by the terms of the Corporation's Incentive Compensation Clawback Policy.

19. EFFECTIVE DATE

The Plan was originally effective as of January 1, 2007, and is amended and restated under the form of this Plan document to be effective as of February 16, 2017.

February 16, 2017

EXHIBIT 10.18

The Enbridge Supplemental Pension Plan

As Amended and Restated
Effective January 1, 2005

Table of Contents

1. General

1.1 Introduction

1.1.01 The Plan was originally established effective January 1, 2000, and is amended and restated effective as of January 1, 2005. The purposes of the Plan are:

(a) to ensure that Senior Management Employees receive retirement benefits in accordance with the Senior Management Pension Plan,

(b) to ensure that, where agreed to by the Parent, Employees who are not Senior Management Employees receive certain retirement benefits as defined in the EGD Plan and the EI Plan without limitation due to Maximum Pension Rules or Maximum DC Pension Rules, and

(c) to ensure that Members receive any retirement benefits agreed to by the Parent within a Member's executive employment agreement.

For further clarity, the Plan does not provide retirement benefits in respect of a Member's service accrued while a US Tax Resident.

1.1.02 With the exception of Article 4, the provisions of the Plan apply to Members for whom the earlier of retirement, termination of employment with a Participating Employer or death occurs on or after January 1, 2000. Benefits, if any, in respect of a Retired Member who retired, terminated employment with a Participating Employer, or died prior to January 1, 2000 will be governed in accordance with Article 4 of this Plan.

1.1.03 The Plan is not a registered pension plan under the Income Tax Act or under Canadian Pension Laws. Any contributions made to the Plan with respect to benefits earned while a Member is not (i) a US Tax Resident, (ii) a US Expatriate or (iii) otherwise subject to Code Section 409A, will be deposited in the RCA Fund and are to be considered as contributions to retirement compensation arrangements under the Income Tax Act. Any contributions made to the Plan with respect to benefits earned by a Member while he is a US Expatriate or otherwise subject to Code Section 409A, will be deposited in the Grantor Trust Fund.

1.1.04 The Plan is intended to satisfy the requirements of Code Section 409A for any benefits accrued or payable under the Plan to or on behalf of a Member who is subject to United States federal income taxation, but only to the extent such Member's benefits are subject to Code Section 409A, and do not satisfy any exception thereto either with respect to the Member individually or the Plan as a whole.

1.2 Construction, Interpretation and Definitions

For the purposes of this Plan, including this Section, the expressions set out below have the following meanings, regardless of any definitions in any other document that may be at variance with them:

1.2.01 "Active Member" means an Employee who is eligible to participate in the Plan in accordance with Section 1.3.01 and who is entitled to benefits from the Plan.

1.2.02 "Actuarial Equivalent" has the same meaning as in the EGD Plan or the EI Plan as is applicable in the circumstances.

1.2.03 "Actuary" means an individual, a firm or a corporation from time to time appointed by the Parent to carry out actuarial valuations and provide such actuarial advice and services as may be required for the purposes of the Plan. The Actuary shall at all times be a person who is, or a firm that has on its staff, a Fellow of the Canadian Institute of Actuaries.

1.2.04 "Associate Company" has the same meaning as in the EI Plan.

1.2.05 "Beneficiary" of a Member is the same person or persons designated by the Member as his beneficiary for the purposes of the EGD Plan or the EI Plan as is applicable in the circumstances.

1.2.06 "Benefit Commencement Date" means, with respect to benefits subject to Code Section 409A for Plan Years beginning on or after January 1, 2008, (i) for a Member whose date of Separation from Service is prior to his 55th birthday, the first day of the month coincident with or next following the date he attains age 60, and (ii) for a Member whose date of Separation from Service is on or after his 55th birthday, the first day of the month coincident with or next following the date that is six (6) months after the date of his Separation from Service.

1.2.07 "Board of Directors" means the Board of Directors of the Parent.

1.2.08 "Canadian Pension Laws" means the federal Pension Benefits Standards Act, 1985 and any regulations pursuant thereto and any amendment or substitute therefor as well as any similar statute applicable to the EGD Plan or the EI Plan and any regulation pursuant thereto adopted by the Canadian or any provincial government.

1.2.09 "Change of Control" has the meaning set forth in Section 1.4.07.

1.2.10 “Code” means the United States Internal Revenue Code of l986, as amended, and the regulations and other authority issued thereunder by the appropriate governmental authority. References herein to any section of the Code shall include references to any successor section or provision of the Code.

1.2.01 “Commuted Lump Sum Value” has the same meaning as in the EI Plan or the definition of commuted value in the EGD Plan as applicable in the circumstances. Income tax payable upon termination, death or retirement on any benefit provided under the Plan shall not be considered in the calculation of any Commuted Lump Sum Value.

1.2.02 “Consumer Price Index” has the same meaning as in the EGD Plan or the EI Plan as is applicable in the circumstances.

1.2.03 “Effective Date” means January 1, 2000, the original effective date of the Plan.

1.2.04 “EGD Plan” means the Pension Plan for Employees of Enbridge Gas Distribution, Inc. and Affiliates, as amended from time to time, formerly named the Pension Plan for Employees of the Consumers’ Gas Company Ltd. and Designated Affiliated, Associated, and Subsidiary Companies.

1.2.05 “EGD Supplementary Plan” means the Supplementary Executive Retirement Plan for Employees of Enbridge Gas Distribution Inc. and Affiliates, as amended from time to time, formerly named the Supplementary Executive Retirement Plan of the Consumers’ Gas Company Ltd.

1.2.06 “EI Plan” means the Retirement Plan for the Employees of Enbridge Inc. and Affiliates as in effect at January 1, 2005, and as subsequently amended from time to time.

1.2.07 “Employee” has the same meaning as in the EGD Plan or the EI Plan as is applicable in the circumstances.

1.2.08 “EUS Plan” means the Enbridge (U.S.) Inc. Employees’ Annuity Plan as in effect at January 1, 2005, and as subsequently amended from time to time or the Pension Plan for Employees of the St. Lawrence Gas Company, Inc. as in effect at January 1, 2005, and as amended from time to time, as is applicable in the circumstances.

1.2.09 “Excess Assets” means excess assets as defined in the Funding Policy.

1.2.10 “Final Average Earnings” has the same meaning as in the EI Plan.

1.2.11 “Funding Agency” means the original trustee, or trustees, that the Parent may appoint to hold and to administer the RCA Fund, and any duly appointed successor trustee or trustees.

1.2.12 “Funding Agreement” means any agreement governing the RCA Fund now or hereafter entered into between the Parent and the Funding Agency.

1.2.13 “Funding Policy” means the funding policy of the Plan as agreed to by the Human Resources & Compensation Committee and as amended from time to time.

1.2.14 “Grantor Trust Agreement” means any agreement governing the Grantor Trust Fund now or hereafter entered into between the Parent and the Grantor Trustee. The trust established under the Grantor Trust Agreement is intended to be a grantor trust within the meaning of Code Sections 671-677, and is not intended to constitute offshore trust property within the meaning of Code Section 409A(b).

1.2.15 “Grantor Trust Fund” means the trust fund established with the Grantor Trustee for the purpose of providing benefits under the Plan.

1.2.16 “Grantor Trustee” means the original trustee, or trustees, that the Parent may appoint to hold and to administer the Grantor Trust Fund, and any duly appointed successor, trustee, or trustees, or any combination thereof.

1.2.17 “Human Resources & Compensation Committee” means the Committee of the Board of Directors of the Parent from time to time appointed to fix the remuneration of the executives of the Parent or the Participating Employers or, if such committee has not been appointed, means the Board of Directors of the Parent.

1.2.18 “Income Tax Act” means the Income Tax Act (Canada) and any applicable provincial income tax act, as amended from time to time, together with any relevant regulations and application rules made thereunder from time to time.

1.2.19 “Maximum DC Pension Rules” means any rule or rules established by or under the Income Tax Act that limits contributions to an Active Member’s account under the EGD Plan or the EI Plan as of the date on which a contribution would otherwise have been payable. Such rules include, but are not necessarily limited to:

(a) maximum contribution limits resulting from the money purchase limit as defined by the Income Tax Act, and

(b) limitations on the contributions permitted for Active Members employed by a Foreign Affiliate (as defined under the EGD Plan or the EI Plan).

1.2.20 "Maximum Pension Rules" means any rule or rules established by or under the Income Tax Act that limits a benefit payable to a Member under the EGD Plan or the EI Plan as of the date in respect of which a determination of his benefit thereunder is required for purposes of this Plan. Such rules include, but are not necessarily limited to:

(a) limitations on defined benefit pension benefits payable to high income employees,
(b) limitations on the recognition of earnings for the purpose of determining the amount of defined benefit pensions,
(c) limitations on the crediting of service for employees employed outside of Canada,
(d) limitations on the annual defined benefit accrual rate, and
(e) limitations on the crediting of service prior to employment.

1.2.21 "Member" means an Active Member or a Retired Member.

1.2.22 Normal Benefit Form" means, with respect to benefits subject to Code Section 409A, (a) for a Member who is not married on his or her benefit commencement date, a pension payable on the first day of each month during the Member's lifetime commencing with the benefit commencement date, and terminating with the payment for the month in which the Member dies, but with a minimum of one hundred eighty (180) monthly payments (even if the Member should die prior to receiving such minimum number of payments); and (b) for a Member who is married on his or benefit commencement date, an annuity for the life of the Member with a survivor annuity payable to the Member's spouse in an amount equal to sixty percent (60%) of the monthly amount of the annuity payable to the Member during the Member's lifetime; provided, however, that if the Member's spouse is more than eight (8) years younger than the Member, the monthly amount payable to the Member shall be reduced by three tenths (3/10) of one percent (1%) for each year that the difference in age between the Member and his or her spouse exceeds eight (8) years.

1.2.23 "Notional Account" means an Active Member's account established and maintained pursuant to the provisions of Section 6.1.

1.2.24 “Notional Investment Earnings” means the notional amount of investment income credited to an Active Member’s Notional Account pursuant to the provisions of Section 6.3.

1.2.25 “Parent” means Enbridge Inc.

1.2.26 “Participating Employer” means any employer who meets the definition of “Company” in accordance with the EGD Plan or the EI Plan who, subject to the consent of the Board of Directors, agrees to participate in the Plan and be bound by the terms of the Plan.

1.2.37 “Participating Employer Account” means the portion of each of the RCA Fund and the Grantor Trust Fund allocated to a Participating Employer.

1.2.38 “Plan” means this Enbridge Supplemental Pension Plan, as originally effective January 1, 2000, and amended and restated as of January 1, 2005, and as it may thereafter be amended from time to time.

1.2.39 “Plan Assets” means plan assets as defined in the Funding Policy and includes any investment income earned by such assets.

1.2.40 “Plan Year” means the calendar year.

1.2.41 “Post Retirement Adjustment Provisions” means the provisions of the EGD Plan or the EI Plan as applicable in the circumstances that may increase the amount of periodic lifetime retirement benefit after a Member’s retirement.

1.2.42 “RCA Fund” means the trust fund established with the Funding Agency for the purpose of providing benefits under the Plan.

1.2.43 “Retired Member” means a person as defined in Section 1.3.02.

1.2.44 “Senior Management Employee” has the same meaning as in the EI Plan or the EGD Plan, as the case may be.

1.2.45 “Senior Management Pension Plan” means the supplemental pension arrangement described in the employee booklet entitled “The Enbridge Senior Management Pension Plan” effective January 1, 2000 and as amended thereafter. Any and all benefits relating to the Senior Management Pension Plan for the period that a Senior Management Employee is employed by a Participating Employer are documented in this Plan, the EI Plan or the EGD Plan.

1.2.46 "Separation from Service" means the cessation of a Member's services as an Employee of the Parent and any Participating Employer for any reason; provided, however, that transfer of employment between two entities that are included in a "controlled group" within the meaning of Code Sections 414 and 1563 will not constitute Separation from Service for purposes of this Plan; and provided further, the term Separation from Service shall be administered and interpreted in accordance with Code Section 409A.

1.2.47 "Specified Employee" means a Member who is a "key employee" (as defined in Code Section 416(i) without regard to Code Section 416(i)(5)) of the Parent (or an entity which is considered to be a single employer with the Parent under Code Section 414(b) or 414(c)), as determined under Code Section 409A at any time during the twelve (12) month period ending on December 31, but only if the Parent has any stock that is publicly traded on an established securities market or otherwise. Notwithstanding the foregoing, a Member will be deemed to be a Specified Employee solely for the period of April 1 through March 31 following such December 31, except as otherwise may be required under Code Section 409A.

1.2.48 "Spouse" means a Member's spouse as defined in the EGD Plan or the EI Plan as is applicable in the circumstances.

1.2.49 "US Expatriate" means a resident of Canada who is required by the Internal Revenue Code of the United States of America to file a federal income tax return with the Internal Revenue Service of the United States of America.

1.2.50 "US Supplemental Pension Plan" means the Enbridge Supplemental Pension Plan for United States Employees effective as of January 1, 2000, as amended thereafter from time to time.

1.2.51 "US Tax Resident" means a resident of the United States of America.

In the Plan, words importing the singular number include the plural and vice versa, words importing any gender include any other gender, and references to an Article, Articles, Section, Sections, Paragraph or Paragraphs mean an Article, Articles, Section, Sections, Paragraph or Paragraphs in this instrument.

Where the terms of the EGD Plan, the EI Plan or the EUS Plan are referenced, subject to any decision of the Parent to the contrary in a particular case, the reference is to the plan to which the Plan benefits in question are related.

1.3 Eligibility and Membership

1.3.01 Each of the following persons shall be eligible to participate in the Plan and shall be considered an Active Member of the Plan:

(a) any member of the EI Plan whose benefits accrued under the EI Plan on or after the Effective Date are limited as a result of the Maximum Pension Rules or the Maximum DC Pension Rules, and

(b) any member of the EGD Plan whose benefits accrued under the EGD Plan on or after the Effective Date are limited as a result of the Maximum Pension Rules or the Maximum DC Pension Rules,

provided that any accrual of benefits under the Plan shall be suspended during any period that the person is a US Tax Resident.

1.3.02 The following persons are Retired Members:

(a) retired members of the EI Plan listed in Appendix A.

1.4 Contributions

1.4.01 Members are neither required nor permitted to contribute to the Plan.

1.4.02 (a) The Parent shall contribute amounts to the RCA Fund and the Grantor Trust Fund in accordance with the Funding Policy.

(a) The Funding Policy shall define the target level of assets for purposes of Sections 1.4.02(a) and 1.4.05 and shall define Excess Assets for purposes of Sections 1.2.15 and 1.4.06.

Excess Assets, or any portion thereof, may be used to reduce the contributions by the Parent that would otherwise be required under the Plan.

If, due to an administrative or clerical error, the Parent contributes an amount to the RCA Fund or the Grantor Trust Fund that exceeds the amount it is required to contribute in accordance with the Funding Policy, the Parent may require the Funding Agency or the Grantor Trustee, as applicable in the circumstances, to refund the excess contributions to the Parent, provided that the request by the Parent for the refund is made within 60 days following the discovery of the error and such refund is permitted by the related Funding Agreement or Grantor Trust Agreement.

1.4.03 Each Participating Employer shall pay the Parent the portion of the contributions made by the Parent under Section 1.4.02 that are in respect of the Members which

the particular Participating Employer employs or has employed, as determined by the Actuary, within 30 days of the contribution made by the Parent. Such payments shall include the refundable tax amounts that the Parent is required to withhold in accordance with Section 1.5.02.

1.4.04 Subject to Sections 1.4.05 and 1.8, at any time, by resolution of the Human Resources & Compensation Committee amending the Funding Policy, the Parent may elect to discontinue or resume the contributions under Section 1.4.02 to the RCA Fund or the Grantor Trust Fund.

1.4.05 In the event of a Change of Control of the Parent as defined in Section 1.4.07, the Parent shall make contributions to the RCA Fund and the Grantor Trust Fund within a reasonable timeframe, but not later than 180 days after such Change of Control, such that, as of the date of the Change of Control, Plan Assets are no less than the target level of assets as defined in the Funding Policy.

1.4.06 Subject to the provisions of the Grantor Trust Agreement, Sections 1.5.03, 1.5.07, 1.6.03, 1.6.07 and 1.9.02, or any amendment thereto, and notwithstanding any other provisions in the Plan or the Funding Policy to the contrary, the Plan Assets determined at any time shall only be used for the payment of the pension liabilities in respect of which such Plan Assets were contributed by the Parent pursuant to the Funding Policy. Nevertheless, when permitted by the Plan and the related Funding Agreement or Grantor Trust Agreement, Plan Assets that constitute Excess Assets may be paid or transferred to the Parent.

1.4.07 For the purposes of Section 1.4.05, “Change of Control” means:

(a) the sale to a person or acquisition by a person not affiliated with the Parent or its subsidiaries of net assets of the Parent or its subsidiaries having a value greater than 50% of the fair market value of the assets of the Parent and its subsidiaries determined on a consolidated basis prior to such sale whether such sale or acquisition occurs by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise,

(b) any change in the holding, direct or indirect, of shares of the Parent by a person not affiliated with the Parent as a result of which such person, or a group of persons, or persons acting in concert, or persons associated or affiliated with any such person or group within the meaning of the Securities Act (Alberta), are in a position to exercise effective control of the Parent whether such change in the holding of such shares occurs by way of takeover bid, reconstruction, reorganization, recapitalization,

consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise; and for the purposes of this Plan, a person or group of persons holding shares or other securities in excess of the number which, directly or following conversion thereof, would entitle the holders thereof to cast 20% or more of the votes attaching to all shares of the Parent which, directly or following conversion of the convertible securities forming part of the holdings of the person or group of persons noted above, may be cast to elect directors of the Parent shall be deemed, other than a person holding such shares or other securities in the ordinary course of business as an investment manager who is not using such holding to exercise effective control, to be in a position to exercise effective control of the Parent,

(c) any reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction involving the Parent where shareholders of the Parent immediately prior to such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction hold less than 50% of the shares of the Parent or of the continuing corporation following completion of such reconstruction, reorganization, recapitalization, consolidation, amalgamation, arrangement, merger, transfer, sale or other transaction,

(d) the Parent ceases to be a distributing corporation as that term is defined in the Canada Business Corporations Act,

(e) any event or transaction which the Board of Directors, in its discretion, deems to be a Change of Control, or

(f) incumbent directors cease to be a majority of the Board of Directors,

provided that any transaction whereby shares held by shareholders of the Parent are transferred or exchanged for units or securities of a trust, partnership or other entity which trust, partnership or other entity continues to own directly or indirectly all of the shares of the Parent previously owned by the shareholders of the Parent and the former shareholders of the Parent continue to be beneficial holders of such units or securities in the same proportions following the transaction as they were beneficial holders of shares of the Parent prior to the transaction will be deemed not to constitute a Change of Control.

1.4.08 Excess Assets may be paid or transferred to the Parent from the RCA Fund and the Grantor Trust Fund if specific provision to that effect is made in Section 1.5, or 1.6, and in accordance with Section 1.9.02.

1.5 Grantor Trust Fund

1.5.01 The Grantor Trust Fund will be maintained and administered by the Grantor Trustee in accordance with the terms of the Grantor Trust Agreement. The Parent will be responsible for the selection of the Grantor Trustee and may appoint additional or successor Grantor Trustees as, in its sole discretion, may be necessary or desirable for purposes of the Plan.

1.5.02 The Parent shall withhold from its contributions to the Grantor Trust Fund the amount of refundable tax that is required to be withheld under the Income Tax Act with respect to contributions to a retirement compensation arrangement. The refundable tax which is withheld shall be remitted to the Canada Customs and Revenue Agency within the time periods specified in the Income Tax Act. The Parent shall also file the required tax form with respect to total contributions made by the Parent to the Grantor Trust Fund in the calendar year, and any other documents as it may be required to file under the Income Tax Act or the Code, within the time periods specified in the Income Tax Act or the Code.

1.5.03 The Grantor Trustee shall prepare and file the annual tax return for the Grantor Trust Fund, remit from the Grantor Trust Fund any refundable tax required with respect to investment earnings in the Grantor Trust Fund, and file any other documents as it may be required to file under the Income Tax Act or the Code, within the time periods specified in the Income Tax Act or the Code. In addition, where the Canada Customs and Revenue Agency fails to refund to the Grantor Trust Fund any excess refundable tax after assessing an annual tax return, the Grantor Trustee shall promptly apply for a refund of such amounts.

1.5.04 The benefit obligations of the Plan earned by Members while they are US Expatriates, or otherwise subject to Code Section 409A, shall be paid from the Grantor Trust Fund in accordance with the instructions of the Parent. The Grantor Trustee shall be responsible for withholding any taxes and any other statutory deductions required by applicable law from benefit payments from the Grantor Trust Fund.

1.5.05 Notwithstanding Section 1.5.04, the Parent or a Participating Employer may elect to pay benefit obligations of the Plan earned by Members while they are US Expatriates, or otherwise subject to Code Section 409A, from its general funds. The Parent or the Participating Employer shall be responsible for withholding any

taxes and any other statutory deductions required by applicable law from benefit payments from its general funds. Payment of benefit obligations made by the Parent or the Participating Employer shall discharge the liability of the Plan that would otherwise have been payable from the Grantor Trust Fund.

1.5.06 The fiscal year of the Grantor Trust Fund shall be the Plan Year.

1.5.07 Fees of the Grantor Trustee, fees of any investment manager, investment brokerage, transfer taxes and similar costs arising as a result of the making of investments, the sale of assets or the realization of investment yield, and the expenses reasonably incurred or compensation properly paid (including fees and disbursements for the services of the Grantor Trustee, the Actuary, accountants, lawyers and other advisors) in the course of the administration of the Plan with regard to Members who are US Expatriates, or whose benefits are otherwise subject to Code Section 409A, may be paid from the Grantor Trust Fund. (For greater certainty, the fees of an investment manager may be paid from the proceeds of the sale of assets managed by that investment manager.) The Parent may pay any such fees, costs, expenses or other amounts on behalf of the Grantor Trust Fund, subject to reimbursement by the Grantor Trust Fund if permitted under the terms of the Grantor Trust Agreement. Reimbursement may be waived by the Parent. In the event that such fees, costs, expenses or other amounts are paid by the Parent and the Parent waives reimbursement by the Grantor Trust Fund, the Parent may recover an appropriate amount of such fees, costs, expenses or other amounts from each Participating Employer.

1.5.08 No Member, annuitant, joint annuitant, beneficiary or estate or any other person shall have any interest in or right to any part of the earnings of the Grantor Trust Fund, or any rights in or to any part of the assets thereof, except as expressly provided for in the Plan or the Grantor Trust Agreement, and then such interest or rights shall only be to the extent of such provisions.

1.5.09 The Parent, or its duly appointed delegate, shall have full authority to direct the investment of the Grantor Trust Fund, provided that such investment shall be directed so that the Grantor Trustee has liquid assets available as required for benefit payments and other payments that the Funding Agency is required to make from the Grantor Trust Fund as they fall due.

1.5.10 A Participating Employer Account shall be established on behalf of each Participating Employer whose employees accrue benefits that are payable from the Grantor Trust Fund. Any and all transactions in respect of the Grantor Trust Fund shall be allocated to the applicable Participating Employer Account in a manner determined by the Parent on the advice of the Actuary.

1.5.11 There may be paid or transferred to the Parent by the Grantor Trustee, at any time in a year upon resolution of the Human Resources & Compensation Committee, assets from the Grantor Trust Fund in an amount that does not exceed the Excess Assets at the particular time if permitted under the terms of the Grantor Trust Agreement.

1.5.12 The Parent may, in its sole discretion and by way of a resolution of the Human Resources & Compensation Committee, pay or transfer Excess Assets that have been paid from the Grantor Trust Fund that are attributable to a Participating Employer to the Participating Employer Account of another Participating Employer.

1.6 RCA Fund

1.6.01 The RCA Fund will be maintained and administered by the Funding Agency in accordance with the terms of the Funding Agreement. The Parent will be responsible for the selection of the Funding Agency and may appoint additional or successor Funding Agencies as, in its sole discretion, may be necessary or desirable for purposes of the Plan.

1.6.02 The Parent shall withhold from its contributions to the RCA Fund the amount of refundable tax that is required to be withheld under the Income Tax Act with respect to contributions to a retirement compensation arrangement. The refundable tax which is withheld shall be remitted to the Canada Customs and Revenue Agency within the time periods specified in the Income Tax Act. The Parent shall also file the required tax form with respect to total contributions made by the Parent to the RCA Fund in the calendar year, and any other documents as it may be required to file under the Income Tax Act, within the time periods specified in the Income Tax Act.

1.6.03 The Funding Agency shall prepare and file the annual tax return for the RCA Fund, remit from the RCA Fund any refundable tax required with respect to investment earnings in the RCA Fund, and file any other documents as it may be required to file under the Income Tax Act, within the time periods specified in the Income Tax Act. In addition, where the Canada Customs and Revenue Agency fails to refund to the RCA Fund any excess refundable tax after assessing an annual tax return, the Funding Agency shall promptly apply for a refund of such amounts.

1.6.04 The benefit obligations of the Plan earned by Members while they are not US Tax Residents or US Expatriates shall be paid from the RCA Fund in accordance with

the instructions of the Parent. The Funding Agency shall be responsible for withholding any taxes and any other statutory deductions required by applicable law from benefit payments from the RCA Fund.

1.6.05 Notwithstanding Section 1.6.04, the Parent or a Participating Employer may elect to pay benefit obligations of the Plan earned by Members while they are not US Tax Residents or US Expatriates from its general funds. The Parent or the Participating Employer shall be responsible for withholding any taxes and any other statutory deductions required by applicable law from benefit payments from its general funds. Payment of benefit obligations made by the Parent or the Participating Employer shall discharge the liability of the Plan that would otherwise have been payable from the RCA Fund.

1.6.06 The fiscal year of the RCA Fund shall be the Plan Year.

1.6.07 Fees of the Funding Agency, fees of any investment manager, investment brokerage, transfer taxes and similar costs arising as a result of the making of investments, the sale of assets or the realization of investment yield, and the expenses reasonably incurred or compensation properly paid (including fees and disbursements for the services of the Funding Agency, the Actuary, accountants, lawyers and other advisors) in the course of the administration of the Plan in respect of Members who are not US Tax Residents or US Expatriates may be paid from the RCA Fund. (For greater certainty, the fees of an investment manager may be paid from the proceeds of the sale of assets managed by that investment manager.) The Parent may pay any such fees, costs, expenses or other amounts on behalf of the RCA Fund, subject to reimbursement by the RCA Fund. Reimbursement may be waived by the Parent. In the event that such fees, costs, expenses or other amounts are paid by the Parent and the Parent waives reimbursement by the RCA Fund, the Parent may recover an appropriate amount of such fees, costs, expenses or other amounts from each Participating Employer.

1.6.08 No Member, annuitant, joint annuitant, Beneficiary, estate or any other person shall have any interest in or right to any part of the earnings of the RCA Fund, or any rights in or to any part of the assets thereof, except as expressly provided for in the Plan, and then such interest or rights shall only be to the extent of such provisions.

1.6.09 The Parent, or its duly appointed delegate, shall have full authority to direct the investment of the RCA Fund, provided that such investment shall be directed so that the Funding Agency has liquid assets available as required for benefit payments and other payments that the Funding Agency is required to make from the RCA Fund as they fall due.

1.6.10 A Participating Employer Account shall be established on behalf of each Participating Employer whose employees accrue benefits that are payable from the RCA Fund. Any and all transactions in respect of the RCA Fund shall be allocated to the applicable Participating Employer Account in a manner determined by the Parent on the advice of the Actuary.

1.6.11 There may be paid or transferred to the Parent by the Funding Agency, at any time in a year upon resolution of the Human Resources & Compensation Committee, assets from the RCA Fund in an amount that does not exceed the Excess Assets at the particular time.

1.6.12 The Parent may, in its sole discretion and by way of a resolution of the Human Resources & Compensation Committee, pay or transfer Excess Assets from the RCA Fund that are attributable to a Participating Employer to the Participating Employer Account of another Participating Employer.

1.6.13 Notwithstanding any other provision herein, if a Member who is not a US Expatriate becomes a US Tax Resident and a member of the US Supplemental Plan, any increase in the amount of benefit payable to such Member under the Plan based on his earnings while a member of the US Supplemental Plan shall be paid from the Grantor Trust Fund. If such Member ceases to be a US Tax Resident, the benefit payable from the Grantor Trust Fund under this section shall cease to be payable therefrom and shall be payable from the RCA Fund, unless such benefit earned while a member of the US Supplemental Plan is subject to Code Section 409A, in which case the benefit shall remain payable from the Grantor Trust Fund.

1.7 Administration of the Plan

1.7.01 The Parent shall be responsible for the overall administration, interpretation, and application of the Plan, and all decisions of the Parent in connection with the administration, interpretation, and application of the Plan shall be binding upon the Parent, the Participating Employers and the Members. The Parent may enact such rules and regulations relating to the operation of the Plan as are consistent with the terms of the Plan and as it considers necessary for the carrying out of its provisions and may amend or revoke such rules and regulations from time to time.

1.7.02 The Parent may delegate its powers and duties with respect to the Plan to any person, persons or firm as it may determine, whether or not the members of the firm or the person or persons are employees, officers or directors of the Parent. The Parent may authorize the firm, person or persons so determined by it to act on

its behalf and to execute instruments on its behalf. The Funding Agency and the Grantor Trustee may rely upon any instrument signed on behalf of such firm, or by any person or persons so authorized by the Parent and certified by the Parent to be so authorized, as properly and effectively evidencing the action of the Parent.

1.7.03 The Parent, the Participating Employers, the Human Resources & Compensation Committee members or any employee or servant of the Parent or the Participating Employers shall not be liable for any honest error in judgement, nor shall they be liable for any liability or debt of the RCA Fund or the Grantor Trust Fund, nor for the non-fulfilment of any contract, nor for any other liability arising in connection with the administration of the RCA Fund, the Grantor Trust Fund or the Plan, nor for any other duty or obligation as referred to in the Plan; provided, however, that nothing herein shall exempt the Parent, the Participating Employers, the Human Resources & Compensation Committee members or any employee or servant of the Parent or the Participating Employers from any liability, obligation or debt arising out of their acts or omissions done or suffered in bad faith or through wilful misconduct.

1.7.04 The Parent shall indemnify and save harmless the Human Resources & Compensation Committee members and any employee or servant of the Parent or the Participating Employers who are involved in the administration of the Plan from any and all claims, losses, damages, expenses and liability which may result from their acts, omissions or conduct in their formal capacity to the full extent permitted by law except for their acts or omissions done or suffered in bad faith or through wilful misconduct provided, however, that no part of the RCA Fund or the Grantor Trust Fund shall be used for indemnification payments.

1.7.05 The Parent and any person or firm appointed by the Parent in accordance with Section 1.7.02 shall be entitled to rely conclusively upon all tables, valuations, certifications, opinions and reports which may be furnished by the Actuary or by an accountant, counsel or other person who may be employed or engaged for such purposes.

1.7.06 Whenever the records of the Parent or a Participating Employer are used for the purposes of the Plan, such records shall be conclusive of the facts with which they are concerned unless and until they are proven to be in error.

1.7.07 All benefits payable from the Plan shall be paid in the lawful currency of Canada.

1.8 General Provisions

1.8.01 Participation in this Plan does not confer upon any Member any rights that he did not otherwise possess as an Employee except to such benefits as have specifically accrued to him under the terms of the Plan. Nothing contained in the Plan may be deemed to give any Employee the right to be retained in the employ of the Participating Employer or to interfere with the right of the Participating Employer to discharge any Employee at any time without regard to the effect that such discharge might have upon the Employee as a Member under the Plan.

1.8.02 Except as otherwise required by applicable law, all benefits provided under the terms of the Plan are for the Member's own use and benefit, are not capable of assignment or alienation, and do not confer upon any Member, personal representative or dependent, or any other person, any right or interest in the benefit or deferred benefit that is capable of being assigned or otherwise alienated, nor is any such benefit capable of surrender or commutation except as provided in the Plan.

1.8.03 (a) Except as otherwise required by applicable law, no benefit, or portion thereof, paid or payable under the Plan:

(i) is subject to execution, seizure or attachment in satisfaction of an order for support or maintenance enforceable in Alberta or another relevant jurisdiction; or

(ii) may be divided at source or become payable to the Spouse or former Spouse of a Member in respect of such Member's marriage breakdown, divorce, or other dissolution, including, without limitation, pursuant to any "domestic relations order" within the meaning of Code Section 414(p)(1)(B).

(b) The limitations set out in (a) above apply notwithstanding any division of benefits on marriage breakdown occurring with respect to benefits payable from the EGD Plan or the EI Plan, as applicable. Provisions of the Plan stating that Plan benefits are payable on the same terms and conditions as benefits payable from the EGD Plan or the EI Plan, as applicable, shall be interpreted to exclude such a division of benefits.

(c) Notwithstanding any provision to the contrary in this Section 1.8.03, if, as required by applicable law, a benefit payable under this Plan is divided at

source or become payable to the Spouse or former Spouse of a Member in respect of such Member's marriage breakdown, such benefit shall be calculated and paid to the Spouse or former Spouse in the manner determined by the Parent. For purposed of clarity, "as required by applicable law" as used in this provision shall not be construed to include a "domestic relations order" within the meaning of Code Section 414(p)(1)(B).

1.8.04 If the Parent receives evidence which in its absolute discretion is satisfactory to it that a person entitled to receive any payment provided for in the Plan is physically or mentally incompetent to receive such payment and to give a valid release therefor, then the Parent may direct the payment to the duly appointed legal guardian, committee or other legal representative of the payee, and such payment shall be a valid and complete discharge to the Plan for the payment.

1.8.05 Any application, notice or election under the Plan by a Member, Spouse or Beneficiary must be made, given or communicated, as the case may be, in such manner as the Parent may determine.

1.8.06 Any payment to be made under the Plan to a person during his lifetime only will cease with the payment made in the month which his death occurs.

1.8.07 No benefits shall be paid under the Plan while a Member continues to accrue service under the EGD Plan, the EI Plan or the EUS Plan, as applicable in the circumstances, except as provided for upon the discontinuance of the Plan or the discontinuance of the participation in the Plan by a Participating Employer pursuant to Section 1.9.

1.8.08 The Plan and all rights thereunder shall be governed, interpreted and administered in accordance with (a) the laws of the province of Alberta and the laws of Canada applicable therein, and (b) for Members subject to United States federal income taxation, the Code.

1.8.09 If any provision of the Plan is held to be invalid or unenforceable by a court of competent jurisdiction, its invalidity or unenforceability shall not affect any other provision of the Plan and the Plan shall be interpreted and enforced as if such provision had not been included therein.

1.8.10 The Parent, the RCA Fund and the Grantor Trust Fund are not liable to pay in total any more than the benefit determined under the applicable provision of the Plan, whether to either or both of a Member and any person who establishes a claim against the Member's entitlement. In particular, but without restricting the

generality of the foregoing, if there is any requirement in law that a person other than the person identified by the terms of the Plan is entitled to all or part of the benefit payable under the Plan, then the lawful requirement shall prevail over the provisions of the Plan.

1.9 Amendment or Discontinuance

1.9.01 The Parent expects to continue the Plan indefinitely, but nevertheless reserves the right to:

(a) amend the Plan;

(b) discontinue the Plan; or

(c) amend the Plan to merge or consolidate the Plan with any other pension plan adopted by the Board of Directors;

provided that no such action shall reduce the benefits which have accrued immediately prior to the time such action is taken, except as provided in Section 1.9.02.

Any amendment or discontinuation of the Plan shall be made by:

(d) the adoption of a resolution by the Board of Directors;

(e) the execution of a certificate of amendment by an officer of the Parent authorized by a resolution of the Board of Directors to amend the plan; or

(f) the adoption of a resolution by the Human Resources & Compensation Committee when authorized to do so by the Board of Directors.

1.9.02 If the Plan is wholly terminated:

(a) the Parent shall not be obligated to make any further contributions to the Plan,

(b) the assets then held under the RCA Fund and the Grantor Trust Fund shall be allocated for the provision of benefits, and

(c) the Commuted Lump Sum Values and the value of the Notional Accounts accrued to the date of Plan termination pursuant to the applicable provisions of the Plan, to which the Members, their Spouses, Beneficiaries and joint annuitants are entitled, as determined by the

Parent in consultation with the Actuary, shall become due and payable, unless the payment thereof would result in adverse taxation to the Member under Code Section 409A.

Notwithstanding Paragraph 1.9.02(a), in the event that assets held under the RCA Fund or the Grantor Trust Fund are not sufficient to provide all benefits payable therefrom, the Parent shall contribute to the RCA Fund or the Grantor Trust Fund, as is applicable, the amount of the insufficiency such that the Commuted Lump Sum Values and the value of the Notional Accounts payable from the RCA Fund and the Grantor Trust Fund are paid in full. Amounts equal to such additional contributions shall be paid by each Participating Employer, as is applicable, to the Parent.

In the event that such additional contributions cannot be made by the Parent due to bankruptcy or insolvency, the Funding Agency or the Grantor Trustee, as is applicable, shall pay the following amounts in the order indicated:

(d) first, the termination expenses and any unpaid trustee expenses payable under the Funding Agreement or the Grantor Trust Agreement, as is applicable;

(e) second, if there are Plan Assets still remaining in the RCA Fund or the Grantor Trust Fund, as is applicable, there shall be paid to each Member, Spouse or Beneficiary entitled to a benefit from the applicable fund the lesser of:

(i) an amount equal to the fund's pension liability described in Section 1.4.06 applicable to such Member, Spouse or Beneficiary at the date of the termination of the Plan; and

(ii) an amount equal to the ratio of the amount determined in subparagraph (e)(i) above for such Member, Spouse or Beneficiary to the aggregate of the amounts determined in subparagraph (e)(i) above for all such Members, Spouses or Beneficiaries multiplied by the applicable Plan Assets; and

(f) third, if there are Plan Assets still remaining in the RCA Fund or the Grantor Trust Fund, as is applicable, there shall be paid to each Member, Spouse or Beneficiary entitled to a benefit from the applicable fund the lesser of:

(i) any portion of the Commuted Lump Sum Value and the value of the Notional Account applicable to the fund and to such Member,

Spouse or Beneficiary at the date of the termination of the Plan that was not paid under subparagraph (e)(i) above; and

(ii) an amount equal to the ratio of the amount determined in subparagraph (f)(i) above for such Member, Spouse or Beneficiary to the aggregate of the amounts determined in subparagraph (f)(i) above for all such Members, Spouses and Beneficiaries multiplied by the applicable Plan Assets.

If after the provision of all such Commuted Lump Sum Values and the value of any Notional Accounts, as is applicable, to the Members, their Spouses, Beneficiaries and joint annuitants, there remain any Excess Assets in the RCA Fund or the Grantor Trust Fund, the Excess Assets shall revert to the Parent or shall be applied as the Parent may direct.

1.9.03 In the event that a Participating Employer's board of directors passes a resolution to discontinue its participation in the Plan or the Board of Directors passes a resolution that states that a Participating Employer is no longer permitted to participate in the Plan:

(a) the Parent shall not be obligated to make any further contributions to the Plan with respect to the Members employed by such Participating Employer,

(b) the assets allocated to the relevant Participating Employer Account shall be allocated for the provision of benefits accrued by Members in respect of their employment with the Participating Employer, and

(c) the associated Commuted Lump Sum Values and the value of the Notional Accounts accrued to the date of termination relating to benefits accrued by Members in respect of their employment with the Participating Employer, pursuant to the applicable provisions of the Plan, to which the Members, their Spouses, Beneficiaries and joint annuitants are entitled, as determined by the Parent in consultation with the Actuary, shall become due and payable, unless payment thereof would result in adverse taxation to the Member under Code Section 409A.

Notwithstanding Paragraph 1.9.03(a), in the event that assets held under the Participating Employer Account of the RCA Fund or the Grantor Trust Fund are not sufficient to provide all benefits payable therefrom, the Parent shall contribute to the RCA Fund or the Grantor Trust Fund, as is applicable, the

amount of the insufficiency such that the Commuted Lump Sum Values and the value of the Notional Accounts are paid in full. An amount equal to such additional contribution shall be paid by the Participating Employer to the Parent.

If after the provision of all such accrued benefits to the Members, their Spouses, Beneficiaries and joint annuitants, there remain any Plan Assets in the Participating Employer Account, those Plan Assets shall revert to the Parent or shall be applied as the Parent may direct.

1.9.04 Where one or more Members cease to be employed by a Participating Employer and thereby cease to accrue benefits due to the sale of all or a portion of a Participating Employer or its business to a third-party purchaser, the Parent may elect, subject to the agreement of the purchaser, to transfer to the purchaser any and all obligations payable under the terms of the Plan with regard to such Participating Employer. The Parent may also elect, subject to the agreement of the purchaser, to transfer the value of the applicable Participating Employer Account to (a) an RCA trust (as defined in subsection 207.5(1) of the Income Tax Act) established by the purchaser or (b) a grantor trust within the meaning of Code Sections 671-677, as is applicable. Following the transfer of such obligations and Participating Employer Account, if applicable, Members whose benefits would have been payable pursuant to the Plan shall cease to be Members and shall have no further entitlement under the Plan.

1.9.05 Amounts payable pursuant to Sections 1.9.02 and 1.9.03 shall be paid:

(a) if the Member is alive, directly to the Member,

(b) if the Member is not alive, directly to the Member's Spouse or Beneficiary as applicable in the circumstances.

1.9.06 Notwithstanding the other provisions of the Plan, for the purposes of Sections 1.9.02 and 1.9.03, the calculation of Commuted Lump Sum Values shall be based on the interest rate that would otherwise be used to determine the Commuted Lump Sum Value multiplied by one minus the highest marginal personal income tax rate applicable at the relevant time in the appropriate jurisdiction.

2. Defined Benefit Provisions Relating to EI Plan Benefits Accrued by Active Members

2.0 Application of Article 2

The benefits payable, if any, from the Plan to an Active Member associated with his benefits accrued under the defined benefit provisions of the EI Plan are those determined in accordance with the following Sections of this Article 2. For all purposes of Article 2, any benefit attributable to service accrued while a US Tax Resident shall be excluded from the calculation of the benefit payable from the defined benefit provisions of the EI Plan.

2.1 Retirement Benefits

2.1.01 Amount of Retirement Benefits

An Active Member who retires under the terms of the EI Plan shall be entitled to a monthly retirement benefit equal to the excess, if any, of:

(a) the Active Member's monthly retirement benefit payable in accordance with the defined benefit provisions of the EI Plan, but as if the Maximum Pension Rules did not apply and the Post Retirement Adjustment Provisions were replaced by Section 5.1.01; over

(b) the monthly retirement benefit payable in accordance with the defined benefit provisions of the EI Plan.

2.1.02 Payment of Retirement Benefits

The monthly retirement benefit provided to a Member under Section 2.1.01 shall be payable to the Member at the same time and on the same terms and conditions that apply to the pension benefit paid to the Member from the EI Plan. Notwithstanding the previous sentence, with respect to any Member who is a Specified Employee as of the date of such Member's Separation from Service due to retirement, benefits that are subject to Code Section 409A shall not commence payment earlier than the first day of the month coincident with or next following the date that is six (6) months after the date of the Member's Separation from Service.

With respect to Plan Years beginning on or after January 1, 2008, the accrued benefits of any Member subject to Code Section 409A shall commence payment on his Benefit Commencement Date. Benefits subject to Code Section 409A shall be paid in the form of monthly pension payable in the Normal Benefit Form. However, if a Member has not commenced receiving a benefit payment under the Plan, the Member may request, on a form provided by the Parent, that the form of distribution be changed from one type of life annuity (within the meaning of Code

Section 409A) to another type of life annuity, to the extent such forms of benefit payment are available under the Plan and the EI Plan.

With respect to Plan Years beginning on or after January 1, 2008, for any Member whose date of Separation from Service is on or after such Member's 55th birthday, the payment in the first month will be equal to the sum of seven monthly pension payments. This initial payment will constitute seven monthly payments for the purposes of determining the number of guaranteed monthly payments that have been paid to, or on behalf of, the Member.

In determining the amount of monthly retirement benefit for the purposes of Section 2.1.01(a):

(a) the monthly retirement benefit under an elected optional form in accordance with the defined benefit provisions of the EI Plan may exceed the amount of retirement income payable under the normal form,

(b) where section 1.5.03(a) of the EI Plan applies, the amounts considered as offsets in sections 2.1.02(a)(v) and 2.1.02(b)(ii) of the EI Plan shall include amounts payable from both the EUS Plan and the US Supplemental Pension Plan,

(c) a Member's Earnings shall include amounts received by the Member from an Associate Company except that, where section 1.5.03(a) of the EI Plan applies and the Member's employment ceases while he is employed by an Associate Company, amounts received by a Member from the Associate Company continue to be excluded, and

(d) a Member's Final Average Earnings shall be determined in the same manner as in section 1.2.32 of the EI Plan, except without regard to the final paragraph in that section.

2.2 Death Benefits

2.2.01 Pre-Retirement Death Benefits in Respect of Service Prior to January 1, 2000

In the event of the death of an Active Member who was a Senior Management Employee on January 1, 2000, who had participated in the defined benefit provisions of the EI Plan and who was eligible for pre-retirement death benefits in accordance with the EI Plan, the Active Member's surviving Spouse, or Beneficiary if there is no surviving Spouse, shall be entitled to a death benefit equal to the excess, if any, of:

(a) the death benefit payable in accordance with the defined benefit provisions of the EI Plan in respect of service prior to January 1, 2000, but, if the Active Member was a Senior Management Employee on January 1, 2000, as if the Maximum Pension Rules did not apply; over

(b) the death benefit payable in accordance with the defined benefit provisions of the EI Plan in respect of service prior to January 1, 2000.

2.2.02 **Pre-Retirement Death Benefits in Respect of Service After December 31, 1999 and Prior to July 1, 2001**

In the event of the death of an Active Member who had participated in the defined benefit provisions of the EI Plan as a Senior Management Employee prior to July 1, 2001, and who was eligible for pre-retirement death benefits in accordance with the EI Plan, the Active Member's surviving Spouse, or Beneficiary if there is no surviving Spouse, shall be entitled to a death benefit equal to the excess, if any, of:

(a) the death benefit payable in accordance with the defined benefit provisions of the EI Plan in respect of service after December 31, 1999 and prior to July 1, 2001 while the Member was a Senior Management Employee, but, for the period that the Active Member was a Senior Management Employee, as if the Maximum Pension Rules did not apply; over

(b) the death benefit payable in accordance with the defined benefit provisions of the EI Plan in respect of service after December 31, 1999 and prior to July 1, 2001 while the Member was a Senior Management Employee.

2.2.03 **Pre-Retirement Death Benefits in Respect of Service After June 30, 2001**

In the event of the death of an Active Member who had accrued benefits under the defined benefit provisions of the EI Plan and who was eligible for pre-retirement death benefits in accordance with the EI Plan, the Active Member's surviving Spouse, or Beneficiary if there is no surviving Spouse, shall be entitled to a death benefit equal to the excess, if any, of:

(a) the death benefit payable in accordance with the defined benefit provisions of the EI Plan in respect of service after June 30, 2001, but as if the Maximum Pension Rules did not apply; over

(b) the death benefit payable in accordance with the defined benefit provisions of the EI Plan in respect of service after June 30, 2001.

2.2.04 **Payment of Pre-Retirement Death Benefits**

A pre-retirement death benefit payable in accordance with this Section shall be payable at the same time and on the same terms and conditions that apply to the pre-retirement death benefit paid to the surviving Spouse or Beneficiary from the EI Plan. provided, however, if the surviving Spouse or Beneficiary elects to transfer the Commuted Lump Sum Value of the death benefit payable in accordance with the defined benefit provisions of the EI Plan, the Commuted Lump Sum Value of the death benefit payable in accordance with this Section shall be paid to the surviving Spouse or Beneficiary in a cash lump sum, subject to applicable tax withholding, and no further entitlement under Article 2 shall be payable.

Notwithstanding the above paragraph, for Plan Years beginning on or after January 1, 2008, death benefits subject to Code Section 409A shall be paid to the Member's surviving Spouse in the form of an annuity for the life of the Member's surviving Spouse, commencing as of the Member's Benefit Commencement Date as if the Member had survived to that date. Notwithstanding the foregoing, if the lump sum value of such annuity payable to the Member's surviving Spouse is $10,000 or less, the Plan shall pay the Member's surviving Spouse the lump sum without the surviving Spouse's consent provided that (a) such payment constitutes the Member's entire interest in the Plan and (b) distribution of the Member's entire interest in all similar arrangements constituting nonqualified deferred compensation plans under Code Section 409A is also made as soon as administratively practicable after the Parent receives notification of the Member's death, but in no event later than the later of (1) December 31 of the calendar year of the Member's death or (2) the date that is 2½ months after the date of Member's death. In determining the amount of death benefit for the purposes of Sections 2.2.01(a), 2.2.02(a), and 2.2.03(a):

(a) where Section 1.5.03(a) of the EI Plan applies, the amounts considered as offsets in sections 2.1.02(a)(v) and 2.1.02(b)(ii) of the EI Plan shall include amounts payable from both the EUS Plan and the US Supplemental Pension Plan,

(b) an Active Member's Earnings shall include amounts received by the Member from an Associate Company except that, where Section 1.5.03(a) of the EI Plan applies and the Member's employment ceases while he is employed by an Associate Company, amounts received by an Active Member from the Associate Company continue to be excluded, and

(c) an Active Member's Final Average Earnings shall be determined in the same manner as in Section 1.2.32 of the EI Plan, except without regard to the final paragraph in that section.

2.3 Termination Benefits

2.3.01 Pre-Retirement Termination Benefits in Respect of Service Prior to January 1, 2000

In the event of the termination of employment of an Active Member who was a Senior Management Employee on January 1, 2000 and who had participated in the defined benefit provisions of the EI Plan, provided that the termination of employment is for a reason other than death and occurs prior to the date on which he becomes eligible to retire in accordance with the EI Plan, the Active Member shall be entitled to a monthly retirement benefit equal to the excess, if any, of:

(a) the termination benefit payable in accordance with the defined benefit provisions of the EI Plan in respect of service prior to January 1, 2000, but, if the Active Members was a Senior Management Employee on January 1, 2000, as if the Maximum Pension Rules did not apply; over

(b) the termination benefit payable in accordance with the defined benefit provisions of the EI Plan in respect of service prior to January 1, 2000.

2.3.02 Pre-Retirement Termination Benefits in Respect of Service After December 31, 1999 and Prior to July 1, 2001

In the event of the termination of employment of an Active Member who had participated in the defined benefit provisions of the EI Plan as a Senior Management Employee prior to July 1, 2001, provided that the termination of employment is for a reason other than death and occurs prior to the date on which he becomes eligible to retire in accordance with the EI Plan, the Active Member shall be entitled to a monthly retirement benefit equal to the excess, if any, of:

(a) the termination benefit payable in accordance with the defined benefit provisions of the EI Plan in respect of service after December 31, 1999 and prior to July 1, 2001 while the Member was a Senior Management Employee, but, for the period that the Active Member was a Senior Management Employee, as if the Maximum Pension Rules did not apply; over

(b) the termination benefit payable in accordance with the defined benefit provisions of the EI Plan in respect of service after December 31, 1999 and prior to July 1, 2001 while the Member was a Senior Management Employee.

2.3.03 **Pre-Retirement Termination Benefits in Respect of Service After June 30, 2001**

In the event of the termination of employment of an Active Member who had participated in the defined benefit provisions of the EI Plan, provided that the termination of employment is for a reason other than death and occurs prior to the date on which he becomes eligible to retire in accordance with the EI Plan, the Active Member shall be entitled to a monthly retirement benefit equal to the excess, if any, of:

(a) the termination benefit payable in accordance with the defined benefit provisions of the EI Plan in respect of service after June 30, 2001, but as if the Maximum Pension Rules did not apply; over
(b) the termination benefit payable in accordance with the defined benefit provisions of the EI Plan in respect of service after June 30, 2001.

2.3.04 **Payment of Termination Benefits**

A pre-retirement termination benefit payable in accordance with this Section shall be payable at the same time and on the same terms and conditions that apply to the benefit paid to the Member from the EI Plan; provided, however, if the Member is a Specified Employee, termination benefits will commence payment on the first day of the month coincident with or next following the date he attains age 60. Notwithstanding the preceding sentence, if the Member elects to transfer the Commuted Lump Sum Value of his pre-retirement termination benefit payable in accordance with the defined benefit provisions of the EI Plan, the Commuted Lump Sum Value of the termination benefit payable in accordance with this Section shall be paid to the Member in a cash lump sum, subject to applicable tax withholding. Upon receipt of this payment, the Member will cease to be a Member and no further entitlement under Article 2 shall be payable.

For Plan Years beginning on or after January 1, 2008, termination benefits subject to Code Section 409A shall be payable only upon the Member's Separation from Service. Benefits subject to Code Section 409A shall be paid in the form of monthly pension payable in the Normal Benefit Form. However, if a Member has not commenced receiving a benefit payment under the Plan, the Member may

request, on a form provided by the Parent, that the form of distribution be changed from one type of life annuity (within the meaning of Code Section 409A) to another type of life annuity, to the extent such forms of benefit payment are available under the Plan and the EI Plan.

In determining the amount of termination benefit for the purposes of Sections 2.3.01(a), 2.3.02(a), and 2.3.03(a):

(a) where Section 1.5.03(a) of the EI Plan applies, the amounts considered as offsets in Sections 2.1.02(a)(v) and 2.1.02(b)(ii) of the EI Plan shall include amounts payable from both the EUS Plan and the US Supplemental Pension Plan,

(b) a Member's Earnings shall include amounts received by the Member from an Associate Company except that, where Section 1.5.03(a) of the EI RPP applies and the Member's employment ceases while he is employed by an Associate Company, amounts received by a Member from the Associate Company continue to be excluded, and

(c) an Active Member's Final Average Earnings shall be determined in the same manner as in Section 1.2.32 of the EI RPP, except without regard to the final paragraph in that section.

3. Defined Benefit Provisions Relating to EGD Plan Benefits

3.0 Application of Article 3

The benefits payable, if any, from the Plan to an Active Member associated with his benefits accrued under the defined benefit provisions of the EGD Plan and the EGD Supplementary Plan are those determined in accordance with the following Sections of this Article 3. For all purposes of Article 3, any benefit attributable to service accrued while a US Tax Resident shall be excluded from the calculation of the benefit payable from the defined benefit provisions of the EGD Plan and the EGD Supplementary Plan.

3.1 Retirement Benefits

3.1.01 **Amount of Retirement Benefits in Respect of Service Prior to January 1, 2000 for Members who were Senior Management Employees on January 1, 2000**

An Active Member who was a Senior Management Employee on January 1, 2000 and who retires under the terms of the EGD Plan shall be entitled to a monthly retirement benefit equal to the excess, if any, of:

(a) the Active Member's monthly retirement benefit payable in accordance with the defined benefit provisions of the EGD Plan and the EGD Supplementary Plan in respect of service prior to January 1, 2000, but as if the reduction upon early retirement did not exceed ¼ of 1% for every complete month, if any, prior to his attainment of age 60 and, if he is a member of the EGD Supplementary Plan, as if the Maximum Pension Rules did not apply; over

(b) the monthly retirement benefit payable in accordance with the defined benefit provisions of the EGD Plan and the EGD Supplementary Plan in respect of service prior to January 1, 2000.

3.1.02 **Amount of Retirement Benefits in Respect of Service Prior to July 1, 2001**

An Active Member who retires under the terms of the EGD Plan shall be entitled to a monthly retirement benefit equal to the excess, if any, of:

(a) the Active Member's monthly retirement benefit payable in accordance with the defined benefit provisions of the EGD Plan in respect of service prior to July 1, 2001, but as if Section 4.02(2) of the EGD Plan did not restrict earnings growth to increases in the Average Industrial Wage, over

(b) the monthly retirement benefit payable in accordance with the defined benefit provisions of the EGD Plan in respect of service prior to July 1, 2001.

3.1.03 **Amount of Retirement Benefits in Respect of Service After June 30, 2001**

An Active Member who retires under the terms of the EGD Plan shall be entitled to a monthly retirement benefit equal to the excess, if any, of:

(a) the Active Member's monthly retirement benefit payable at retirement in accordance with the defined benefit provisions of the EGD Plan and the EGD Supplementary Plan in respect of service after June 30, 2001, but as if the Maximum Pension Rules did not apply and as if Section 4.02(2) of the EGD Plan did not restrict earnings growth to increases in the Average Industrial Wage, over

(b) the monthly normal retirement benefit payable in accordance with the defined benefit provisions of the EGD Plan and the EGD Supplementary Plan in respect of service after June 30, 2001.

3.1.04 **Payment of Retirement Benefits**

The monthly retirement benefit payable to a Member under Sections 3.1.01 and 3.1.02 of the Plan shall be payable to the Member at the same time and on the same terms and conditions that apply to the pension benefit paid to the Member from the. EGD Plan. Notwithstanding the previous sentence, with respect to any Member who is a Specified Employee as of the date of such Member's Separation from Service due to retirement, benefits that are subject to Code Section 409A shall not commence payment earlier than the first day of the month coincident with or next following the date that is six (6) months after the date of the Member's Separation from Service.

With respect to Plan Years beginning on or after January 1, 2008, the accrued benefits of any Member subject to Code Section 409A shall commence payment on his Benefit Commencement Date. Benefits subject to Code Section 409A shall be paid in the form of monthly pension payable in the Normal Benefit Form. However, if a Member has not commenced receiving a benefit payment under the Plan, the Member may request, on a form provided by the Parent, that the form of distribution be changed from one type of life annuity (within the meaning of Code Section 409A) to another type of life annuity, to the extent such forms of benefit payment are available under the Plan and the EGD Plan.

With respect to Plan Years beginning on or after January 1, 2008, for any Member whose date of Separation from Service is on or after such Member's 55th birthday, the payment in the first month will be equal to the sum of seven monthly pension payments. This initial payment will constitute seven monthly payments for the purposes of determining the number of guaranteed monthly payments that have been paid to, or on behalf of, the Member.

In determining the amount of monthly retirement benefits for the purposes of Section 3.1.01(a), the monthly retirement benefit under an elected optional form in accordance with the defined benefit provisions of the EGD Plan may exceed the amount of retirement income payable under the normal form.

3.2 Death Benefits

3.2.01 **Pre-Retirement Death Benefits in Respect of Service Prior to January 1, 2000 for Members who were Senior Management Employees on January 1, 2000**

In the event of the death of an Active Member who was a Senior Management Employee on January 1, 2000, who had participated in the defined benefit

provisions of the EGD Plan and who was eligible for pre-retirement death benefits in accordance with the EGD Plan, the Active Member's surviving Spouse, or Beneficiary if there is no surviving Spouse, shall be entitled to a death benefit equal to the excess, if any, of:

(a) the death benefit payable in accordance with the defined benefit provisions of the EGD Plan and the EGD Supplementary Plan in respect of service prior to January 1, 2000, but in accordance with the normal form of pension applicable to Section 3.1.01(a) and as if the reduction upon early retirement did not exceed ¼ of 1% for every complete month, if any, prior to his attainment of age 60 and if he was a member of the EGD Supplementary Plan, as if the Maximum Pension Rules did not apply; over

(b) the death benefit payable in accordance with the defined benefit provisions of the EGD Plan and the EGD Supplementary Plan in respect of service prior to January 1, 2000.

3.2.02 **Pre-Retirement Death Benefits in Respect of Service Prior to July 1, 2001**

In the event of the death of an Active Member who had participated in the defined benefit provisions of the EGD Plan and who was eligible for pre-retirement death benefits in accordance with the EGD Plan, the Active Member's surviving Spouse, or Beneficiary if there is no surviving Spouse, shall be entitled to a death benefit equal to the excess, if any, of:

(a) the death benefit payable in accordance with the defined benefit provisions of the EGD Plan in respect of service prior to July 1, 2001, but as if Section 4.02(2) of the EGD Plan did not restrict earnings growth to increases in the Average Industrial Wage, over

(b) the death benefit payable in accordance with the defined benefit provisions of the EGD Plan in respect of service prior to July 1, 2001.

3.2.03 **Pre-Retirement Death Benefits in Respect of Service After June 30, 2001**

In the event of the death of an Active Member who had participated in the defined benefit provisions of the EGD Plan and who was eligible for pre-retirement death benefits in accordance with the EGD Plan, the Active Member's surviving Spouse, or Beneficiary if there is no surviving Spouse, shall be entitled to a death benefit equal to the excess, if any, of:

(a) the death benefit payable in accordance with the defined benefit provisions of the EGD Plan in respect of service after June 30, 2001, but as if the Maximum Pension Rules did not apply but as if Section 4.02(2) of the EGD Plan did not restrict earnings growth to increases in the Average Industrial Wage, over

(b) the death benefit payable in accordance with the defined benefit provisions of the EGD Plan in respect of service after June 30, 2001.

3.2.04 **Payment of Pre-Retirement Death Benefits**

A pre-retirement death benefit payable in accordance with this Section shall be payable at the same time and on the same terms and conditions that apply to the pre-retirement death benefit paid to the surviving Spouse or Beneficiary from the EGD Plan; provided, however, if the surviving Spouse or Beneficiary elects to transfer the Commuted Lump Sum Value of the death benefit payable in accordance with the defined benefit provisions of the EGD Plan, the Commuted Lump Sum Value of the death benefit payable in accordance with this Section shall be paid to the surviving Spouse or Beneficiary in a cash lump sum, subject to applicable tax withholding, and no further entitlement under Article 3 shall be payable.

Notwithstanding the above paragraph, for Plan Years beginning on or after January 1, 2008, death benefits subject to Code Section 409A shall be paid to the Member's surviving Spouse in the form of an annuity for the life of the Member's surviving Spouse, commencing as of the Member's Benefit Commencement Date as if the Member had survived to that date. Notwithstanding the foregoing, if the lump sum value of such annuity payable to the Member's surviving Spouse is $10,000 or less, the Plan shall pay the Member's surviving Spouse the lump sum without the surviving Spouse's consent provided that (a) such payment constitutes the Member's entire interest in the Plan and (b) distribution of the Member's entire interest in all similar arrangements constituting nonqualified deferred compensation plans under Code Section 409A is also made as soon as administratively practicable after the Parent receives notification of the Member's death, but in no event later than the later of (1) December 31 of the calendar year of the Member's death or (2) the date that is 2½ months after the date of Member's death.

3.3 Termination Benefits

3.3.01 **Pre-Retirement Termination Benefits in Respect of Service Prior to January 1, 2000 for Members who were Senior Management Employees on January 1, 2000**

In the event of the termination of employment of an Active Member who was a Senior Management Employee on January 1, 2000 and who had participated in the defined benefit provisions of the EGD Plan, provided that the termination of employment is for a reason other than death and occurs prior to the date on which he becomes eligible to retire in accordance with the EGD Plan, the Active Member shall be entitled to a monthly retirement benefit equal to the excess, if any, of:

(a) the termination benefit payable in accordance with the defined benefit provisions of the EGD Plan and the EGD Supplementary Plan in respect of service prior to January 1, 2000, but in accordance with the normal form of pension applicable to Section 3.1.01(a) and as if the reduction upon early retirement did not exceed ¼ of 1% for every complete month, if any, prior to his attainment of age 60 and if he is a member of the EGD Supplementary Plan, as if the Maximum Pension Rules did not apply; over

(b) the termination benefit payable in accordance with the defined benefit provisions of the EGD Plan and the EGD Supplementary Plan in respect of service prior to January 1, 2000.

3.3.02 **Pre-Retirement Termination Benefits in Respect of Service Prior to July 1, 2001**

In the event of the termination of employment of an Active Member who had participated in the defined benefit provisions of the EGD Plan, provided that the termination of employment is for a reason other than death and occurs prior to the date on which he becomes eligible to retire in accordance with the EGD Plan, the Active Member shall be entitled to a monthly retirement benefit equal to the excess, if any, of:

(a) the termination benefit payable in accordance with the defined benefit provisions of the EGD Plan in respect of service prior to July 1, 2001, but as if Section 4.02(2) of the EGD Plan did not restrict earnings growth to increases in the Average Industrial Wage, over

(b) the termination benefit payable in accordance with the defined benefit provisions of the EGD Plan and the EGD Supplementary Plan in respect of service prior to July 1, 2001.

3.3.03 **Pre-Retirement Termination Benefits in Respect of Service After June 30, 2001**

In the event of the termination of employment of an Active Member who had participated in the defined benefit provisions of the EGD Plan, provided that the termination of employment is for a reason other than death and occurs prior to the date on which he becomes eligible to retire in accordance with the EGD Plan, the Active Member shall be entitled to a monthly retirement benefit equal to the excess, if any, of:

(a) the termination benefit payable in accordance with the defined benefit provisions of the EGD Plan in respect of service after June 30, 2001, but as if the Maximum Pension Rules did not apply; over

(b) the termination benefit payable in accordance with the defined benefit provisions of the EGD Plan in respect of service after June 30, 2001.

3.3.04 **Payment of Termination Benefits**

A pre-retirement termination benefit payable in accordance with this Section shall be payable at the same time and on the same terms and conditions that apply to the benefit paid to the Member from the~~.~~ EGD Plan; provided, however, if the Member is a Specified Employee, termination benefits will commence payment on the first day of the month coincident with or next following the date he attains age 60. Notwithstanding the previous sentence, if the Member elects to transfer the Commuted Lump Sum Value of his pre-retirement termination benefit payable in accordance with the defined benefit provisions of the EGD Plan, the Commuted Lump Sum Value of the termination benefit payable in accordance with this Section shall be paid to the Member in a cash lump sum, subject to applicable tax withholding. Upon receipt of this payment, the Member will cease to be a Member and no further entitlement under Article 3 shall be payable.

For Plan Years beginning on or after January 1, 2008, termination benefits subject to Code Section 409A shall be payable only upon the Member's Separation from Service. Benefits subject to Code Section 409A shall be paid in the form of monthly pension payable in the Normal Benefit Form. However, if a Member has not commenced receiving a benefit payment under the Plan, the Member may request, on a form provided by the Parent, that the form of distribution be changed from one type of life annuity (within the meaning of Code Section 409A) to another type of life annuity, to the extent such forms of benefit payment are available under the Plan and the EGD Plan.

4. Benefits Payable to Retired Members from the EI Plan

4.0 Application of Article 4

The benefits payable, if any, from the Plan to a Retired Member who retired, terminated employment with a Participating Employer, or died, prior to January 1, 2000, in respect of his service accrued under the defined benefit provisions of the EI Plan, are those determined in accordance with the following sections of this Article 4.

4.1 Retirement Benefits

4.1.01 **Amount of Retirement Benefits**

A Retired Member as defined in Paragraph 1.3.02(a) or, if applicable, his surviving Spouse shall be entitled to a monthly retirement benefit equal to the excess, if any, of:

(a) the monthly retirement benefit as outlined in Appendix A; over

(b) the monthly retirement benefit payable in accordance with the EI Plan.

4.1.02 **Payment of Retirement Benefits**

The monthly retirement benefit payable to a Retired Member as defined in Paragraph 1.3.02(a) or, if applicable, to his surviving Spouse shall be payable in accordance with the form specified in Appendix A.

5. Post-Retirement Pension Increases

5.1.01 **Annual Increases**

(a) Commencing December 1, 2001 and on December 1 of each calendar year thereafter, the amount of periodic lifetime retirement income payable to:

(i) a Member who is entitled to post-retirement increases of the benefit payable to him pursuant to the EGD Plan or the EI Plan, as applicable, or

(ii) the surviving Spouse or Beneficiary of such a Member

that was determined under one or more of Paragraphs 2.1.01(a), 3.1.02(a), 4.1.01(a) and 4.1.02(a) and Appendix B, including previous post-retirement increases provided in accordance with this Section 5.1.01, shall be increased by 50% of the increase in the Consumer Price Index for the calendar year, provided that at least 12 months have elapsed since the Member's retirement date.

(b) Commencing December 1, 2001 and on December 1 of each calendar year thereafter, the amount of periodic lifetime retirement income payable to:

(i) a Member who is entitled to post-retirement increases of the benefit payable to him pursuant to the EGD Plan or the EI Plan, as applicable, or

(ii) to the surviving Spouse or Beneficiary of such a Member

that was determined under Paragraph 3.1.01(a) shall be increased by 55% of the increase in the Consumer Price Index for the calendar year, provided that at least 12 months have elapsed since the Member's Retirement Date and that the rate of increase for any calendar year does not exceed 5%. In the event that such an increase would have been in excess of 5%, the Participating Employer may in its discretion, carry forward the excess for application on a subsequent December 1st when the increase for that calendar year would have been less than 5%.

5.1.02 **Annual Increases –Members with Canadian and United States Benefits**

Notwithstanding Section 5.1.01 for Members who are entitled to annual increases under the US Supplemental Pension Plan, the annual increase that would otherwise have been determined in accordance with Section 5.1.01 may be determined and payable in accordance with the US Supplemental Pension Plan, provided that such determination is in accordance with the determination of Post Retirement Adjustment Provisions under the EI Plan and the EUS Plan.

6. Defined Contribution Provisions

6.0 Application of Article 6

The benefits payable, if any, pursuant to the Plan to an Active Member associated with his benefits accrued under the defined contribution provisions of the EGD Plan or the EI Plan are those determined in accordance with the following Sections of this Article 6. For all purposes of Article 6, any benefit attributable to service accrued while a US Tax

Resident shall be excluded from the calculation of the benefit payable from the defined contribution provisions of the EI Plan.

6.1 Establishment and Maintenance of Notional Accounts

The Parent shall establish and maintain a Notional Account for each Member which shall be notionally credited with:

(a) the contributions determined in accordance with Section 6.2; plus

(b) the Notional Investment Earnings credited thereon in the amounts and at the times determined in accordance with Section 6.3.

6.2 Notional Amounts of Contributions

The Notional Account of each Active Member shall be credited monthly with an amount equal to the excess, if any, of:

(a) the company contribution in respect of the defined contribution provisions of the EGD Plan or the EI Plan, as applicable, but as if the Maximum DC Pension Rules did not apply; over

(b) the company contribution in respect of the defined contribution provisions of the EGD Plan or the EI Plan, as applicable.

6.3 Notional Amounts of Investment Earnings

Notional Investment Earnings shall be periodically credited to an Active Member's Notional Account, not less frequently than annually. For this purpose, the deemed income to be credited shall be the yield rate for Government of Canada Marketable Bonds with Average Yields Over 10 Years as published in the Bank of Canada Financial Statistics for the month of January of the Plan Year under CANSIM Series No. B14013, assuming such yield is compounded annually rather than semi-annually.

6.4 Payment of DC Pension Benefits

6.4.01 Retirement and Termination Benefits

An Active Member shall be entitled to the distribution of the value of his Notional Account as of the valuation date coincident with or immediately following the date that the Active Member:

(a) retires under the terms of the EGD Plan or the EI Plan, as applicable;

(b) ceases to be employed prior to retirement; or

(a) with respect to Notional Account benefits subject to Code Section 409A, incurs a Separation from Service.

Such amount shall be paid to the Member in an immediate cash lump sum, subject to applicable tax withholding. Upon receipt of this payment, the Member will cease to be a Member and no further entitlement under Article 6 shall be payable.

Notwithstanding the previous sentence, with respect to any Member who is a Specified Employee as of the date of his Separation from Service, benefits that are subject to Code Section 409A shall not be paid earlier than the first day of the month coincident with or next following the date that is six (6) months after the date of his Separation from Service.

6.4.02 **Pre-retirement Death Benefits**

In the event of the death of an Active Member prior to termination of his employment or retirement, the Active Member's surviving Spouse, or if he has no surviving Spouse, the Active Member's Beneficiary designated in accordance with the EGD Plan or the EI Plan, as applicable, shall be entitled to the distribution of the value of the Active Member's Notional Account as of the valuation date coincident with or immediately following the death of the Active Member. Such amount shall be paid to the surviving Spouse or Beneficiary in a cash lump sum, subject to applicable tax withholding. Upon receipt of this payment, the Member will cease to be a Member and no further entitlement under Article 7 shall be payable.

Appendix A

For the purposes of Paragraph 4.1.01(a) and Section 4.1.02, monthly retirement benefits payable to Retired Members at January 1, 2000 are as follows:

Retired Member Name	Form of Pension	Monthly Pension Payable to Retired Member		
		To Age 60	To Age 65	After Age 65 Until Death
BLIGHT, J.	Life Only	$ 1,842.52	$ 1,842.52	$ 1,842.52
COLE, G.	Life Guaranteed 10 Years	9,659.60	9,659.60	9,659.60
HASKAYNE, R.	Life Only	23,848.64	23,848.64	23,848.64
KIRKWOOD, G.	Joint & Survivor 60%	4,727.12	4,727.12	3,927.15
MAC DERMOTT, D.	Joint & Survivor 100%	2,477.36	2,477.36	2,477.36
MC NEILL, K.	Joint & Survivor 100%	6,026.23	6,026.23	6,026.23
OMOTH, W.	Joint & Survivor 60%	3,967.79	3,967.79	3,024.32
PEARCE, W.	Life Only	5,301.82	5,301.82	5,301.82
PHILLIPS, B.	Joint & Survivor 100%	1,804.62	1,804.62	1,804.62
PICK, A.	Joint & Survivor 50%	3,447.24	3,447.24	2,295.30
POTTER, D.	Joint & Survivor 60%	2,576.75	2,421.02	1,442.02
ROSS, D.	Life Only	9,857.46	9,857.46	9,857.46
SAVARD, D.	Joint & Survivor 60%	10,232.20	10,117.33	9,662.28
STEPHENS, S.	Joint & Survivor 75%	5,004.26	5,004.26	5,004.26
WALDON, D.	Life Only	2,905.84	2,905.84	2,905.84
WATKINS, R.	Joint & Survivor 50%	5,901.96	5,901.96	5,901.96

For the purposes of Paragraph 4.1.01(a) and Section 4.1.02, monthly retirement benefits payable to the surviving Spouses of Retired Members at January 1, 2000 are as follows:

Retired Member Name	Form of Pension	Monthly Pension Payable to Retired Member		
		To Age 60	To Age 65	After Age 65 Until Death
SHEASBY, B.A.	Life Only	$2,710.44	$2,710.44	$2,710.44
HEULE, D.	Life Only	$8,457.60	$8,457.60	$8,457.60

Appendix B

Negotiated Pension Benefits

In addition to any benefits payable in accordance with the other Articles of the Plan, the RCA Fund or the Grantor Trust Fund , as the case may be, shall pay any additional pension benefit that is not payable under the EGD Plan or the EI Plan and that is required pursuant to an executive employment agreement executed by a Member and the Parent except that any such additional pension benefit that is a result of a Member's period of employment while a US Tax Resident shall be payable from the US Supplemental Pension Plan.

EXHIBIT 10.19

CERTIFICATE OF AMENDMENT

TO THE ENBRIDGE SUPPLEMENTAL PENSION PLAN

AND

AMENDMENT NO. 1

I, Bonnie D, DuPont, Group Vice-President, Corporate Resources and Secretary for the Human Resources & Compensation Committee of En bridge Inc, (the "Corporation"), hereby certify that the following is a resolution passed at a meeting of the Human Resources & Compensation Committee of the Board of Directors of the Corporation held on November 6, 2007 and that the said resolution is in full force and effect as of the date hereof:

RESOLVED THAT EFFECTIVE JANUARY 1, 2008:

1, The Enbridge Supplemental Pension Plan as revised and restated at January 1, 2005 ("Plan") is amended by deleting Section 12.44 and replacing it by the following,

"12.44 "Senior Management Employee" has the same meaning as in the EI Plan or the EGD Plan, as the case may be."

2. The Plan is amended by deleting Section 1.2.45 and replacing it with the following:

"1.2.45 "Senior Management Pension Plan" means the supplemental pension arrangement described in the employee booklet entitled "The Enbridge Senior Management Pension Plan" effective January 1, 2000 and as amended thereafter. Any and all benefits relating to the Senior Management Pension Plan for the period that a Senior Management Employee is employed by a Participating Employer are documented in this Plan, the EI Plan or the EGD Plan,"

DATED at Calgary this 6th day of November, 2007.

Bonnie D. DuPont
Group Vice President, Corporate Resources
and Secretary for the Human Resources &
Compensation Committee

CERTIFICATE OF AMENDMENT

AND

AMENDMENT #2

TO THE ENBRIDGE SUPPLEMENTAL PENSION PLAN
AMENDED AND RESTATED TO JANUARY 1, 2005

WHEREAS Enbridge Inc. ("the Company") sponsors and maintains The Enbridge Supplemental Pension Plan,as amended and restated effective January 1, 2005, and as amended from time to time (the "Supplemental Plan"), for the benefit of its and its affiliates' eligible employees and their beneficiaries; and,

WHEREAS, pursuant to Section 1.9.01of the Supplemental Plan,the Company has the authority to amend the Supplemental Plan through the execution of a certificate of amendment signed by an officer of the Company;and,

WHEREAS I,Jane Haberbusch,Vice President,Human Resources of the Company am an officer ofthe Company authorized to sign a certificate of amendment; and,

WHEREAS the Company desires to amend the Supplemental Plan to state that,unless required by applicable law,the division at source in the event of a member's marriage breakdown with respect to benefits accrued under the Supplemental Plan is not permitted;

IT IS **RESOLVED THAT:**

Effective as of the date written below,the Supplemental Plan is amended as follows:

1. Section 1.8.02 is amended by deleting the phrase "Except as otherwise directed by a court of competent jurisdiction or permitted by law," and replacing same with "Except as otherwise required by applicable law,".

2. Section 1.8.03 is deleted in its entirety and replaced as follows:

"1.8.03 (a) Except as otherwise required by applicable law,no benefit,or portion thereof, paid or payable under this Plan:

(i) is subject to execution, seizure or attachment in satisfaction of an order for support or maintenance enforceable in Alberta or another relevant jurisdiction;or

(ii) may be divided at source or become payable to the Spouse or former Spouse of a Member in respect of such Member's marriage breakdown, divorce,or other dissolution,including, without limitation, pursuant to any 'domestic relations order' within the meaning of Code Section 414{p)(l)(B).

(b) The limitations set out in {a) above apply notwithstanding any division of benefits on marriage breakdown occurring with respect to benefits payable from the EGD Plan or the El Plan, as applicable. Provisions of the Pian stating that Plan benefits are payable on the same terms and conditions as benefits payable from the EGD Plan or the El Plan,as applicable,shall be interpreted to exclude such a division of benefits.

(c) Notwithstanding any provision to the contrary in this Section 1.8.03,if, as required by applicable law, a benefit payable under this Plan is divided at source or becomes payable to the Spouse or former Spouse of a Member in respect of such Member's marriage breakdown, such benefit shall be calculated and paid to the Spouse or former Spouse in the manner determined by the Parent. For purposes of clarity,'as required by applicable law' as used in this provision shall not be construed to include a 'domestic relations order' within the meaning of Code Section 414(p){l){B)."

DATED at Calgary, Alberta this_____day of_____, 2015.

Jane Haberbusch, Vice President, Human Resources

EXHIBIT 10.20

ENBRIDGE SUPPLEMENTAL PENSION PLAN

for United States Employees

(As Amended and Restated effective January 1, 2005)

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ENBRIDGE SUPPLEMENTAL PENSION PLAN

for United States Employees

Enbridge Inc. ("Enbridge"), a Canadian corporation, established the Enbridge Senior Management Pension Plan (the "Senior Management Plan"), effective January 1, 2000. At the time of its adoption, most of the employees participating in the Senior Management Plan who were U.S. citizens and residents ("U.S. Residents") were employed by Enbridge (U.S.) Inc., an affiliate of Enbridge and a United States corporation organized and existing under the laws of the state of Delaware.

Effective January 1, 2002, Enbridge established Enbridge Employee Services, Inc., also an affiliate ofEnbridge and a U.S. corporation organized and existing under the laws of the state of Delaware, and transferred to it certain individuals, including most ofthe U.S. Residents participating in the Senior Management Plan. In connection with the establishment of Enbridge Employee Services, Inc., sponsorship of the Senior Management Plan with respect to the U.S. Residents has been transferred to Enbridge Employee Services, Inc., effective January 1, 2002. That portion of the Senior Management Plan whose sponsorship has been transferred to
Enbridge Employee Services, Inc. shall be referred to hereinafter as the "Plan."

In general, the term "Company" as used herein means Enbridge (U.S.) Inc. for periods prior to January 1, 2002, and Enbridge Employee Services, Inc. for periods on or after January 1,
2002, subject to Section 9.12. (The Plan, at Section 9.12, allows certain Affiliates ofEnbridge Employee Services, Inc. or Enbridge (U.S.) Inc. to adopt the Plan and thereby become a "Participating Affiliate" in the Plan, in which case, subject to the limitations set forth in Section
9.13, the term "Company," as used herein with respect to the employees of such Participating
Affiliate, means the Participating Affiliate.)

When Enbridge established the Senior Management Plan, the document evidencing its terms was in summary form. Enbridge Employee Services, Inc. hereby restates the Plan to: (1) describe its terms in greater specificity; (2) rename it the "Enbridge Supplemental Pension Plan for United States Employees;" (3) clarify that effective January 1, 2002, the sponsor of the Plan is Enbridge Employee Services, Inc.; and (4) provide for the payment of certain nonqualified pension benefits for certain former employees ofEnbridge (U.S.) Inc. and for certain special nonqualified pension benefits for specified key employees.

The Plan is a nonqualified deferred compensation plan established for the benefit of certain executive employees of the Company. The Plan is intended to be an unfunded plan maintained primarily for the purpose of providing deferred compensation "for a select group of management or highly compensated employees," as described in Sections 201(2), 301(a)(3) and 401(a)(1) of the Employee Retirement Income Security Act of 1974 ("ERISA"). It is the intention of the Company that the Plan, as amended and restated effective as of January 1, 2005, satisfies all of the requirements of Section 409A, with respect to all benefits accrued hereunder as of and subsequent to January 1, 2005. If any provision herein results in the imposition of an excise tax on any Participant under Section 409A, such provision will be reformed to avoid any such imposition of tax in such manner as the Board determines, with the advice of the legal counsel, to be appropriate to comply with Section 409A.

Except as set forth in Addenda B and C hereto, the terms of the Plan shall apply to Participants who terminate employment with an Affiliate on or after January 1, 2000.

The Company has established a grantor trust, called the "Trust under the Enbridge Supplemental Pension Plan for United States Employees," to hold assets that the Company may set aside from time to time to provide for payment of benefits under the Plan.

ARTICLE 1. DEFINITIONS, GENDER. AND NUMBER.

Section 1.1. Definitions. Whenever used in the Plan, the following words and phrases have the meanings set forth below unless the context plainly requires a different meaning, and when a defined meaning is intended, the term is capitalized.

(a) "**Accrued Benefit**" has the same meaning as in the Qualified Plan.

(b) "**Actuarially Equivalent**" or "Actuarial Equivalent" has the same meaning as in the Qualified Plan.

(c) "**Affiliate**" means the Company and any entity that controls, is controlled by, or is under common control with the Company.

(d) "**Associate Company**" has the same meaning as in the Qualified Plan.

(e) "**Average Final Pay**" has the same meaning as in the Qualified Plan, except that, in determining the amount of Average Final Pay for a Senior Management Employee who received benefits from an Affiliate's long term disability program, Base Pay shall be deemed to have continued in the amount equal to the Participant's Base Pay in effect immediately prior to the incurrance of the disability and shall be adjusted annually according to increases in the U.S. Consumer Price Index, up to a maximum of5% per year.

(f) "**Base Pay**" has the same meaning as in the Qualified Plan. "Beneficiary" means the individual (including the Participant's spouse) or entity entitled to receive benefits under the Plan on account of the Participant's death as designated under Section 5.5.

(g) "**Beneficiary**" means the individual (including the Participant's spuse) or entity enitled to receive benefits under the Plan on account of the Participant's death as designated under Section 5.5

(h) "**Benefit Commencement Date**" means, with respect to Plan Years beginning prior to January 1, 2008, the *"Annuity Starting Date"* within the meaning of such term under the Qualified Plan except with regard to any Participant who is a Specified Employee as of the date of such Participant's Separation from Service, in which case the Benefit Commencement Date shall not be earlier than the first day of the month coincident with or next following the date that is six months after the date of Separation from Service.With respect to Plan Years beginning on or after January 1, 2008,

"Benefit Commencement Date" means: (i) for a Participant whose date of Separation from Service is prior to such Participant's 55th birthday, the first day of the month coincident with or next following the date the Participant attains age 60, and (ii) for a Participant whose date of Separation from Service is on or after such Participant's 55th birthday, the first day of the month coincident with or next following the date that is six months after the date of Separation from Service.

(i) "**Board**" means the Board of Directors of the Company as constituted at the relevant time.

(j) "**Code**" means the Internal Revenue Code of 1986, as amended from time to time and any successor statute. References to a Code section shall be deemed to be to that section or to any successor to that section.

(k) "**Company**" means, for periods before January 1, 2002, Enbridge (U.S.) Inc., and for periods on or after January 1, 2002, Enbridge Employee Services, Inc., or any successor thereto, subject to Section 9.12.

(l) "**Credited Service**" has the same meaning as in the Qualified Plan.

(m) "**Effective Date**" means the effective date of the Plan, *i.e.,* January 1, 2000.

(n) "**Elected Benefit Form**" means, with respect to Plan Years beginning on or after January 1, 2008, a monthly payment form which is the Actuarial Equivalent of the Participant's Accrued Benefit payable in the Normal Benefit Form as of his Benefit Commencement Date. The Participant may specify his Elected Benefit Form in accordance with procedures established by the Company, to the extent such procedures comply with the advance and subsequent election requirements of Section 409A and Section 4.1(c), and, except as provided in Section 4.1(d), may elect among the annuity payment options available under the terms of the Qualified Plan; provided, however, if the Participant is entitled to a benefit under the Qualified Plan, and the Participant's date of Separation from Service is on or after his 55th birthday, a lump sum form of distribution shall not be permitted. If a Participant fails to make such an election within the time period specified in the procedures established by the Committee, then, except as provided in Section 4.1Cd), such Participant's shall be deemed to have elected to receive his benefit in the Normal Benefit Form.

(o) "**ERISA**" means the Employee Retirement Income Security Act of 1974, as may be amended from time to time.

(p) "**Funding Policy**" means the policy adopted by the Company, as may be amended from time to time, that sets out the Company's intentions

(q) **"Lump Sum"** means, for purposes of Section 4.l(d), a single sum payment which is Actuarially Equivalent to the Participant's Accrued Benefit payable as of the Participant's Benefit Commencement Date, or in the case of a benefit payable to the Participant's Beneficiary, as of the anticipated payment date to the Beneficiary.

(r) **"Normal Benefit Form"** means, (i) with respect to a Participant who is not married on his or her Benefit Commencement Date, a pension payable on the first day of each month during the Participant's lifetime commencing with the Benefit Commencement Date, and terminating with the payment for the month in which the Participant dies, but with a minimum of one hundred eighty (180) monthly payments (even ifthe Participant should die prior to receiving such minimum number of payments); and (ii) with respect to a Participant who is married on his or Benefit Commencement Date, an annuity for the life of the Participant with a survivor annuity payable to the Participant's spouse in an amount equal to sixty percent (60%) of the monthly amount of the annuity payable to the Participant during the Participant's lifetime; provided, however, that if the Participant's spouse is more than eight (8) years younger than the Participant, the monthly amount payable to the Participant shall be
reduced by three tenths (3110) of one percent (1%) for each year that the
difference in age between the Participant and his or her spouse exceeds eight (8) years.

With respect to Plan Years beginning on or after January 1, 2008, for any Participant whose date of Separation from Service is on or after such Participant's 55th birthday, the payment in the first month will be equal to the sum of seven monthly pension payments. This initial payment will constitute seven monthly payments for the purposes of determining the number of guaranteed monthly payments that have been paid to, or on behalf of, the Participant.

(s) **"Participant"** means a Senior Management Employee who satisfies the requirements of Article 2 and commences participation in the Plan.

(t) **"Participating Affiliate"** has the meaning set forth in Section 9.12. As of
January **1,** 2002, the following Affiliates are Participating Affiliates: (i) Enbridge (U.S.) Inc., and (ii) St. Lawrence Gas Company Inc.

(u) **"Pensionable Bonus,"** for a calendar year, means:

(i) For a Participant who was employed by an Affiliate as of
December 31, 1999, in a position of vice-president or above,

(A) for purposes of subparagraph (a)(i)(E) of Article 3 and Section 5.2 (a)(i)(C)(z), the greater of: (x) fifty percent (50%) of the sum of the eligible performance bonuses received by

the Participant in the year; and (y) the lesser of the sum of the eligible performance bonuses received by
the Participant in the year and the associated target annual performance bonus for the Participant for.the year, and

(B) for purposes of subparagraph (b)(i)(E) of Article 3, fifty percent (50%) of the sum of the eligible performance bonuses received by the Participant in the year for services performed as a Senior Management Employee.

(ii) For a Participant who is not described in paragraph (i), above: (A) for purposes of subparagraph (a)(i)

(E) of Article 3 and

Section 5.3(a)(i)(C)(z), nil, and

(B) for purposes of subparagraph (b)(i)(E) of Article 3, fifty percent (50%) ofthe sum of the eligible performance bonuses received by the Participant in the year for services performed after December 31, 1999, as a Senior Management Employee.

(iii) In determining the Pensionable Bonus for a Participant who transferred to an Associate Company from the Company for the first time prior to January 1, 1997 and whose employment ceases while he is employed by an Associate Company, the Participant's Pensionable Bonus for benefit computation purposes shall be limited to the Pensionable Bonus received prior to the Participant's date of transfer.

No Pensionable Bonus shall be deemed to have been received by a Participant during his or her period of Disability (as defmed in the Qualified Plan).

(v) **"Plan"** means the "Enbridge Supplemental Pension Plan for United States Employees" as set forth herein and as may be amended or restated from time to time.

(w) **"Plan Administrator"** means the Company.

(x) **"Plan Year"** means January 1 through December 31.

(y) **"Qualified Joint and Survivor Annuity"** has the same meaning as in the Qualified Plan.

(z) "**Qualified Plan**" means the Enbridge Employee Services, Inc. Employees' Annuity Plan, as restated effective July I, 2002, or any successor plan thereof, subject to Section 9.12.

(aa) "**Qualified Preretirement Survivor Annuity**" has the same meaning as in the Qualified Plan.

(bb) "**Recognized Former Employer**" has the same meaning as in the Qualified Plan.

(cc) "**Recognized Former Employer Pension**" has the same meaning as in the Qualified Plan.

(dd) "**Section 409A**" means Code Section 409A and regulations or other guidance promulgated thereunder by the appropriate governmental authority.

(ee) "**Senior Management Employee**" means an employee of the Company who is employed in a position of Director or above which exceeds the minimum job classification rating for the Company as prescribed by the President and Chief Executive Officer of Enbridge Inc. In order to be a "Senior Management Employee," an employee must be a member of a select group of management or highly compensated employees within the meaning of Sections 201(2), 30l(a)(3), and 40l(a)(l) of ERISA.

(ff) "**Separates from Service**" or "**Separation from Service**" means the cessation of a Participant's services as an employee of an Affiliate for any reason; provided, however, that transfer of employment between two companies that are included in a "controlled group" within the meaning of Code Sections 414 and 1563 will not constitute a Separation from Service for purposes of this Plan; and provided further that Separation from Service shall be construed and interpreted in accordance with Section 409A and any regulations or other authoritative guidance promulgated thereunder.

(gg) "**Service**" has the same meaning as in the Qualified Plan.

(hh) "**Social Security Offset**" has the same meaning as in the Qualified Plan.

(ii) "**Specified Employee**" means a Participant who is a "key employee" (as defmed in Code Section 416(i) without regard to Code Section 416(i)(5)) of the Company (or an entity which is considered to be a single employer with the Company under Code Section 414(b) or 414(c)), as determined under Code Section 409A at any time during the twelve (12) month period ending on December 31, but only if the Company has any stock that is publicly traded on an established securities market or otherwise,. Notwithstanding the foregoing, a Participant who is a key employee

determined under the preceding sentence will be deemed to be a Specified Employee solely for the period of April 1 through March 31 following such December 31, except as otherwise may be required by Code Section 409A.

(jj) "**Statutory Limitations**" means the limits set forth in the Code, including those set forth in Code Sections 401(a)(17) and 415, on:, (i) the amount of an employee's compensation that can be included in calculating his or her benefits under a qualified retirement plan; and (ii) the benefits that an employee may accrue under a qualified retirement plan.

(kk) "**Supplemental Retirement Benefit**" has the meaning set forth in Article J.

(ll) "**Surviving Spouse**" means the person to whom the Participant has been legally married for at least one year as of the Participant's date of death.

(mm) "**Trust**" means the "Trust under the Enbridge Supplemental Pension Plan for United States Employees," as may be amended from time to time.

Section 1.2. Gender, Number and Currency. Except as otherwise indicated by context, masculine terminology used herein also includes the feminine and neuter, and terms used in the singular may also include the plural. All amounts referenced herein are stated in United States currency.

ARTICLE 2. PARTICIPATION

Section 2.1. Who May Participate. Except with respect to those Participants listed on Addendum B, participation in the Plan is limited to Senior Management Employees who participate in the Qualified Plan. The Board shall have sole discretion to determine whether an employee is a Senior Management Employee. The Board may make such projections or estimates as it deems desirable in applying the eligibility requirements, and its determination shall be conclusive.

Section 2.2. Time and Conditions of Participation. A Senior Management Employee shall become a Participant only upon his or her compliance with such terms and conditions as the Company may from time to time establish for the implementation of the Plan, including but not limited to, any condition the Company may deem necessary or appropriate for the Company to meet its obligations under the Plan.

Section 2.3. Notification. The Board shall notify in writing each employee whom it has determined to be a Senior Management Employee and explain the rights, privileges and duties of a Participant in the Plan.

Section 2.4. Termination and Suspension of Participation. Once an individual has become a Participant in the Plan, participation shall continue until the first to occur

of: (a) payment in full of all benefits to which the Participant or his or her Beneficiary is entitled under the Plan; or (b) the occurrence of the event specified in Section 2.5 which results in loss of benefits. However, in the event that it is determined that a Participant will fail to meet the eligibility requirements for active participation during a Plan Year, as determined by the Board in its sole discretion, the Participant's active participation in the Plan will be suspended at the beginning of the next Plan Year. If a Participant terminates his or her employment with the Company, he or she shall cease to be an active Participant in the Plan. Ifthe individual again becomes employed by the Company, the Company may permit him or her to again participate in the Plan on an active basis, but only in accordance with such terms and conditions as the Company may elect, in its discretion, to apply to such individual.

Section 2.5. Missing Persons. If the Company is unable to locate a Participant or his or her Beneficiary for purposes of making a distribution, the amount of the Participant's benefits under the Plan that would otherwise be considered as nonforfeitable shall be forfeited effective four (4) years after: (a) the last date a payment of said benefit was made, if at least one such payment was made; or (b) the first date a payment of said benefit was directed to be made by the Company pursuant to the terms of the Plan, if no payments have been made. If such person is located after the date of such forfeiture, the benefits for such Participant or Beneficiary shall not be reinstated hereunder.

Section 2.6. Relationship to Other Plans. Participation in the Plan shall not preclude participation of the Participant in any other fringe benefit program or plan sponsored by the Company for which such Participant would otherwise be eligible.

ARTICLE 3. SUPPLEMENTAL RETIREMENT BENEFIT

The Plan provides a Supplemental Retirement Benefit intended to supplement the benefit provided to a Participant under the Qualified Plan. A Participant is entitled to receive the Supplemental Retirement Benefit if the Participant (1) is employed by the Company on or after the Effective Date and (2) terminates employment with an Affiliate, other than due to death. Except as set forth in Article *5* (regarding death benefits) and Addenda Band C, the benefits described in this Article 3 are the only benefits provided under the Plan. A Participant's Supplemental Retirement Benefit shall be expressed in the manner set forth in this Article 3 but shall be paid at the time and in the manner set forth in Article 4.

The Supplemental Retirement Benefit is comprised of two parts, the first of which relates to the Participant's Credited Service prior to the Effective Date. This part of the benefit is described in paragraph (a), below. The second part of the benefit relates to the Participant's Credited Service on or after the Effective Date. This part of the benefit is described in paragraph (b), below. The Participant's Supplemental Retirement Benefit is the sum of these two benefit parts (provided, however, that in the case of a Participant who was not a Senior Management Employee on the Effective Date but subsequently becomes a Senior Management Employee, the Participant's benefit shall be limited to the benefit described in paragraph (b)).

(a) ***Benefit for Service Prior to Effective Date.*** The excess of the benefit described in (i) over the benefit described in (ii).

(i) The benefit that would be payable to the Participant under the Qualified Plan on the Participant's Benefit Commencement Date if:

(A) only Credited Service accrued prior to the Effective Date was counted in the benefit calculation;

(B) the Participant was fully vested in his or lier Qualified Plan benefit;

(C) the Recognized Former Employer Pension included amounts payable under the registered and supplemental plans of Recognized Former Employers;

(D) the Qualified Plan benefit was paid in the Normal Benefit Form;

(E) any adjustment for early benefit commencement under the Qualified Plan *(i.e.,* benefit commencement prior to age 60) did not exceed V4 of 1% for each month by which the Participant's age at the Benefit Commencement Date precedes age 60; and

(F) the Participant's Average Final Pay included the average of the highest three (3) Pensionable Bonuses (as defined in Section 1.1(s)(i)(A) and 1.1(s)(ii)(A), as the case may be) paid in the five (5) consecutive years of Service immediately prior to his or her Separation from Service and was calculated without application of the Statutory Limitations.

(ii) The benefit that would be payable to the Participant under the Qualified Plan on the Participant's Benefit Commencement Date if:

(A) only Credited Service accrued prior to the Effective Date was counted in the benefit calculation; and

(B) the Qualified Plan benefit was paid in the Normal Benefit Form.

(b) ***Benefit for Service on or after Effective Date.*** The excess of the benefit described in (i) over the benefit described in (ii).

(i) The benefit that would be payable to the Participant under the Qualified Plan on the Participant's Benefit Commencement Date if:

(A) Credited Service

(1) included only Credited Service accrued on or after the Effective Date while the Participant was a Senior Management Employee, and

(2) was determined based upon a frac ional accrual method under which a Participant is credited with a whole year of Credited Service for a Plan Year in which he or she accrues at least 365 days of Credited Service and a fractional year of Credited Service for a Plan Year in which he or she accrues less than 365 days of Credited Service, where the numerator of the fraction is the number of days actually accrued by the Participant during such year and the denominator of the fraction is 365.

(B) the Participant was fully vested in his or her Qualified Plan benefit at the time of his or her Separation from Service;

(C) the Recognized Former Employer Pension included amounts payable under the registered and supplemental plans of Recognized Former Employers;

(D) the Qualified Plan benefit was paid in the Normal Benefit Form;

(E) any adjustment for early benefit commencement under the Qualified Plan *(i.e.,* benefit commencement prior to age 60) did not exceed 'l4 of 1% for each month by which the Participant's age at the Benefit Commencement Date precedes age 60;

(F) the Participant's Average Final Pay included the average of the highest three (3) Pensionable Bonuses (as defined in Section l.l(s)(i)(B) and 1.1(s)(ii)CB), as the case may be) paid in the five (5) consecutive years of Service immediately prior to his or her Separation from Service and was calculated without application of the Statutory Limitations; and

(G) the Participant's Accrued Benefit was equal to two percent (2%) ofthe Participant's Average Final Pay (as determined pursuant to (E), above) multiplied by his or her Credited Service (as determined pursuant to (A), above) and was calculated without the Statutory Limitations, less any applicable reduction or offset, other than the Social Security Offset, specified by the Qualified Plan.

(ii) The benefit that would be payable to the Participant under the Qualified Plan on the Participant's Benefit Commencement Date (including any Social Security supplements) if:

(A) Credited Service included only Credited Service accrued on or after the Effective Date while the Participant was a Senior Management Employee; and

(B) the Qualified Plan benefit was paid in the Normal Benefit Form.

For purposes of subparagraph (i)(A)(x) and (ii) of this paragraph (b), where a change in a Participant's employment results in his or her no longer meeting the definition of a Senior Management Employee, such Participant shall, effective the first of the month coincident with or next following the date the Participant is no longer considered a Senior Management Employee, cease to accrue Credited Service under the Plan, except that if the Participant was a Senior Management Employee as of January 1, 2001, such Participant shall, for purposes of subparagraphs (i)(A)(x) and (ii) of this paragraph (b), be considered to remain a Senior Management Employee for up to two (2) years following the date of the Participant's change in employment and shall no longer accrue Credited Service for such purposes effective the first of the month that is two (2) years after the date of the change in employment, or such earlier date as may be specified by the Company.

ARTICLE 4. DISTRIBUTION OF BENEFITS TO PARTICIPANT

Section 4.1. Time and Manner of Distributions.

(a) ***Participant Entitled to Benefit under Qualified Plan.*** With respect to Plan Years beginning prior to January 1, 2008, if a Participant is entitled to receive a benefit under the Qualified Plan, distribution of the Supplemental Retirement Benefit shall commence to the Participant at the same time and in the same form as the Participant's benefit under the Qualified Plan. With respect to Plan Years beginning on or after January 1, 2008, the Participant's Accrued Benefit shall be paid in the Participant's Elected Benefit Form as of

the Participant's Benefit Commencement Date, except as provided in Section 4.1(d).

(b) ***Participant Not Entitled to Benefit under Qualified Plan.*** With respect to Plan Years beginning prior to January 1, 2008, if the Participant is not entitled to receive a benefit under the Qualified Plan and the Participant terminates employment on or after age 55, distribution of the Participant's Supplemental Retirement Benefit will be made to the Participant in the Normal Benefit Form commencing as soon as administratively feasible after the Participant's Separation from Service with all Affiliates; provided, however, if the Participant is a Specified Employee as of the date of Separation from Service, no distribution shall be paid earlier than the first day of the seventh month following the date of Separation from Service. If the Participant is not entitled to receive a benefit under the Qualified Plan and the Participant terminates employment before age 55, distribution of the Participant's Supplemental Retirement Benefit shall be made to the Participant in the form of a lump sum, payable as soon as administratively feasible after the Participant's Separation from Service with all Affiliates.

With respect to Plan Years beginning on or after January 1, 2008, the Participant's Accrued Benefit shall be paid in the Participant's Elected Benefit Form as of the Participant's Benefit Commencement Date, except as provided in Section 4.1(d).

(c) ***Optional Forms of Benefit.*** If a Participant has not commenced receiving a benefit payment under the Plan, the Participant may request, on a form provided by the Company, that the form of distribution be changed from one type of life annuity (within the meaning of Section 409A and authoritative guidance thereunder) to another type of life annuity, to the extent such forms of benefit payment are available under the Plan and the Qualified Plan.

In addition, the Participant may, at any time prior to the commencement of benefit payments hereunder, change from the Normal Benefit Form to an alternative Elected Benefit Form where either the Normal Benefit Form or Elected Benefit Form is not a life annuity (within the meaning of Section 409A an authoritative guidance thereunder); provided, however, any such election to change the form of benefit payment:

(i) will not be effective until at least 12 months after the date on which the election is made; and

(ii) in the case of an election related to a payment other than a payment due to the Participant's death, the first payment with respect to which such election is made is deferred to a period of not less than five (5) years from the date such payment would otherwise have been made.

(d) ***Automatic Lump Sum Cashout.*** If a Participant's Lump Sum as of his Benefit Commencement Date is $10,000 or less, such Lump Sum shall be distributed to the Participant without his consent provided that (1) such payment constitutes the Participant's entire interest in the Plan and (2) distribution of the Participant's entire interest in all similar arrangements constituting nonqualified deferred compensation plans under Section 409A is also made. Any Lump Sum paid pursuant to this paragraph 4.1(d) shall be paid as soon as reasonably practicable following the Participant's Benefit Commencement Date; provided, however, ifthe Participant is a Specified Employee as of the date of Separation from Service, no distribution shall be paid earlier than the first day of the seventh month following the date of Separation from Service.

(e) ***Actuarially Equivalent Payments.*** The amount of a Participant's Supplemental Retirement Benefit payments under (a), (b), (c) and (d) above shall be Actuarially Equivalent to the Participant's Supplemental Retirement Benefit determined pursuant to Article 3.

(f) ***Distributions Necessary for the Payment of Employment Taxes.***

Notwithstanding any other provision of the Plan to the contrary, to the extent a Participant's Accrued Benefit under the Plan is subject to tax imposed under the Federal Insurance Contributions Act (FICA) under Code Sections 3101 and 3121(v)(2) (the "FICA Amount") prior to such Participant's Benefit Commencement Date, a portion of the Participant's Accrued Benefit shall be distributed in order to pay the FICA Amount as well as the additional income tax at source on wages attributable to the pyramiding Code Section 3401 wages and taxes. In no event will the total amount distributed prior to the Participant's Benefit Commencement Date under this Section 4.1(fl exceed the sum of the FICA Amount and the income tax withholding related to such FICA Amount. Such distribution will be made in accordance with procedures established by the Committee. To the extent that such distribution is made prior to the Participant's Benefit Commencement Date, the Participant's Accrued Benefit shall be reduced to reflect such distribution.

(g) ***Distributions Upon Income Inclusion.*** Notwithstanding any other provision of the Plan to the contrary, if a Participant's Accrued Benefit under the Plan is subject to inclusion in income for federal income tax purposes as a result of the Plan's failure to satisfy the requirements of Section 409A, the Participant's Accrued Benefit shall be distributed to the Participant, but only to the extent of the amount of Accrued Benefit required to be included in income as a result of such failure.

Section 4.2. Cost of Living Supplements. The amount of each periodic benefit payment to a Participant as determined pursuant to Section 4.1, shall be increased to reflect a cost of living adjustment at the same time and in the same manner as under the Qualified Plan.

Section 4.3. Distributions on Plan Termination. Notwithstanding anything in this Article 4 to the contrary, if the Plan is terminated, distributions shall be made in accordance with Section 8.2.

ARTICLE 5. DEATH BENEFITS

Section 5.1. Death on or after Benefit Commencement Date. With respect to Plan Years beginning prior to January 1, 2008, if a Participant dies on or after his or her Annuity Starting Date under the Qualified Plan, any of the Participant's interest remaining after his or her death shall be paid to the Participant's Beneficiary as designated under the Qualified Plan. With respect to Plan Years beginning on or after January 1, 2008, if a Participant dieon or after his or Benefit Commencement Date, any of the Participant's interest remaining after his or her death shall

be paid to the Participant's Beneficiary, as designated pursuant to Section 5.5, in accordance with the Participant's Elected Benefit Form.

Section 5.2. Death before Benefit Commencement Date after Separation from Service. With respect to Plan Years beginning prior to January 1, 2008, if a Participant dies after the date he or she terminates employment with all Affiliates but before his or her Annuity Starting Date under the Qualified Plan, the Participant's Beneficiary shall be entitled to receive a death benefit under the Plan that is Actuarially Equivalent to the Plan benefit that the Participant would have received pursuant to paragraph (b) of Article 3 had he or she survived. If the Participant has a Surviving Spouse, the Participant's Beneficiary shall be the Surviving Spouse and the benefit payable pursuant to this Section 5.2 shall be paid to the Surviving Spouse at the same time and in the same manner as benefits are paid to the Surviving Spouse under the Qualified Plan. If the Participant does not have a Surviving Spouse, the Participant's Beneficiary shall be the beneficiary designated by the Participant pursuant to Section 5.5, and the benefit payable pursuant to this Section 5.2 shall be paid to such Beneficiary in the form of a lump sum, with payment made as soon as administratively practicable after the Plan Administrator receives notification of the Participant's death.

With respect to Plan Years beginning on or after January 1, 2008, if a Participant dies after the date he or she Separates from Service but before his or her Benefit Commencement Date, the Participant's Beneficiary shall be entitled to receive a death benefit under the Plan that is Actuarially Equivalent to the Plan benefit that the Participant would have received pursuant to paragraph (b) of Article 3 had he or she survived. The benefit payable pursuant to this Section 5.2 shall be paid to the Participant's Beneficiary in the form of an annuity payable for the life of the Beneficiary, with payments commencing to the Beneficiary as of the Participant's Benefit Commencement Date as if the Participant had survived to that date. Notwithstanding the foregoing, if the Lump Sum payable to the Participant's Beneficiary is $10,000 or less, the Plan shall pay such Beneficiary the Lump Sum as of such date without the Beneficiary's consent, with such payment made as soon as administratively practicable after the Plan Administrator receives notification of the Participant's death, but in no event later than the later of (a) December 31 of the calendar year of the Participant's death or (b) the date that is 2*Y2* months after the date of the Participant's death.

Section 5.3. Death While Employed by an Affiliate, Surviving Spouse. If a Participant dies on or after the Effective Date while employed by an Affiliate (and before his or her Benefit Commencement Date) and the Participant has a Surviving Spouse, the Surviving Spouse shall be entitled to receive a death benefit under the Plan comprised of two parts, the first of which relates to the Participant's Credited Service prior to the Effective Date. This part of thebenefit is described in paragraph (a), below. The second part of the benefit relates to the Participant's Credited Service on and after the Effective Date. This part of the benefit is described in paragraph (b), below. The death benefit payable pursuant to this Section 5.3 is the sum of these two benefit parts; provided, however, in the case of a Participant who was not a Senior Management Employee on the Effective Date but subsequently becomes a Senior Management Employee, the death benefit shall be limited to the benefit described in paragraph (b). The death benefit payable to the Participant's Surviving Spouse shall be expressed in the manner set forth in paragraphs (a) and (b), below, as the case may be, but shall be paid in the manner set forth in paragraph (c), below.

(a) ***Benefit for Service Prior to Effective Date.*** The excess of the benefit described in (i) over the benefit described in (ii).

(i) The Qualified Preretirement Survivor Annuity that would be payable to the Surviving Spouse under the Qualified Plan if:

(A) only Credited Service accrued prior to the Effective Date was counted in the benefit calculation;

(B) the Participant was fully vested in his or her Qualified Plan benefit at the time of his or her death;

(C) in determining the amount of the Qualified Joint and Survivor Annuity upon which the Qualified Preretirement Survivor Annuity is based

(1) the Qualified Joint and Survivor Annuity was paid in the Normal Benefit Form,

(2) any adjustment for the Participant's death prior to the date on which the Participant would have reached age 60 (had he or she survived) did not exceed *Y4* of 1% for each month by which the Participant's age at death precedes age 60, and

(3) the Participant's Average Final Pay included the average of the highest three (3) Pensionable Bonuses (as defmed in Section 1.1(s)(i)(A) and 1.1(s)(ii)(A), as the case may be) paid in the five (5) consecutive years of Service immediately prior to his or her death and was calculated without application of the Statutory Limitations.

(iii) The Qualified Preretirement Survivor Annuity that would be payable to the Surviving Spouse under the Qualified Plan if such benefit were paid in the Normal Benefit Form and only Credited Service accrued prior to the Effective Date was counted in the benefit calculation.

(b) ***Benefit for Service on or after the Effective Date.*** The Actuarially Equivalent present value of the Participant's benefit under Section 3(b) as of the date of his or her death (treating the Participant's date of death as the date on which he or she terminates employment).

(c) ***Manner of Benefit Payment.*** With respect to Plan Years beginning prior to January 1, 2008, benefits payable to the Participant's Surviving Spouse pursuant to this Section 5.3 shall be paid to the Surviving Spouse at the same

time and in the same manner as the Qualified Preretirement Survivor Annuity is paid to the Participant's Surviving Spouse under the Qualified Plan (or, ifthe Surviving Spouse is not entitled to benefits under the Qualified Plan, at the same time and in the same manner as benefits would have been paid to the Surviving Spouse under the Qualified Plan had he or she been entitled to such benefits). The amount of a Surviving Spouse's benefit pursuant to this paragraph (c) shall be Actuarially Equivalent to the benefit determined pursuant to (a) and (b), above, as the case may be.

With respect to Plan Years beginning on or after January 1, 2008, the benefit payable pursuant to this Section 5.3 shall be paid to the Surviving Spouse in the form of an annuity for the life of the Surviving Spouse, commencing as of the Participant's Benefit Commencement Date as if the Participant had survived to that date. Notwithstanding the foregoing, if the Lump Sum payable to the Participant's Surviving Spouse is $10,000 or less, the Plan shall pay the Participant's Surviving Spouse the Lump Sum without the Surviving Spouse's consent provided that (1) such payment constitutes the Participant's entire interest in the Plan and (2) distribution of the Participant's entire interest in all similar arrangements constituting nonqualified deferred compensation plans under Proposed Treasury Reg. Section 1.409A-1(c) (or its successor) is also made as soon as administratively practicable after the Plan Administrator receives notification of the Participant's death, but in no event later than the later of (a) December 31 of the calendar year of the Participant's death or (b) the date that is 2Y2 months after the date of Participant's death.

(d) ***Cost of Living Supplements.*** The amount of each periodic payment to a Surviving Spouse or Beneficiary as determined pursuant to paragraph (c) above shall be increased to reflect a cost of living adjustment at the same time and in the same manner as under the Qualified Plan.

Section 5.4. Death While Employed by an Affiliate, No Surviving Spouse.

If a Participant dies on or after the Effective Date while employed by an Affiliate (and before his or her Benefit Commencement Date) and the Participant does not have a Surviving Spouse, the Participant's Beneficiary shall be entitled to receive the amount described in Section 5.3(b).

Such benefit shall be paid to the Beneficiary in a Lump Sum as soon as administratively feasible after the Plan Administrator has received notification of the Participant's death.

Section 5.5. Beneficiary Designation. At the time a Participant begins participation in the Plan, he or she may designate primary and contingent Beneficiaries for death benefits payable under the Plan pursuant to Sections 5.2 and 5.4. Such Beneficiaries may be individuals or trusts for the benefit of individuals. A Beneficiary designation by a Participant shall be in writing on a form acceptable to the Plan Administrator and shall only be effective upon delivery to, and acceptance by, the Company. A Beneficiary designation may be revoked by a Participant at any time by delivering to the Company either written notice of revocation or a new Beneficiary designation form. The Beneficiary designation form last delivered to the Company prior

to the death of a Participant shall control. In the event there is no Beneficiary designation on file with the Company, or all Beneficiaries designated by a Participant have predeceased the Participant, any benefits remaining payable under the Plan pursuant to Section 5.2 or 5.4, as the case may be, at the time of the death of the Participant shall be paid to the personal representative of the Participant's estate upon receipt by the Company of proper instructions. In
the event there are benefits remaining unpaid at the death of a Beneficiary and no successor Beneficiary has been designated, the remaining balance of such benefit shall be paid to the personal representative of the deceased Beneficiary's estate upon receipt by the Company of proper instructions.

ARTICLE 6. FUNDING

Section 6.1. Source of Benefits. All benefits under the Plan shall be paid when due by the Company out of its assets or from the Trust. Any amounts which the Company may set aside for payment ofbenefits under the Plan are the property of the Company, except, and to the extent, provided in the Trust. The Company will make contributions to the Trust to provide for the payment of Plan benefits in accordance with the Funding Policy.

Section 6.2. No Claim on Specific Assets. No Participant or Beneficiary shall be deemed to have, by virtue ofbeing a Participant (or Beneficiary) in the Plan any claim on any specific assets of the Company such that the Participant (or Beneficiary) would be subject to income taxation on his or her benefits under the Plan prior to distribution, and the rights of a Participant (or Beneficiary) to benefits to which he or she is otherwise entitled under the Plan shall be those of an unsecured general creditor of the Company.

ARTICLE 7. ADMINISTRATION AND FINANCES

Section 7.1. Administration. The Company shall be the Plan Administrator for purposes of ERISA. The Company or the Trust (at the Company's election) shall bear all administrative costs of the Plan other than those specifically charged to a Participant or Beneficiary.

Section 7.2. Powers of Plan Administrator. In addition to the other powers granted under the Plan, the Plan Administrator shall have all powers necessary to administer the Plan, including, without limitation, powers:

(a) to interpret the provisions of the Plan;

(b) to establish and revise the method of accounting for the Plan; and

(c) to establish rules for the administration of the Plan and to prescribe any forms required to administer the Plan.

Section 7.3. Actions of Plan Administrator. Except as modified by the Plan Administrator, the Plan Administrator (including any person or entity to whom the Plan Administrator has delegated duties, responsibilities or authority, to the extent of such delegation) has total and complete discretionary authority to determine conclusively for all parties all questions

arising in the administration of the Plan, to interpret and construe the terms of the Plan, and to determine all questions of eligibility and status of employees, Participants and Beneficiaries under the Plan and their respective interests. Subject to the claims procedures of Section 7.6, all determinations, interpretations, rules and decisions of the Plan Administrator (including those made or established by any person or entity to whom the Plan Administrator has delegated duties, responsibilities or authority, if made or established pursuant to such delegation) are conclusive and binding upon all persons having or claiming to have any interest or right under the Plan.

Section 7.4. Delegation. The Plan Administrator, or any officer or other employee of the Company designated by the Plan Administrator, shall have the power to delegate specific duties and responsibilities to officers or other employees of the Company or other individuals or entities. Any delegation may be rescinded by the Plan Administrator at any time. Each person or entity to whom a duty or responsibility has been delegated shall be responsible for the exercise of such duty or responsibility and shall not be responsible for any act or failure to act of any other person or entity.

Section 7.5. Reports and Records. The Plan Administrator, and those to whom the Plan Administrator has delegated duties under the Plan, shall keep records of all their proceedings and actions and shall maintain books of account, records, and other data as shall be necessary for the proper administration of the Plan and for compliance with applicable law.

Section 7.6. Claims Procedure. The Company shall notify a Participant in writing within ninety (90) days of his written application for benefits of his or her eligibility or noneligibility for benefits under the Plan. The Company may designate a person or committee with whom benefit applications shall be filed. If the Company determines that a Participant is not eligible for benefits or full benefits, the notice shall set forth:

(a) the specific reasons for such denial;

(b) a specific reference to the provision of the Plan on which the denial is based;

(c) a description of any additional information or material necessary for the claimant to perfect his or her claim, and a description of why it is needed; and

(d) an explanation of the Plan's claims review procedure and other appropriate information as to the steps to be taken if the Participant wishes to have his or her claim reviewed.

If the Company determines that there are special circumstances requiring additional time to make a decision, the Company shall notify the Participant of the special circumstances and the date by which a decision is expected to be made, and may extend the time for up to an additional 90-day period.

If a Participant is determined by the Company to be not eligible for benefits, or if the Participant believes that he or she is entitled to greater or different benefits, the Participant shall have the opportunity to have his or her claim reviewed by the Company by filing a petition for review with the Company within sixty (60) days after receipt by the Participant of the notice issued by the Company. Said petition shall state the specific reasons the Participant believes he or she is entitled to benefits or greater or different benefits. Within sixty (60) days after receipt by the Company of said petition, the Company shall afford the Participant (and the Participant's counsel, if any) an opportunity to present the Participant's position to the Company orally or in writing, and the Participant (or his or her counsel) shall have the right to review the pertinent documents, and the Company shall notify the Participant of its decision in writing within said
60-day period, stating specifically the basis of the decision written in a manner calculated to be
understood by the Participant and the specific provisions of the Plan on which the decision is based. If, because of the need for a hearing, the 60-day period is not sufficient, the decision may be deferred for up to another 60-days period at the election of the Company, but notice of this deferral shall be given to the Participant.

In the event of the death of a Participant, the same procedlires shall be applicable to the Participant's Beneficiaries.

Notwithstanding anything in this Section 7.6 to the contrary, a claim for benefits must be filed in a timely manner in order to be considered by the Plan Administrator. If a claim is not filed with the Plan Administrator in a timely manner, the claimant will not be entitled to benefits under the Plan. To be considered timely, the claim must be filed no later than 90 days after the claimant knew or should have known of the principal facts upon which the claim is based. No legal action to recover Plan benefits or to enforce or clarify rights under the Plan may be brought by any claimant on any matter pertaining to the Plan unless the legal action is commenced in the proper forum no later than six months after the claimant has exhausted the claims and review procedure set forth above. In any legal action to recover Plan benefits or to enforce or clarify rights under the Plan, all explicit and implicit determinations by the Plan Administrator (including, but not limited to, determinations as to whether the claim, or request for a review of a claim, was made in a timely manner) shall be accorded the maximum deference permitted by
law.

ARTICLE 8. AMENDMENTS AND TERMINATION

Section 8.1. Amendments. The Company (or any designated officer ofthe Company to the extent specified by the Board in written resolutions) may amend the Plan, in whole or in part, at any time and from time to time. No amendment may be effective toeliminate or reduce the benefit, if any, which has accrued to a Participant or Beneficiary under the Plan without such Participant's (or Beneficiary) written consent. Any Plan amendment shall be filed with the Plan documents.

Section 8.2. Termination. The Company expects the Plan to remain in place, but necessarily must, and hereby does, reserve the right to terminate the Plan at any time, for any reason, by action of the Board in its discretion. Upon termination of the Plan, 1).0 further benefits shall accrue on a Participant's behalf under the Plan. Termination of the Plan shall not operate to

eliminate or reduce the benefits, if any, which have accrued to a Participant (or Beneficiary) under the Plan as of the termination date without such Participant's (or Beneficiary's) consent. Notwithstanding anything in this Section 8.2 to the contrary, if the Plan is terminated, Accrued Benefits will be paid in accordance with Section 4.1, and shall not be subject to accelerated payment as a result of the Plan's termination, unless otherwise permitted under Section 409A.

ARTICLE 9. MISCELLANEOUS

Section 9.1. No Guarantee of Employment. The adoption and maintenance of the Plan by the Company shall not be deemed to be a contract of employment between the Company and any Participant. Nothing contained in the Plan shall give any Participant the right to be retained in the employ of the Company or to interfere with the right of the Company to discharge any Participant at any time, nor shall it give the Company the right to require any Participant to remain in its employ or to interfere with the Participant's right to terminate his or her employment at any time.

Section 9.2. Release. Any payment of benefits to or for the benefit of a Participant or a Participant's Beneficiaries that is made in good faith by the Company in accordance with the Company's interpretation of its obligations under the Plan shall be in full and complete satisfaction of any and all claims and demands against the Company for benefits under the Plan to the extent of such payment.

Section 9.3. Notices. Any notice permitted or required under the Plan shall be in writing and shall be hand-delivered or sent, postage prepaid, by first class mail, or by certified or registered mail with return receipt requested, to both the office of the director of Human Resources of the Company and the office of the General Counsel of the Company, if to the Company, or to the address last shown on the records of the Company, ifto a Participant or Beneficiary. Any such notice shall be effective as of the date of hand-delivery or mailing.

Section 9.4. Nonalienation. No benefit payable at any time under the Plan shall be subject in any manner to alienation, sale, transfer, assignment, pledge, levy, attachment, or encumbrance of any kind by any Participant or Beneficiary.

Section 9.5. Tax Liability. The Company may withhold from a Participant's compensation or any payment of benefits, or the Company may direct the trustee of the Trust to withhold from any payment of benefits, such amounts as the Company determines are reasonably necessary to pay any taxes required to be withheld under applicable law.

Section 9.6. Captions. Article and section headings and captions are provided for purposes of reference and convenience only and shall not be relied upon in any way to construe, define, modify, limit, or extend the scope of any provision of the Plan.

Section 9.7. Binding Agreement. The Plan shall be binding on the parties hereto, their heirs, executors, administrators, and successors in interest.

Section 9.8. Invalidity of Certain Provisions. If any provision of the Plan is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision of the Plan and the Plan shall be construed and enforced as if such provision had not been included.

Section 9.9. No Other Agreements. The terms and conditions set forth herein constitute the entire understanding of the Company and the Participants with respect to the matters addressed herein.

Section 9.10. Incapacity. In the event that any Participant is unable to care for his or her affairs because of illness or accident, any payment due may be paid to the Participant's spouse, parent, brother, sister or other person deemed by the Plan Administrator to have incurred expenses for the care of such Participant, unless a duly qualified guardian or other legal representative has been appointed.

Section 9.11. Counterparts. The Plan may be executed in any number of counterparts, each of which when duly executed by the Company shall be deemed to be an original, but all of which shall together constitute but one instrument, which may be evidenced by any counterpart.

Section 9.12. Participating Affiliates. Any Affiliate may adopt the Plan with the permission of the Company and according to such rules as may be established from time to time by the Company in its discretion, and thereby become a "Participating Affiliate" in the Plan. In such case, except as set forth in Section 9.13, the term "Company" as used herein shall mean the Participating Affiliate, and except as set forth on Addendum D, the term "Qualified Plan" as used herein shall mean the qualified defmed benefit pension plan maintained by the Participating Affiliate under which its employees that are Plan Participants accrue benefits.

Section 9.13. Powers Reserved to Company. Notwithstanding anything in the Plan to the contrary, the Company reserves all power and authority to, and it shall, operate, administer, interpret, construe, amend and terminate the Plan, including correcting any defect, supplying any omission or reconciling any inconsistency. The Company shall have all powers necessary or appropriate to implement and administer the terms and provisions of the Plan, including the power to make findings of fact. The determination of the Company as to the proper interpretation, construction, or application of any terms or provisions of the Plan shall be fmal, binding, and conclusive with respect to all interested persons.

Section 9.14. Applicable Law. The Plan and all rights under the Plan shall be governed by and construed according to the laws of the State of Delaware, except to the extent such laws are preempted by the laws of the United States of America.

ENBRIDGE EMPLOYEE SERVICES, INC.

By: _____

Title: _____

Date: _____

Addendum A

Service Prior to Participation in the Plan

In determining the Plan benefit of the following Participants under paragraph (b)(i) of Article 3, it shall be assumed that the Participant began accruing Credited Service under the Qualified Plan on June 1, 2001.

Chip Berthelot
Bill Bray
Chris Kaitson
Dan Tutcher

Addendum B

Benefit for Retired Participants

Each of the following individuals (or if applicable such individual's spouse) shall be entitled to receive the benefit set forth opposite his name below from the Plan notwithstanding the fact that such individual terminated his employment prior to the Effective pate. Such individuals shall be considered Plan Participants and shall be subject to the terms of the Plan, other than Articles 2. 3, 4 and 5. In each case, the benefit is payable in the same form as the Participant's benefit under the Qualified Plan as elected by the Participant prior to the Effective Date.

Name	Form of Benefit	Monthly Benefit as of January 1, 2002
Argument, R	Joint and 50% Survivor	$288
Cochrane, W	Joint and 50% Survivor	$221
Phillips, B.	Joint and 100% Survivor	$2,778
Schram, C.	Joint and 50% Survivor	$844

The amount of each periodic benefit payment set forth above shall be increased to reflect a cost of living adjustment at the same time and in the same manner as under the Qualified Plan.

Addendum C

Special Negotiated Benefits

The Company may from time to time provide special benefits for one or more of its employees in addition to the benefits provided to him or her under the Plan. In such case, the Company may, by separate agreement, set out the terms of that special benefit C}.lld may specify that the special benefit is provided under the Plan. The employee entitled to receive the special benefit shall be considered to be a Participant in the Plan, and the terms of the Plan, to the extent specified in the separate agreement, shall apply to him or her.

Addendum D

St. Lawrence Gas Company Inc.
Application of Certain Plan Provisions

Except as set forth below, the term "Qualified Plan," as used in the PIwith respect to Plan Participants who are employees of the St. Lawrence Gas Company Inc. (the "St. Lawrence Gas Participants"), means the Pension Plan for Employees of the St. Lawrence Gas Company, Inc. (the "St. Lawrence Pension Plan"). For purposes of applying the Plan to such St. Lawrence Gas Participants, where a defined term in the Plan references the "Qualified Plan" for its meaning, and such term is not defined in the St. Lawrence Pension Plan, such term shall be deemed to have the meaning given to a similar or analogous term in the St. Lawrence Pension Plan. For purposes of paragraph (b)(i) of Article 3 only, the term "Qualified Plan" as used in each place it appears therein shall mean the "Enbridge (U.S.) Inc. Employees' Annuity Plan" and not the St. Lawrence Pension Plan, and for purposes of this paragraph it shall be assumed that a St. Lawrence Gas Participant was a participant in, and accruing benefits under, the Enbridge (U.S.) Inc. Employees' Annuity Plan.

Special Benefit for Highly Compensated Employees of St. Lawrence Gas Company, Inc.

Notwithstanding any other provision of the Plan to the contrary, any employee of the St. Lawrence Gas Company, Inc. (a) who is excluded from participation in the St. Lawrence Pension Plan because the employee is a Highly Compensated Employee as defined in the St. Lawrence Pension Plan ("Highly Compensated Employee") or (b) with respect to whom benefit accruals under the St. Lawrence Pension Plan have ceased because the employee is a Highly
Compensated Employee shall receive a benefit under the Plan that is, when combined with any
benefit the employee has accrued under the St. Lawrence Pension Plan, equal to the benefit said employee would have received from the St. Lawrence Pension Plan had he not been a Highly Compensated Employee. Unless such an employee satisfies the requirements of Section 2.1 of the Plan, such employee shall not receive any other benefit under the Plan.

EXHIBIT 10.21

AMENDMENT 1 TO THE ENBRIDGE SUPPLEMENTAL PENSION PLAN FOR UNITED STATES EMPLOYEES (AS AMENDED AND RESTATED EFFECTIVE JANUARY 1, 2005)

Pursuant to Section 8.1 of the Enbridge Supplemental Pension Plan for United States Employees (as Amended and Restated Effective January **1,** 2005) (the *"Plan"),* the Enbridge Employee Services, Inc. Board of Directors has approved this amendment to the Plan by execution of a Unanimous Written Consent of the Board of Directors in Lieu of Special Meeting, as follows:

1. ***Plan Section 1.1(u)(ii)(B) is hereby stricken and replaced in its entirety by the following new Section 1.1(u)(ii)(B):***

(B) For services performed after December 31, 1999, for purposes of subparagraph (b)(i)(E) of Article 3, fifty (50%) of the sum of the eligible performance bonuses received by the Participant in the calendar year for which the Pensionable Bonus is being determined for services performed starting from the earlier of **(1)** the year 2007 or (2) the year the Participant first becomes a Senior Management Employee.

2. ***Plan Section 4.2 is hereby amended by adding the following new sentence at the end thereof:***

The benefit payable under this Section 4.2 applies to all Participants in the Plan, regardless of whether the Participant is entitled to a cost of living adjustment under the Qualified Plan.

3. ***The following new paragraph is hereby added at the end of Addendum D:***

For each Participant who is a Highly Compensated Employee (as defined in the previous paragraph), such Participant shall be entitled to receive an additional benefit under the Plan as part of his Supplemental Retirement Benefit in an amount that is equal to the employee portion of the FICA tax, but only with respect to the portion of the benefit that would otherwise have been tax-qualified had the Participant continued participation in the St. Lawrence Pension Plan. For all purposes of this Addendum D, "benefit" wherein it appears shall refer to the Participant's Supplemental Retirement Benefit.

Except as amended hereby, the Plan is ratified and confirmed in all respects.

[Signature page follows.}

To record this Amendment 1, the undersigned member of the Pension Administration Committee and officer of Enbridge Employee Services, Inc., hereby approves and executes this Amendment as of the date set forth below.

Chris Kaitson, Vice President- Law

August 15, 2012

Date

Execution Copy

AMENDMENT 2 TO THE ENBRIDGE SUPPLEMENTAL PENSION PLAN FOR UNITED STATES EMPLOYEES (AS AMENDED AND RESTATED EFFECTIVE JANUARY 1, 2005)

Pursuant to Section 8.1 of the Enbridge Supplemental Pension Plan for United States Employees (as Amended and Restated Effective January 1, 2005) (the ***"Plan"***), the Enbridge Employee Services, Inc. Board of Directors has approved this amendment to the Plan by execution of a Unanimous Written Consent of the Board of Directors in Lieu of Special Meeting, as follows:

1. ***Plan Section l.l(u) is hereby amended and replaced in its entirety as follows:***

(u) "Pensionable Bonus," for a calendar year, means:

(i) For a Participant who was employed by an Affiliate as of December 31,

1999, in a position of vice-president or above,

(A) for purposes of subparagraph (a)(i)(F) of Article 3 and Section 5.3 (a)(i)(C)(3). the greater of: (x) fifty percent (50%) of the sum of the eligible performance bonuses received by the Participant in the year; and (y) the lesser of the sum of the eligible performance bonuses received by the Participant in the year and the associated target annual performance bonus for the Participant for the year, and

(B) for purposes of subparagraph (b)(i)(F) of Article 3. fifty percent (50%) of the sum of the eligible performance bonuses received by the Participant in the year for services performed as a Senior Management Employee.

(ii) For a Participant who is not described in paragraph (i). above:

(A) for purposes of subparagraph (a)(i)(F) of Article 3 and Section 5.3(a)(i)(C)(3). nil, and

(B) for bonuses paid either (1) before September 15, 2013, or (2) on or after September 15, 2013, to a Participant who is not an Oil/NGL Marketing Employee (defined below) who participates in an EBT Bonus (defined below), for purposes of subparagraph (b)(i)(F) of Article 3. fifty percent (50%) of the sum of the eligible performance bonuses received by the Participant in the year for services performed after December 31, 1999, as a Senior Management Employee.

(C) for bonuses paid on or after September 15, 2013, to an OiljNGL Marketing Employee (defined below) who participates in an EBT Bonus (defined below), for purposes of subparagraph (b) (i) (F) of Article 3. fifty percent (50%) of the lesser of (1) the sum of the cash amount of the EBT Bonus received by the Oil/NGL Marketing Employee in the year and (2) twice the corporate notional short-term incentive target for that Participant's career grade classification (as defined in the payroll records of the Company).

(iii) In determining the Pensionable Bonus for a Participant who transferred to an Associate Company from the Company for the first time prior to January

1, 1997 and whose employment ceases while he is employed by an Associate Company, the Participant's Pensionable Bonus for benefit computation purposes shall be limited to the Pensionable Bonus received prior to the Participant's date of transfer.

(iv) Effective for bonuses paid on or after September 15, 2013:

(D) **"EBT Bonus"** means (1) a commission-style bonus plan in which bonuses related to employment as an Oil/NGL Marketing Employee are based on a specified amount of EBT (i.e., earnings before taxes) as split between employees on a discretionary basis by the Employer, or (2) other annual discretionary bonus for Oil/NGL Marketing Employees; and

(E) **"Oil/NGL Marketing Employee"** means a Participant who has responsibilities affiliated with Tidal Energy Marketing, Enbridge Energy Marketing, or Enbridge Liquids, Transportation & Marketing and is eligible to receive an EBT Bonus on or after September 15, 2013, and before the date of his Separation from Service.

No Pensionable Bonus shall be deemed to have been received by a Participant during his or her period of Disability (as defined in the Qualified Plan).

Except as amended hereby, the Plan is ratified and confirmed in all respects.

To record this Amendment 2, the undersigned President of Enbridge Employee Services, Inc., hereby approves and executes this Amendment to be effective as of the date set forth below.

/s/ Joan E. Gay

Joan E. Gay, President
Enbridge Employee Services, Inc.

/s/ 12/20/13

Date

EXHIBIT 10.22

SPECTRA ENERGY CORP
DIRECTORS' SAVINGS PLAN
(As Amended and Restated Effective as of May 1, 2012)

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SPECTRA ENERGY CORP
DIRECTORS' SAVINGS PLAN

ARTICLE I

ESTABLISHMENT AND PURPOSE OF PLAN

The Spectra Energy Corp Directors' Savings Plan (the ***"Plan"***) was established by Spectra Energy Corp, effective as of the Distribution Date (as defined below), and is hereby amended and restated effective as of May 1, 2012. The purposes of the Plan are (i) to provide deferred compensation for the Nonemployee Directors of the Board and (ii) to provide for the payment of certain amounts deferred under the Duke Energy Corporation Directors' Savings Plan.

ARTICLE II

DEFINITIONS

Wherever used herein, a pronoun or adjective in the masculine gender includes the feminine gender, the singular includes the plural, and the following terms have the following meanings unless a different meaning is clearly required by the context.

2.1 ***"Account"*** means the single bookkeeping account established and maintained pursuant to the Plan in the name of each Participant, which Account shall include the following: (i) Fixed Interest Investment Option as defined in Section 4.4(i), (ii) SECS Investment Option as defined in Section 4.1 and (iii) Spectra Stock Deferral Investment Option as defined in Section 4.2.

2.2 ***"Beneficiary"*** means the person or persons designated by a Participant, or by another person entitled to receive benefits hereunder, to receive benefits following the death of such person.

2.3 ***"Board of Directors"*** or ***"Board"*** means the Board of Directors of the Company.

2.4 ***"Change in Control"*** shall be deemed to have occurred upon:

(i) an acquisition subsequent to the Distribution Date by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) ofthe Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (A) the then outstanding shares of Company common stock or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors; excluding, however, the following: (1) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (2) any acquisition by the Company and (3) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or of its affiliated companies;

(ii) during any period of two (2) consecutive years (not including any period prior to the Distribution Date), individuals who at the beginning of such period constitute the Board of Directors (and any new Directors whose election to the Board or nomination for election by the Company's shareholders was approved by a vote of at least 2/3 of the Directors then still in office who either were Directors at the beginning of the period or whose election or nomination for election was so approved) cease for any reason (except for death, disability or voluntary retirement) to constitute a majority thereof;

(iii) the consummation, after the Distribution Date, of a merger, consolidation, reorganization or similar corporate transaction, which has been approved by the shareholders of the Company, whether or not the Company is the surviving Company in such transaction, other than a merger, consolidation, or reorganization that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 50% of the combined voting power of the voting securities of the Company (or such surviving entity) outstanding immediately after such merger, consolidation, or reorganization; or

(iv) the consummation, after the Distribution Date, of (A) the sale or other disposition of all or substantially all ofthe assets ofthe Company or (B) a complete liquidation or dissolution of the Company, which has been approved by the shareholders of the Company;

provided that in no event shall a Change in Control be deemed to have occurred by reason of any of the events resulting from the separation transaction pursuant to which the Company becomes a separate publicly-held corporation for the first time.

2.5 ***"Code"*** means the Internal Revenue Code of 1986, as amended.

2.6 ***"Company"*** means Spectra Energy Corp.

2.7 ***"Compensation"*** means all retainers, committee chair fees and meeting/committee fees earned by Nonemployee Directors for services actually rendered in conjunction with service on the Board of Directors.

2.8 ***"Compensation Committee"*** means the compensation Committee of the Board of Directors, or its delegate.

2.9 ***"Deferred Compensation"*** or "Deferrals" mean Compensation deferred under the Plan.

2.10 ***"Director"*** means a member of the Board of Directors.

2.11 ***"Distribution Date"*** has the meaning given such term in the Separation and Distribution Agreement by and between Duke Energy Corporation and Spectra Energy Corp.

2.12 ***"Duke"*** means Duke Energy Corporation.

2.13 ***"Duke Plan"*** means the Duke Energy Corporation Directors' Savings Plan.

2.14 ***"Duke Retirement Plan"*** means the Duke Power Company Retirement Plan for Outside Directors as it existed on December 31, 1996.

2.15 ***"Fair Market Value"*** of a share of common stock means the closing price at which shares of Company common stock were sold on the New York Stock Exchange as indicated in the composite transactions for the day in question or, if such day is not a trading day for such exchange, for the most recent trading day preceding such day.

2.16 ***"Nonemployee Director"*** means a member of the Board of Directors who is not employed by Spectra Energy Corp or any of its affiliated companies.

2.17 ***"Participant"*** means a Nonemployee Director who is eligible to participate in the Plan.

2.18 ***"Phantom Stock Unit"*** means a unit of measure which is equal in value to one share of Company common stock.

2.19 ***"Plan"*** means this Spectra Energy Corp Directors' Savings Plan.

2.20 ***"Separation From Service"*** means a Participant's separation from service on the Board of Directors with the meaning of Code Section 409A.

ARTICLE III

ELIGIBILITY

3.1 Eligibility under Predecessor Plan. Any active Nonemployee Director who made a timely deferral election under the Duke Plan prior to the Distribution Date will be eligible to participate in the Plan on and after the Distribution Date. Moreover, any individual with respect to whom "Assumed Amounts" (as defined in Section 4.3) are credited hereunder shall automatically participate, and be a Participant, in the Plan with respect to such Assumed Amounts as of the Distribution Date.

3.2 General. Any individual who is not described in Section 3.1 and who becomes a Nonemployee Director will become a Participant in the Plan upon beginning to serve as a member of the Board of Directors. By no later than thirty (30) days after becoming a Nonemployee Director, the Nonemployee Director may file with the Company an irrevocable election, utilizing such form as the Company shall prescribe, to defer under the Plan a specified portion of such Compensation that would otherwise be currently payable, that the Nonemployee Director may earn subsequent to the date the election form is filed with the Company. A Nonemployee Director may at any time make a new irrevocable election that shall be applicable only to Compensation earned after the end of the calendar year during which the election form was filed with the Company. By not later than the date specified by the Company, which shall be within thirty (30) days after the date that a Nonemployee Director is granted a Phantom Stock Unit under a Company-sponsored long-term incentive plan (including, but not limited to, the Company's 2007 Long-Term Incentive Plan), the Nonemployee

Director may file with the Company an irrevocable election, utilizing such form as the Company shall prescribe, to defer under the Plan payment of Phantom Stock Units covered by such award in accordance with the provisions of such long-term incentive plan, provided that such election is consistent with the subsequent deferral election provisions of Code Section 409A.

3.3 Revocation. An election to defer Compensation pursuant to Section 3.1 will remain in effect until revoked, except that no revocation will be effective unless is it made prior to the beginning of the calendar year to which it relates.

ARTICLE IV

ACCOUNTS

4.1 Maintenance of Participant Account. An Account shall be established and maintained in the name of each Participant. The Account shall reflect amounts credited thereto pursuant to the Participant's deferrals of Compensation earned on or after the Distribution Date, and to Elective Phantom Stock Unit Deferrals, with adjustments for investment performance as specified in this Section 4.1 and charges for Plan benefits paid (or amounts forfeited). Except to the extent otherwise provided in the Plan, each Participant shall direct, in accordance with rules and procedures established by the Compensation Committee or its designee, the "investment" of the Participant's Account among phantom investment options, which are bookkeeping devices without actual asset portfolios, that correspond to the investment options available under the Spectra Energy Corp Executive Savings Plan, which, in turn, correspond to the investment funds available for investment under the Spectra Energy Retirement Savings Plan ***("RSP")***. In this regard, the Plan's investment option that corresponds to the RSP's Spectra Energy Corp Common Stock Fund shall be referred to as the "SECS Investment Option." The portion of the Participant's Account that is "invested" in a particular investment option shall be adjusted monthly (or on such more frequent basis approved by the Company), upward or downward, to reflect the investment performance experienced for the respective period on like amounts invested in the corresponding RSP investment fund, although no actual investment will be made in the RSP investment fund on behalf of the Participant's Account.

In connection with the deferral of Compensation that is not otherwise payable only as Company common stock, such Deferred Compensation shall be invested in such open investment option(s) as the Participant shall direct.

4.2 Phantom Investment Options. In connection with Elective Phantom Stock Unit Deferrals, deferred payment on a Phantom Stock Unit, upon such unit becoming vested, will automatically be credited, on the basis ofthe Fair Market Value of a share of Company common stock, as of the respective crediting date, and maintained as a unit of a phantom investment option, in the ***"Spectra Stock Deferral Investment Option,"*** which shall correspond to the RSP's Spectra Energy Corp Common Stock Fund. The Participant (or, if deceased, the Participant's Beneficiary) may not elect to transfer amounts from the Spectra Stock Deferral Investment Option to any other investment option(s). The Spectra Stock Deferral Investment Option shall not be open to any deferral other than an Elective Phantom Stock Unit Deferral, or to any elective transfer from any other investment option.

Except for amounts invested in the Spectra Stock Deferral Investment Option, the Participant (or, if the Participant is deceased, the Participant's beneficiary) may elect subsequent transfer of amounts from any investment option to any open investment option(s) on a monthly basis (or on such more frequent basis approved by the Company).

4.3 Assumed Amounts. The Company has assumed the deferred compensation obligations under the Duke Plan with respect to certain Participants who previously served as non-employee directors of Duke ***("Assumed Amounts")***. The Assumed Amounts credited to Accounts hereunder shall remain subject to the same vesting schedule and elections (including deferral and distribution elections) and beneficiary designations that were controlling under the Duke Plan

immediately prior to the Distribution Date until a new election is made in accordance with the terms of this Plan, which by its terms, supersedes the prior election.

4.4 Investment of Assumed Amounts. Except as provided below, upon the Distribution Date, the Assumed Amounts shall be subject to the same investment elections, and deemed invested in the same investment options, that were controlling under the Duke Plan immediately prior to the Distribution Date until a new election is made in accordance with the terms of this Plan, which by its terms, supersedes the prior election; provided, however, that unless otherwise provided below, an investment election relating to the "DECS Investment Option" under the Duke Plan is deemed to apply to the SECS Investment Option. Notwithstanding the preceding sentence, the following additional provisions shall apply to the deemed investment of the Assumed Amounts:

(i) Any Assumed Amounts that, immediately prior to the Distribution Date, were invested in the investment option that credited interest at the fixed rates applicable under the Duke Power Company Compensation Deferral Plan for Outside Directors as it existed on December 31, 1996 (the ***"Fixed Interest Investment Option")*** and the Duke Energy Corporation Retirement Savings Plan's Money Market Fund under the Duke Plan (the ***"Money Market Fund")*** shall continue to be invested in such options. A Participant (or, if the Participant is deceased, the Participant's Beneficiary) may elect to transfer amounts from such investment options to any open investment option, but the Fixed Interest Investment Option and the Money Market Fund shall be closed to additional deferrals and to transfers from any other investment option.

4.5 Corporate Transactions. If there shall occur any merger, consolidation, liquidation, issuance of rights or warrants to purchase securities, recapitalization, reclassification, stock dividend, spin-off, split-off, stock split, reverse stock split or other distribution with respect to the shares of Duke or the Company, or any similar corporate transaction or event in respect of such shares, then the Compensation Committee shall, in the manner and to the extent that it deems appropriate and equitable to the Participants and consistent with the terms of this Plan, cause a proportionate adjustment to be made in number and kind of shares deemed held under the Plan. Moreover, in the event of any such transaction or event, the Compensation Committee, in its discretion, may provide in substitution for any or all outstanding shares under the Plan such alternative consideration as it, in good faith, may determine to be equitable under the circumstances.

ARTICLE V

VESTING

5.1 Generally. A Participant is 100% vested in his Account except to the extent otherwise provided in Section 5.2.

5.2 Assumed Amounts. The portion of the Assumed Amounts that is attributable to the Participant's participation in the Duke Retirement Plan, as adjusted for investment performance after December 31, 1996, shall vest upon Separation From Service (i) on account of death or disability, (ii) after attaining age 62, or (iii) on account of, or after, a Change in Control. Otherwise, such portion, as so adjusted, shall be forfeited upon Separation From Service.

ARTICLE VI

PAYMENT OF BENEFITS

6.1 Amount. Except as otherwise provided in Section 4.3 or Section 5.2, following Separation from Service, a Participant will receive, or will begin to receive, payment of his benefits under this Plan, which consist of the portion of his Account that is vested, as determined under Article V.

6.2 Payment Election.

(a) A Nonemployee Director who is eligible to participate in the Plan under Section 3.2 must elect his form of benefit payment before earning any Compensation that is deferred under the Plan and before any Phantom Stock Units are credited to the Participant's Account. Such election is made by completing the form prescribed by the Company and filing the completed form with, and acceptance by, the Company. Failure to timely elect a benefit payment form shall result in a deemed election of five annual installment payments. The election of a benefit payment form is irrevocable, except that a Participant may change his benefit payment form election by completing a new election form and filing the completed form with, and acceptance by, the Company; provided, however, that the Nonemployee Director has not filed a payment election form within the prior 12 months. With respect to amounts deferred under Sub-Plan II (as defined in Section 11.6), except where the payment of the Participant's benefit is due to death or disability (within the meaning of Code Section 409A), (i) a Participant's election to change the form of benefit payment shall become effective one year from the date on which the election form was filed with the Company, but only if the Participant continued to serve on the Board of Directors throughout such one year period, and (ii) any lump sum or installment form of payment that is changed by the Participant's election pursuant to this paragraph will be paid or commence being paid not earlier than five years from the date such payment would otherwise have been paid.

(b) The alternative forms of benefit payment under the Plan are: (1)

(1) Single lump sum payment;

(2) Five annual installments;

(3) Ten annual installments.

(c) If the Participant is to be paid in a single lump sum payment, the Participant will receive a single cash payment equal to the balance of the vested portion of the Participant's Account that is then invested in any investment option other than the SECS Investment Option or the Spectra Stock Deferral Investment Option. The balance of the vested portion of the Participant's Account that is then invested in the SECS Investment Option and the Spectra Stock Deferral Investment Option will be paid in whole shares of Company common stock, valued at Fair Market Value on the last day of the month that immediately precedes the month of payment, with any fractional share paid in cash. Cash payment amounts will be calculated as of the last day of the month, and after any interest credited at fixed rate(s) has been allocated for the month, that immediately precedes the month of payment. A single lump sum payment shall be paid as soon as administratively feasible after the cash amount and number of whole shares of Company common stock that are to be included in the payment have been determined, including the cash amount for any fractional share, but not later than sixty (60) days after Separation From Service, as provided under Sections 4.3 and 5.2. To the extent that the delivery of any shares of Company common stock to a Participant under this Plan otherwise would cause all or any portion of the Plan to be considered an "equity compensation plan" as such term is defined in Section 303A(8) of the New York Stock Exchange Listed Company Manual or any successor rule (the ***"Listed Company Manual")***, then such shares shall be paid from, and shall count against the share reserve of, a Company-sponsored "equity compensation plan" designated by the Compensation Committee that complies with the shareholder approval requirements contained in the Listed Company Manual.

(d) If a Participant is to be paid in either five or ten annual installments, the cash amount and number of whole shares of Company common stock to be included in a particular annual installment will be determined by the Company utilizing the same valuation methodology provided in Section 6.2(c), applied as of the December 31 that immediately precedes the month of payment of that installment, and divided by the installments then remaining, to obtain the cash amount and the number of whole shares of Company common stock, including the cash amount for any fractional share, to be paid in the current installment. Notwithstanding the previous sentence, the first annual installment payment will be determined using the same methodology, but applied as of the last day of the month that immediately precedes the payment of such first annual installment. An annual installment shall be paid as promptly as administratively feasible after the cash amount and number of whole shares of Company common stock, including the cash amount for any fractional share, that are to be included in the installment have been determined, but payments must commence not later than sixty (60) days after Separation From Service, as provided under Sections 4.3 and 5.2, and each successive installment payment shall be paid not later

than sixty (60) days after each December 31st following such Separation From Service.

6.3 Source of Payments. All payments under the Plan will be made from the general funds of the Company. The Company may, at its discretion, establish a grantor trust, commonly known as a "rabbi" trust, to hold Company assets, which may include, shares of Company common stock from which the Company may make benefit payments.

ARTICLE VII

DEATH BENEFITS

7.1 Beneficiary Designation. In accordance with procedures established by the Company, each Participant shall designate a Beneficiary or Beneficiaries to receive payment of his vested unpaid Account upon his death, as provided in Section 7.3 or Section 7.4 below.

7 . 2 No Beneficiary. If a deceased Participant did not designate a Beneficiary, or if the designated Beneficiary should predecease the Participant or be the Participant's estate, the death benefit of the Participant shall be paid to the estate of the Participant in a single cash payment within sixty (60) days following the date of the Participant's death.

7.3 Death Before Payment Begins. If a Participant should die before Plan benefits have commenced, payments will be made to his or her Beneficiary, as a death benefit, in the same alternate form selected by the Participant under Section 6.2(b), except where Section 7.2 would be applicable.

7.4 Death After Payment Begins. If a Participant should die after Plan benefits have commenced, payments will continue to be made, as a death benefit, to his or her Beneficiary or Beneficiaries in the alternate form selected by the Participant, except where Section 7.2 would be applicable.

7.5 Payment Timing. All payments made to a Participant's beneficiary or estate shall be made in accordance with the timing of payment requirements of Article VI.

ARTICLE VIII

AMENDMENT AND TERMINATION

8.1 Amendment and Termination.

The Board of Directors may, in its discretion:

(i) Terminate the plan with respect to future participants or future benefit accruals for current Participants; and

(ii) Amend the Plan in any respect, at any time.

No such termination or amendment may reduce the amount of any then accrued benefit of any Participant and any attempt to do so shall be void.

ARTICLE IX

ADMINISTRATION

9.1 Plan Sponsor. The Company is the Plan sponsor.

9.2 Named Fiduciary. The Compensation Committee is the named fiduciary of the Plan and as such shall have the authority to control and manage the operation and administration of the Plan except as otherwise expressly provided in this Plan document. The named fiduciary may designate persons other than the named fiduciary to carry out fiduciary responsibilities under the Plan. Any such allocation or designation must be in writing and must be accepted in writing by any such other person.

9.3 Plan Administrator. The Compensation Committee is the administrator of the Plan. As administrator, the Compensation Committee has the authority (without limitation as to other authority) to delegate its duties to agents and to make rules and regulations that it believes are necessary or appropriate to carry out the Plan. The Compensation Committee has the discretion as a Plan fiduciary (i) to interpret and construe the terms and provisions of the Plan (including any rules or regulations adopted under the Plan), (ii) to determine questions of eligibility to participate in the Plan and (iii) to make factual determinations in connection with any of the foregoing. A decision of the Compensation Committee with respect to any matter pertaining to the Plan including, without limitation, the individuals determined to be Participants, the benefits payable, and the construction or interpretation of any provision thereof, shall be conclusive and binding upon all persons and entities. No Compensation Committee member shall participate in any decision of the Compensation Committee that would directly and specifically affect the timing or amount of his or her benefits under the Plan, except to the extent that such decision applies to all Participants under the Plan.

ARTICLE X

CLAIMS PROCEDURE

10.1 Claim. A person with an interest in the Plan shall have the right to file a claim for benefits under the Plan and to appeal any denial of a claim for benefits. Any request for a Plan benefit or to clarify the claimant's rights to future benefits under the terms of the Plan shall be considered to be a claim.

10.2 Written Claim. A claim for benefits will be considered as having been made when submitted in writing by the claimant (or by such claimant's authorized representative) to the Compensation Committee. No particular form is required for the claim, but the written claim must identify the name of the claimant and describe generally the benefit to which the claimant believes he is entitled. The claim may be delivered personally during business hours or mailed to the Compensation Committee.

10.3 Compensation Committee Determination. The Compensation Committee will determine whether, or to what extent, the claim may be allowed or denied under the terms of the Plan. If the claim is wholly or partially denied, the claimant shall be so informed by written notice

90 days after the day the claim is submitted unless special circumstances require an extension of time for processing the claim. If such an extension of time for processing is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial 90-day period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the final decision. If notice of denial of a claim (in whole or in part) is not furnished within the initial 90-day period after the claim is submitted (or, if applicable, the extended 90-day period), the claimant shall consider that his claim has been denied just as if he had received actual notice of denial.

10.4 Notice of Determination. The notice informing the claimant that his claim has been wholly or partially denied shall be written in a manner calculated to be understood by the claimant and shall include:

(i) The specific reason(s) for the denial.

(ii) Specific reference to pertinent Plan provisions on which the denial is based.

(iii) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary.

(iv) Appropriate information as to the steps to be taken if the claimant wishes to submit his claim for review.

10.5 Appeal. If the claim is wholly or partially denied, the claimant (or his authorized representative) may file an appeal of the denied claim with the Compensation Committee requesting that the claim be reviewed. The Compensation Committee shall conduct a full and fair review of each appealed claim and its denial. Unless the Compensation Committee notifies the claimant that due to the nature of the benefit and other attendant circumstances he is entitled to a greater period of time within which to submit his request for review of a denied claim, the claimant shall have 60 days after he (or his authorized representative) receives written notice of denial of his claim within which such request must be submitted to the Compensation Committee.

10.6 Request for Review. The request for review of a denied claim must be made in writing. In connection with making such request, the claimant or his authorized representative may:

(i) Review pertinent documents.

(ii) Submit issues and comments in writing.

10.7 Determination of Appeal. The decision of the Compensation Committee regarding the appeal shall be promptly given to the claimant in writing and shall normally be given no later than 60 days following the receipt of the request for review. However, if special circumstances (for example, if the Compensation Committee decides to hold a hearing on the appeal) require a further extension of time for processing, the decision shall be rendered as soon as possible, but no later than 120 days after receipt of the request for review. However, if the Compensation Committee holds regularly scheduled meetings at least quarterly, a decision on review shall be made by no later than

the date of the meeting which immediately follows the Plan's receipt of a request for review, unless the request is filed within 30 days preceding the date of such meeting. In such case, a decision may be made by no later than the date of the second meeting following the Plan's receipt of the request for review. If special circumstances (for example, if the Compensation Committee decides to hold a hearing on the appeal) require a further extension of time for processing, the decision shall be rendered as soon as possible, but no later than the third meeting following the Plan's receipt of the request for review. If special circumstances require that the decision will be made beyond the initial time for furnishing the decision, written notice of the extension shall be furnished to the claimant (or his authorized representative) prior to the commencement of the extension. The decision on review shall be in writing and shall be furnished to the claimant or his authorized representative within the appropriate time for the decision. If a decision on review is not furnished within the appropriate time, the claim shall be deemed to have been denied on appeal.

10.8 Hearing. The Compensation Committee may, in its sole discretion, decide to hold a hearing if it determines that a hearing is necessary or appropriate in order to make a full and fair review of the appealed claim.

10.9 Decision. The decision on review shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, as well as specific references to the pertinent Plan provisions on which the decision is based.

10.10 Exhaustion of Appeals. A person must exhaust his rights to file a claim and to request a review of the denial of his claim before bringing any civil action to recover benefits due to him under the terms of the Plan, to enforce his rights under the terms of the Plan, or to clarify his rights to future benefits under the terms of the Plan.

10.11 Compensation Committee's Authority. The Compensation Committee shall exercise its responsibility and authority under this claims procedure as a fiduciary and, in such capacity, shall have the discretionary authority and responsibility (i) to interpret and construe the Plan and any rules or regulations under the Plan, (ii) to determine the eligibility ofNonemployee Directors to participate in the Plan, and the rights of Participants to receive benefits under the Plan, and (iii) to make factual determinations in connection with any of the foregoing.

ARTICLE XI

GENERAL PROVISIONS

11.1 No Assignment. Except as provided under Section 11.2 with respect to a DRO,
no right or benefit under the Plan shall be subject to anticipation, alienation, sale, assignment, pledge, encumbrance or charge. Any attempt to anticipate, alienate, sell, assign, pledge, encumber or charge these benefits shall be void. No right or benefit under this Plan shall in any manner be liable for or subject to the debts, contracts, liabilities, or torts of the person entitled to the benefit. If any Participant or Beneficiary under the Plan should become bankrupt or attempt to anticipate, alienate, sell, assign, pledge, encumber or charge any right to a benefit hereunder, then the right or benefit, in the discretion of the Committee, shall cease. In these circumstances, the Committee may hold or apply the benefit payment or payments, or any part of it, for the benefit of the Participant or his

Beneficiary, the Participant's spouse, children, or other dependents, or any of them, in any manner and in any portion that the Committee may deem proper.

11.2 Domestic Relations Order. The anti-alienation restrictions of Section 11.1 shall not apply to a domestic relations order (as defined in Code Section 414(p)(1)(B)) (a *"DRO").* The Committee may direct the acceleration of payment of all or a portion of a Participant's Account and pay such amount to an individual other than the Participant to the extent necessary to fulfill the requirements of a DRO. The rules set forth in Section 6.2(a) governing subsequent changes in the Participant's benefit payment election shall not apply to any change in the form and timing of payment to the extent that such election is reflected in, or made in accordance with, the terms of a DRO.

11.3 No Liability. No right or benefit hereunder shall in any manner be liable for or subject to the debts, contracts, liabilities, or torts of the person entitled to benefits under this Plan.

11.4 Unsecured Promise. The Company's obligations under this Plan shall be as unfunded and unsecured promise to pay. The Company shall not be obligated under any circumstances to fund its financial obligations under this Plan. The Company may establish a grantor trust to assist it in meeting its obligations under this Plan. The Company shall not be obligated to establish such a trust, and if established, the Company shall not be obligated to make contributions to the trust.

11.5 Governing Law. This Plan shall be construed and administered in accordance with the laws of the State of Texas to the extent that such laws are not preempted by Federal law.

11.6 Compliance with Code Section 409A. The Plan is divided into two separate deferred compensation sub-plans, one of which shall be named *"Sub-Plan I"* and the other shall be named *"Sub-Plan II".* Sub-Plan I shall include only "amounts deferred" before January 1, 2005 (within the meaning of Code Section 409A) under the Duke Plan, and earnings thereon, and such deferred compensation shall be subject to the applicable provisions of the Duke Plan as in effect on October 3, 2004, as modified herein, and as Sub-Plan I is subsequently amended or otherwise changed, except as would result in such deferred compensation becoming subject to Code Section 409A. The adoption and amendment of the Plan is not intended to be a "material modification" (within the meaning of Code Section 409A) with respect to amounts governed by Sub-Plan I. Sub-Plan II shall include only "amounts deferred" after December 31, 2004, and earnings thereon, and such deferred compensation shall be subject to the provisions of the Plan as in effect on the Distribution Date, as subsequently amended or otherwise changed. The Company intends Sub-Plan II to comply with the provisions of Code Section 409A. Sub-Plan II shall be construed, administered and governed in a manner that effectuates such intent, and no action shall be taken that would be inconsistent with such intent. To the extent that any terms of the Plan are ambiguous, such terms shall be interpreted as necessary to comply with Code Section 409A.

IN WITNESS WHEREOF, this amendment and restatement of the Plan is executed on behalf of the Company this 1st day of May, 2012.

SPECTRA ENERGY CORP

By: _____

Name: Dorothy M. Ables

Title: Chief Administrative Officer

EXHIBIT 10.23

SPECTRA ENERGY CORP
EXECUTIVE SAVINGS PLAN
(As Amended and Restated Effective as of May 1, 2012)

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SPECTRA ENERGY CORP
EXECUTIVE SAVINGS PLAN

PURPOSE

The purposes of this Plan are (i) to provide deferred compensation for a select group of management or highly compensated employees and (ii) to provide for the payment of certain amounts deferred under the predecessor Duke Energy Corporation Executive Savings Plans I and II. This Plan is intended to be a nonqualified, unfunded plan of deferred compensation for a select group of management or highly compensated employees that qualifies as a top-hat plan that is exempt from substantially all of the requirements of Title I of the Employee Retirement Income Security Act of 1974, as amended *("ERISA"),* and shall be so interpreted and administered.

ARTICLE I

TITLE AND EFFECTIVE DATE

1.1 Name of Plan. This Plan shall be known as the Spectra Energy Corp Executive Savings Plan (hereinafter referred to as *"Plan")*.

1.2 Effective Date. The Plan was first effective as of the Distribution Date (as defined below), and is hereby amended and restated effective as ofMay 1, 2012.

ARTICLE II

DEFINITIONS

2.1 ***"Account"*** shall mean the record of deferrals and contributions and adjustments thereto maintained with respect to each Participant pursuant to Article VI.

2.2 ***"Automatic Deferral Compensation"*** shall mean an amount equal to: (i) the Maximum RSP Deferral Limitation for a Plan Year, divided by (ii) the "Maximum Matching Contribution Percentage" (as such term is defined in the RSP) for such Plan Year.

2.3 ***"Automatic Deferral Election"*** shall mean the deferral election made by a Participant pursuant to Section 4.3.

2.4 ***"Automatic Deferral Election Date"*** shall mean the last day of the second Plan Year preceding the Plan Year to which a Participant's Automatic Deferral Election applies. For example, the Automatic Deferral Election Date applicable to an Automatic Deferral Election for the 2011 Plan Year is December 31, 2009.

2.5 ***"Base Pay"*** shall mean, for each Participant, the base salary as defined by the Company's normal payroll practices and procedures, paid during a Plan Year (or which would have been paid during a Plan Year but for salary reductions and elective deferrals under Code Sections 125 and 401(k) and Base Pay deferrals under this Plan). In no event shall Base Pay include any compensation, whether paid or deferred, pursuant to Incentive Plans.

2 . 6 ***"Beneficiary"*** means the person or persons designated by a Participant, or by another person entitled to receive benefits hereunder, to receive benefits following the death of such person.

2.7 ***"Board"*** shall mean the Board ofDirectors of Spectra Energy Corp.

2.8 ***"Change in Control"*** shall be deemed to have occurred upon:

(i) an acquisition subsequent to the Distribution Date by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended) (a *"Person")* of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (A) the then outstanding shares of common stock of Spectra Energy Corp (B) the combined voting power of the then outstanding voting securities of Spectra Energy Corp entitled to vote generally in the election of directors; excluding, however, the following: (1) any acquisition directly from Spectra Energy Corp, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from Spectra Energy Corp, (2) any acquisition by Spectra Energy Corp and (3) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by Spectra Energy Corp or its affiliated companies;

(ii) during any period of two (2) consecutive years (not including any period prior to the Distribution Date), individuals who at the beginning of such period constitute the Board (and any new directors whose election by the Board or nomination for election by the Spectra Energy Corp's shareholders was approved by a vote of at least 2/3 of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was so approved) cease for any reason (except for death, disability or voluntary retirement) to constitute a majority thereof;

(iii) the consummation, after the Distribution Date, of a merger, consolidation, reorganization or similar corporate transaction which has been approved by the shareholders of Spectra Energy Corp, whether or not Spectra Energy Corp is the surviving corporation in such transaction, other than a merger, consolidation, or reorganization that would result in the voting securities of Spectra Energy Corp outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least
50% of the combined voting power of the voting securities of Spectra Energy Corp (or such surviving entity) outstanding immediately after such merger, consolidation or reorganization; or

(iv) the consummation, after the Distribution Date, of (A) the sale or other disposition of all or substantially all of the assets of Spectra Energy Corp or (B) a complete liquidation or dissolution of Spectra Energy Corp, which has been approved by the shareholders of Spectra Energy Corp;

provided that in no event shall a Change in Control be deemed to have occurred by reason of any of the events resulting from the separation transaction pursuant to which Spectra Energy Corp becomes a separate publicly-held corporation for the first time.

2.9 ***"Code"*** shall mean the Internal Revenue Code of 1986, as amended from time to time.

2.10 ***"Committee"*** shall mean the Compensation Committee of the Board or its delegate.

2.11 ***"Company"*** shall mean Spectra Energy Corp and its affiliated companies.

2.12 ***"Company Matching Subaccount"*** shall mean the subaccount established and maintained pursuant to Section 6.3.

2.13 ***"Distribution Date"*** has the meaning given such term in the Separation and Distribution Agreement by and between Duke Energy Corporation and Spectra Energy Corp.

2.14 ***"Duke"*** means Duke Energy Corporation.

2.15 ***"Duke Energy Common Stock Fund"*** shall mean the Duke Energy Corporation Retirement Savings Plan investment option that invests primarily in Duke Energy Corporation common stock.

Effective as of January 1, 2010, the Duke Energy Common Stock Fund was no longer available as an investment option under the Plan, and all amounts allocated thereto as of December 31, 2009 were reallocated to the Vanguard Prime Money Market Fund phantom investment option made available by the Committee pursuant to Section 6.2.

2.16 ***"Election Date"*** with respect to a Plan Year shall mean the last day of the preceding Plan Year. The Election Date for the Plan Year in which a Participant initially becomes eligible under the Plan under Section 3.1 shall be a date no later than 30 days after such individual is designated as eligible to participate in the Plan.

2.17 ***"Employee"*** shall mean an individual employed by the Company.

2.18 ***"ESP Eligible Earnings"*** shall mean ***"Eligible Earnings"*** (as such term is defined in the RSP), but determined without regard to the compensation limitation under Section 40l(a)(17) of the Code, plus any Base Pay deferrals and Incentive Plan deferrals pursuant to Sections 4.1, 4.2 and 4.3.

2.19 ***"General Account"*** shall mean that portion of a Participant's Account that is not in a Subaccount.

2.20 ***"Incentive Plans"*** shall mean the executive incentive compensation or bonus plans sponsored by the Company which are designated as Incentive Plans by the Committee from time to time, and shall include, without limitation, the Spectra Energy Corp Short Term Incentive Plan, and any special bonuses that are both earned and paid during a Plan Year.

2.21 ***"KEDCP"*** shall mean the Panhandle Eastern Corporation Key Executive Deferred Compensation Plan, as amended and restated effective January 1, 1996.

2.22 ***"Maximum RSP Deferral Limitation"*** shall mean the maximum amount of before tax contributions that may be contributed to the RSP under Section 402(g) of the Code for a Plan Year, plus, to the extent applicable to the Participant, the maximum amount of "catch-up" contributions that may be contributed to the RSP under Section 414(v) of the Code for the Plan Year.

2.23 ***"Participant"*** shall mean any Employee for whom an Account is maintained under the Plan. However for the purposes of Article IV, the term Participant shall mean only those Participants who remain eligible to participate in the Plan.

2.24 ***"Plan"*** shall mean the Spectra Energy Corp Executive Savings Plan.

2.25 ***"Plan Year"*** shall mean the calendar year.

2.26 ***"RSP"*** shall mean the Spectra Energy Corp Retirement Savings Plan.

2.27 ***"RSP Investment Options"*** shall mean the various investment funds in which participants in the RSP can elect to have their RSP account balances invested.

2.28 ***"Spectra Energy Common Stock - Stock Deferrals Subaccount"*** shall mean the subaccount established and maintained pursuant to Section 6.4.

2.29 ***"Spectra Energy Common Stock Fund"*** shall mean the RSP Investment Option that invests primarily in Spectra Energy Corp common stock.

2.30 ***"Subaccounts"*** shall mean the CDP Subaccounts established under Section 6.5(a), the Company-matching Subaccount, the KEDCP Subaccounts established under Section 6.5(b) and the Spectra Energy Common Stock- Stock Deferrals Subaccount established under Section 6.4.

2.31 ***"Termination of Employment"*** shall mean the date of a Participant's severance from employment with the Company by reason of death, retirement, resignation or discharge, as determined by the Committee in its sole discretion; provided, however, that such Termination of Employment constitutes a "separation from service" within the meaning of Code Section 409A.

2.32 ***"Transition Back Election Date"*** shall mean the last day of the second Plan Year preceding the Transition Back Year. For instance, if a Participant changes his election from the Automatic Deferral Election to separate elections for Base Pay and Incentive Plan Awards under Sections 4.1 and 4.2 for the 2012 Plan Year, such election must be made by December 31,2010.

2.33 ***"Transition Back Year "*** shall mean the Plan Year for which the Participant first changes his election from the Automatic Deferral Election under Section 4.3 to separate elections for Base Pay and Incentive Plan Awards under Sections 4.1 and 4.2.

2.34 ***"Transition Year"*** shall mean the Plan Year preceding the Plan Year for which a Participant first elects to make the Automatic Deferral Election under Section 4.3.

2.35 ***"Valuation Date"*** shall mean, with respect to a Participant, the last business day of the month during which such Participant's Termination of Employment occurs; provided, however, if the payment of a Participant's Account is delayed in accordance with Section 7.3(d), then Valuation Date shall mean the last business day of the month that precedes the Participant's payment under Section 7.3(a) or the first payment under Section 7.3(b), as the case may be.

Capitalized terms that are not defined in Article II shall have the meaning set forth in the Company's 2007 Long-Term Incentive Plan, as amended from time to time

ARTICLE III

ELIGIBILITY

3.1 General. Any Employee designated by the Committee shall be eligible to participate in the Plan on the date designated by the Committee and shall remain so eligible, while continuing to be an Employee, until designated ineligible to participate by the Committee. Only Employees who are members of a "select group of management or highly compensated employees" under ERISA may participate in the Plan.

3.2 Eligibility Under Predecessor Plan. Notwithstanding anything contained in Section 3.1 to the contrary, any active Employee who made a timely deferral election under the Duke Plan prior to the Distribution Date will be eligible to participate in the Plan on and after the Distribution Date unless the Committee determines that such Employee is no longer eligible to participate hereunder. Moreover, any individual with respect to whom "Assumed Amounts" (as defined in Section 5.1) are credited hereunder shall automatically participate, and be a "Participant," in the Plan with respect to such Assumed Amounts as of the Distribution Date.

ARTICLE IV

PARTICIPANT DEFERRALS/COMPANY CREDITS

4.1 Base Pay Deferrals. Each eligible Participant may irrevocably elect to defer in accordance with the terms of this Plan, a percentage up to 25% (such percentage to be a multiple of 1%) of such Participant's Base Pay for the Plan Year. If the Participant has been specifically authorized by the Committee, the 25% in the prior sentence shall be replaced with 50%. Such election must be made by the Participant before the beginning of such Plan Year or within 30 days of a Participant initially becoming eligible to participate in the Plan under Section 3.1. Base Pay deferred pursuant to this Section shall be credited to the Participant's Account on a monthly basis.

4.2 Incentive Plan Deferrals. Each eligible Participant may irrevocably elect to defer in accordance with the terms of this Plan, a percentage up to 50% (such percentage to be a multiple of

1%) of the amount payable with respect to a Plan Year to such Participant as an award under any Incentive Plans. If the Participant has been specifically authorized by the Committee, the 50% in the prior sentence shall be replaced with 90%. The Committee may, in its discretion, provide the Participant with separate deferral elections with respect to one or more such Incentive Plans. Such election must be made by the Participant not later than the applicable Election Date and shall apply to any Incentive Plan payments with respect to an Incentive Plan performance period ending with or within the Plan Year. Such amounts will be credited to the Participant's Account as of the dates that award amounts under the Incentive Plans become payable. Notwithstanding the above provisions of this Section 4.2, no deferral election may be made by a Participant with respect to any stock option, restricted stock award, or stock appreciation right if such election would cause taxation to the Participant under Code Section 409A. In addition, with respect to the first Plan Year for which a Participant is designated as eligible to participate in the Plan, such Participant's election with respect to compensation under the Spectra Energy Corp Short Term Incentive Plan (the ***"STIP"***) shall apply only to such STIP compensation to be earned during the Participant's first Plan Year of participation and paid in the following Plan Year. If the Participant earned STIP compensation during the Plan Year preceding the Plan Year for which he is first designated as eligible to participate in the Plan, such STIP compensation cannot be deferred under the Plan.

4.3 Automatic Deferral Election.

(a) Amount of Election. In lieu of making separate elections for Base Pay and Incentive Plan Awards under Sections 4.1 and 4.2, a Participant may elect to contribute to the Plan an amount equal to: (i) the "Maximum Matching Contribution Percentage" (as such term is defined under the RSP), multiplied by (ii) the excess of ESP Eligible Earnings over Automatic Deferral Compensation.

(b) Date of Election. Such Automatic Deferral Election must be made by the Participant by the applicable Automatic Deferral Election Date; provided, however, that with respect the first Plan Year in which a Participant is designated as eligible to participate in the Plan under Section 3.1, (i) the Automatic Deferral Election must be made within 30 days after the Participant is designated as eligible to participate in the Plan, (ii) the Automatic Deferral Election may not become effective earlier than the Plan Year following the first Plan Year in which the Participant is designated as eligible to participate in the Plan, and (iii) the first Plan Year for which a Participant is designated as eligible to participate in the Plan shall be treated as a Transition Year. An Automatic Deferral Election shall be irrevocable for two Plan Years. For example, if a Participant first makes an Automatic Deferral Election by December 31, 2009 for the 2011 Plan Year, the Participant may not make separate elections for Base Pay and Incentive Plan Awards under Sections 4.1 and 4.2 until December 31,2010, to be applied to the 2012 Plan Year.

(c) Transition Year. With respect to the Transition Year, the Participant must also make an election with respect to Base Pay and Incentive Plan Awards in accordance with Sections 4.1 and 4.2. For example, if a Participant first makes an Automatic Deferral

Election for the 2011 Plan Year, the Participant must also make an election with respect to Base Pay and Incentive Plan Awards with respect to the 2010 Plan Year in accordance with Sections 4.1 and 4.2.

With respect to the first Plan Year for which a Participant is designated as eligible to participate in the Plan, which is treated as a Transition Year under Section 4.3(b), such Participant's election with respect to STIP compensation shall apply only to such STIP compensation to be earned during the Transition Year and paid in the following Plan Year. If the Participant earned STIP compensation during the Plan Year preceding the Plan Year for which he is first designated as eligible to participate in the Plan, such STIP compensation cannot be deferred under the Plan.

(d) Transition Back Year. With respect to the Transition Back Year, the Participant must make a deferral election with respect to Base Pay and Incentive Plan compensation that is both earned and paid during the Transition Back Year in accordance with Sections 4.1 and 4.2 by the end of the Plan Year the precedes the Transition Back Year; provided however, that the Participant must first elect to discontinue his Automatic Deferral Election by the Transition Back Election Date. The Participant's election for the Transition Back Year with respect to Incentive Plan compensation that is earned during a Plan Year that precedes the Transition Back Year but paid during the Transition Back Year, must be made prior to the end of the Plan Year that precedes the Plan Year during which such Incentive Plan compensation is earned.

For example, if a Participant initially made an Automatic Deferral Election for the 2011 Plan Year and wants to change his Automatic Deferral Election to separate elections for Base Pay and Incentive Plan compensation for the 2012 Plan Year, the Participant must first elect to discontinue his Automatic Deferral Election by not later than by December 31, 2010. Such Participant must also make a deferral election with respect to STIP compensation earned during the 2011 Plan Year but paid during the 2012 Plan Year not later than by December 31,2010. In addition, the Participant must make a deferral election with respect to his Base Pay and Incentive Plan compensation that is both earned and paid during 2012 not later than by December 31, 2011.

4.4 Deferrals of Stock Awards. Each eligible Participant may irrevocably elect to defer, in accordance with the terms of this Plan, the entire amount of any nonvested Award granted under a long-term incentive plan maintained by the Company (including the Company's
2007 Long-Term Incentive Plan), subject to the following conditions:

(a) Except as otherwise provided in this Section, the deferral election shall be made by, and shall become irrevocable as of, December 31 (or such earlier date as specified by the Committee) of the calendar year next preceding the calendar year for which such Award is granted, or at such later time as is permitted by the Company, consistent with Section 409A of the Code, during the calendar year in which a Participant initially becomes eligible for the Plan.

(b) Except as otherwise provided in Section 4.4(c), with respect to an Award that is subject to a forfeiture condition requiring the Participant's continued services for a period of at least thirteen (13) months from the date that the service provider obtains a "legally binding right" to such Award (within the meaning of Section 409A ofthe Code), the deferral election shall be made by, and shall become irrevocable as of, the thirtieth (30th) day following the date that the Participant obtains the legally binding right to such Award.

(c) With respect to an Award that constitutes "performance-based compensation" (within the meaning of Section 409A of the Code), the deferral election shall

be made by, and shall become irrevocable as of, the date that is 6 months before the end of the applicable performance period (or such earlier date as specified by the Committee), provided that in no event may such deferral election be made after such Award has become both substantially certain to be paid and readily ascertainable (within the meaning of Section 409A ofthe Code).

(d) Upon the date that an Award that the Participant has elected to defer would otherwise have been payable, the number of shares of stock or the cash payment that would have become so payable but for the deferral election shall be converted into an equal number of units in the Spectra Energy Common Stock - Stock Deferrals Subaccount.

(e) Dividend Equivalents on any Award that a Participant defers under this Section shall also be deferred and credited to the Participant's Spectra Energy Common Stock - Stock Deferrals Subaccount commencing on the payment date of the first cash dividend of Spectra Energy Common Stock that is declared after the date on which the deferred Award vests.

(f) No deferral of a stock option or restricted stock award shall be permissible if such election would cause taxation to the Participant under Code Section 409A.

4.5 Dividend Equivalents Deferrals. Each eligible Participant may irrevocably elect to defer, in accordance with the terms of this Plan, 100% of the amounts that would otherwise become payable as Dividend Equivalents, with respect to (i) an Award that is designated in the Award Agreement as a "Chairman's Award," or (ii) an Award with respect to which the Award Agreement specifically provides for the deferral of Dividend Equivalents. Such election must be made by the Participant at the time the Participant elects to defer receipt of the related Award pursuant to the terms of Section 4.4. Dividend Equivalents that have been deferred pursuant to the first sentence of this Section and credited to the Participant's Account shall be credited to the Participant's Spectra Energy Common Stock- Stock Deferrals Subaccount as of the dates such amounts would otherwise become payable pursuant to such award.

4.6 Retirement Savings Plan - Excess Matching Contribution. The Company maintains the RSP, pursuant to which Employees are permitted to make before tax contributions with respect to which the Company makes certain matching contributions, based on the Employee's deferral election. It is the Company's intention to provide matching contribution credits under this Plan to the Account of any Participant for whom matching contributions have been limited under the RSP due to (i) the application of Section 401(a)(17) of the Code, (ii) the application of Section 402(g) of the Code or (iii) the application of Section 415 of the Code; provided, however, that such Participant makes before tax contributions to the RSP in an amount not less than the Maximum RSP Deferral Limitation for the Plan Year. Accordingly, as of the last day of each Plan Year, such Participant's Account shall receive a Company Matching contribution credit that is equal to the amount computed using the following formula (but not less than zero):

C - (the lesser of A or B), Where:

A = the "Maximum Matching Contribution Percentage" (as such term is defined in the RSP) multiplied by the Participant's ESP Eligible Earnings for the Plan Year;

B = the sum of the Participant's actual Before Tax Elective Deferrals under the RSP for the Plan Year, plus the Participant's actual Base Pay deferrals and Incentive Plan deferrals credited to the Participant's Account under this Plan during the Plan Year pursuant to Sections 4.1, 4.2 and 4.3; and

C =the Matching Contribution credited to the Participant's account under the RSP for the Plan Year.

The Company may, from time to time, in its sole discretion, direct that a special credit in such amount as the Company shall determine be made to a specified Participant's Account in order to (i) mitigate an unintended shortfall in matching contribution credit, or (ii) to implement provisions of an employment agreement. A special credit may be awarded subject to such vesting requirement as the Company shall determine (provided that upon a Change in Control, any special credit shall become vested if the affected Participant has not previously incurred a Termination of Employment) and, notwithstanding any provision of this Plan to the contrary, to the extent any such special credit has not become vested, it shall not be paid under the Plan.

4.7 Elections. An election to make Base Pay deferrals or Incentive Plan deferrals pursuant to Sections 4.1, 4.2 and 4.3 will remain in effect until revoked, except that no revocation will be effective unless it is made, in the case of Base Pay deferrals, prior to the beginning of the Plan Year to which it relates, or in the case of Incentive Plan deferrals, prior to the applicable Election Date. An election to make deferrals of stock awards pursuant to Section 4.4 or Dividend Equivalent deferrals pursuant to Section 4.5 cannot be revoked. In addition, an Automatic Deferral Election made under Section 4.3 shall be irrevocable for two Plan Years.

ARTICLE V

ASSUMED AMOUNTS AND FORMER PLANS

5.1 Assumed Amounts. The Company has assumed the deferred compensation obligations under the Duke Plan with respect to certain Participants who previously were employees of Duke and its affiliates *("Assumed Amounts")*. The Assumed Amounts credited to Accounts hereunder shall remain subject to the same vesting schedule and elections (including deferral and distribution elections) and beneficiary designations that were controlling under the Duke Plan immediately prior to the Distribution Date until a new election is made in accordance with the terms of this Plan that by its terms supersedes the prior election. For purposes of this Plan, the term Assumed Amounts shall include any amounts of "Base Pay" or "Incentive Plan" awards (in each case, as defined under the Duke Plan and earned but not yet paid as of the Distribution Date) and equity awards granted under the Duke Energy Corporation 1998 Long Term Incentive Plan, that were properly deferred by a Participant under the Duke Plan but that had not yet been credited to his or her account under the Duke Plan as of the Distribution Date.

5.2 Former Plans. Notwithstanding anything contained herein to the contrary, any Assumed Amounts attributable an individual's participation in the KEDCP that were maintained under the Duke Plan in accordance with the terms and conditions of the KEDCP shall continue to be maintained under this Plan in accordance with the terms and conditions of the KEDCP as in effect December 31, 1998.

ARTICLE VI

ACCOUNTS

6.1 Maintenance of Participant Accounts. An Account shall be established and maintained with respect to each Participant. Each Account shall reflect the amounts credited thereto pursuant to Articles IV and V, plus or minus adjustments, made in accordance with the provisions of this Article VI.

6.2 Phantom Investment Options Generally. Pursuant to the terms of the RSP, participants in the RSP direct the investment of their account balances thereunder into one or more of the RSP Investment Options available to them pursuant to the RSP. In accordance with such rules as the Committee shall approve, a phantom investment option shall be available hereunder that corresponds with each RSP Investment Option. Each Participant hereunder shall specify, in accordance with this Section 6.2 and rules established by the Committee, the "investment" of his or her Account (excluding amounts currently credited as Company-matching contributions and excluding amounts remaining in the Subaccounts maintained pursuant to Sections 6.5(a) and (b)) in one or more phantom investment options hereunder. The Participant's Account shall thereafter be automatically adjusted monthly (or on such more frequent basis as the Committee shall approve), upward or downward, in proportion to the total percentage return experienced for the respective period on amounts invested in the corresponding RSP Investment Option(s). Accounts under the Plan will be bookkeeping accounts reflecting units of phantom investment options hereunder which mirror the performance that would have resulted from an actual investment in the corresponding RSP Investment Option(s). No actual monies will be invested hereunder in any phantom investment option or in any RSP Investment Option.

6.3 Company Matching Contributions Subaccount. Amounts contributed to a Participant's Account as a Company Matching contribution, pursuant to Section 4.5, shall be held in the Company Matching Subaccount, which is a subaccount within such Participant's Account. Each Participant shall specify the "investment" of his or her Company Matching Subaccount in accordance with Section 6.2. Such investment election is separate from the Participant's investment election applicable to the remainder of his Account under the Plan.

If the Participant does not make a separate investment election with respect to his Company Matching Subaccount, such Subaccount will be invested as follows:

(a) If the Participant has made an investment election under Section 6.2 on or before December 31, 2011, then his investment election under Section 6.2 shall apply to future allocations to his Company Matching Subaccount.

(b) If the Participant has not made an investment election under Section 6.2 on or before December 31, 2011, then future allocations to his Company Matching Subaccount shall be invested in a default RSP Investment Option as designated by the Committee.

Notwithstanding the above, if the Participant makes a separate investment election with respect to this Company Matching Subaccount at any time after December 31, 2011, then such separate election shall apply in lieu of the default investment provisions of Sections 6.3(a) and
.(hl above.

6.4 Subaccount for Deferrals of Stock Awards. Amounts credited to a Participant's Account pursuant to Section 4.3 shall be held in the Spectra Energy Common Stock - Stock Deferrals Subaccount, which is a subaccount within such Participant's Account. The amounts in the Spectra Energy Common Stock - Stock Deferrals Subaccount shall be credited and maintained as units of a phantom investment that mirrors the performance of Spectra Energy Corp common stock (with cash dividends reinvested).

6.5 Assumed Amounts. Except as provided below, upon the Distribution Date, the Assumed Amounts shall be subject to the same investment elections, and deemed invested in the same investment options, that were controlling under the Duke Plan immediately prior to the Distribution Date until a new election is made in accordance with the terms of this Plan that by its terms supersedes the prior election; provided, however, that unless otherwise provided below, an investment election relating to the Duke Energy Common Stock Fund shall be deemed to apply to the Spectra Energy Common Stock Fund. Notwithstanding the preceding sentence, the following additional provisions shall apply to the deemed investment of the Assumed Amounts:

(a) CDP Subaccounts. Any Assumed Amounts of a Participant that, immediately prior to the Distribution Date, were maintained in the Participant's CDP Subaccount under the Duke Plan, will continue to be maintained in the Participant's CDP Subaccount under this Plan and will be credited with interest at the fixed rate(s) applicable to such subaccount under the Duke Plan immediately prior to the Distribution Date. At any time a Participant may elect to transfer any amount from such CDP Subaccount and into the Participant's General Account, but no amount so removed from the CDP Subaccount may be transferred back to such CDP Subaccount.

(b) KEDCP Subaccounts. Any Assumed Amounts of a Participant that, immediately prior to the Distribution Date, were maintained in the Participant's KEDCP Subaccounts under the Duke Plan, will continue to be maintained in the KEDCP Subaccounts under this Plan and will be credited with interest at the fixed rate(s) applicable to such subaccount under the Duke Plan immediately prior to the Distribution Date. At any time a Participant may elect to transfer any amount from such KEDCP Subaccount and into the Participant's General Account, but no amount so removed from the KEDCP Subaccount may be transferred back to such KEDCP Subaccount.

(c) Former Duke-matching Subaccount. Any Assumed Amounts of a Participant that, immediately prior to the Distribution Date, were maintained in the Participant's company-matching subaccount under the predecessor Duke Plan, initially will be credited to

the Duke Energy Common Stock Fund under this Plan as of the Distribution Date, and thereafter the Plan will not maintain a former Duke-matching subaccount.

(d) Previously-Deferred and Settled Duke Stock Awards. Any Assumed Amounts of a Participant that, immediately prior to the Distribution Date, were maintained in the Participant's Duke Energy Common Stock- Stock Deferrals Subaccount under the Duke Plan, initially were credited to the Duke Energy Common Stock Fund under this Plan as of the Distribution Date.

(e) Duke Energy Common Stock Fund. Any Assumed Amounts of a Participant that, immediately prior to the Distribution Date, were deemed invested in the Duke Energy Common Stock Fund under the Duke Plan, initially were credited to the Duke Energy Common Stock Fund under this Plan as of the Distribution Date. Effective as of January 1, 2010, all amounts allocated to the Duke Energy Common Stock Fund were reallocated to the Vanguard Prime Money Market Fund phantom investment option.

(f) Previously-Deferred, But Not Settled, Duke Stock Awards. Any phantom stock award or performance share award (and related dividend equivalents) granted under the Duke Energy Corporation 1998 Long-Term Incentive Plan that were previously deferred, but had not been credited to a deferral account as of the Distribution Date, were allocated between the following deemed investment options: (x) each unit attributable to Spectra Energy Corp common stock was automatically credited as a unit of a phantom investment under the Spectra Energy Common Stock - Stock Deferrals Subaccount, and (y) each unit attributable to Duke common stock was automatically credited as a unit of a phantom investment under the Duke Energy Common Stock Fund.

Notwithstanding the above paragraph, any phantom stock award or performance share award granted under the Duke Energy Corporation 1998 Long-Term Incentive Plan that is credited to a Participant's Account on or after December 31, 2009 shall be allocated between the following deemed investment options:

(1) each share attributable to Spectra Energy Corp common stock shall automatically be credited, on the basis of the Fair Market Value of a share of Spectra Energy Corp common stock as of the date that such share is paid under the applicable phantom stock award or performance share award, as a share of a phantom investment under the Spectra Energy Common Stock - Stock Deferrals Subaccount; and

(2) each share attributable to Duke common stock shall automatically be allocated, on the basis of the Fair Market Value of a share of Duke common stock on the date that such unit is paid under the applicable phantom stock unit, to the Participant's Account among the phantom investment options applicable to future contribution credits as designated in accordance with the Participant's investment direction made under Section 6.2, provided, however, if no such investment direction is in effect, then such amounts shall be automatically allocated to the Vanguard Prime Money Market Fund phantom investment option made available by the Committee pursuant to Section 6.2.

6 . 6 Adjustments Duke Energy Common Stock Fund. Immediately after all amounts were credited to the Duke Energy Common Stock Fund as provided in Section 6.5(c), (d) and each phantom unit of Duke common stock credited to the Duke Energy Common Stock Fund
on behalf of a Participant on the Distribution Date was converted, as of the Distribution Date, into phantom units of Spectra Energy Corp common stock and phantom units of Duke common stock and reallocated as follows:

(a) The number of phantom units of Spectra Energy Corp common stock was equal to the number of shares of Spectra Energy Corp common stock to which the Participant would have been entitled on the Distribution had the phantom units of Duke common stock represented actual shares of Duke as of the Record Date, the resulting number of phantom units of Spectra Energy Corp common stock being rounded down to the nearest whole unit.

(b) The resulting number of phantom units of Spectra Energy Corp common stock was automatically transferred from the Duke Energy Common Stock Fund and credited to the Spectra Energy Common Stock Fund, effective as of the Distribution Date.

(c) Capitalized terms used in this Section 6.6 that are not defined in this Plan shall have the meaning set forth in the Employee Matters Agreement by and between Duke Energy Corporation and Spectra Energy Corp.

6.7 Transfer Elections.

(a) A Participant may elect to transfer amounts out of Subaccounts (pursuant to Sections 6.3(a), 6.5(a), and 6.5(b)) of the Participant's Account or of any other portion of the Participant's Account to other phantom investment options hereunder or to make changes to his or her designation of phantom investment options hereunder pursuant to Section 6.2, on a monthly basis (or on such more frequent basis as the Committee shall approve). Each such election to transfer or change shall be effective in accordance with procedures established by the Committee from time to time. Participants or Beneficiaries who are receiving installment payments may elect to transfer monies between phantom investment options hereunder on a monthly basis (or on such more frequent basis as the Committee shall approve). All transfers must be in increments of 1%. No transfers may be made into or out of the Spectra Energy Common Stock- Stock Deferrals Subaccount.

(b) A Participant may elect, pursuant to rules and procedures prescribed by the Company, to reallocate Assumed Amounts deemed invested in the Duke Energy Common Stock Fund into any other open investment option.

6 . 8 Corporate Transactions. If there shall occur any merger, consolidation, liquidation, issuance of rights or warrants to purchase securities, recapitalization, reclassification, stock dividend, spin-off, split-off, stock split, reverse stock split or other distribution with respect to the shares of Spectra Energy Corp, or any similar corporate transaction or event in respect of such shares, then the Committee shall, in the manner and to the extent that it deems appropriate and equitable to the Participants and consistent with the terms of this Plan, cause a proportionate adjustment to be made in number and kind of shares deemed held under the Plan. Moreover, in the event of any such transaction or event, the Committee, in its discretion, may provide in substitution for any or all outstanding shares under

the Plan such alternative consideration as it, in good faith, may determine to be equitable under the circumstances.

ARTICLE VII

BENEFITS

7.1 Termination of Employment. Upon the Participant'sTermination of Employment, for any reason, the amount in the Participant's Account will be paid to the Participant (or to the Beneficiary designated pursuant to Section 8.1) in accordance with the terms of the payment option elected by the Participant under Section 5.1 or Section 7.2, except as otherwise provided in Section 7.5. However, if a Participant (i) has a Termination of Employment for any reason, except death, layoff or disability, prior to becoming eligible for early or normal retirement under the Duke Energy Retirement Cash Balance Plan as in effect on October 3, 2004, without giving effect to amendments adopted thereafter, and (ii) has elected term payments of 10 years or 15 years, then the portion of that Participant's Account that is governed by Sub-Plan I (as defined in Section 14.5 hereof) shall be paid instead for a 3-year term in accordance with Section 7.3(b).

7 . 2 Election o f Payment Option. Each Participant shall, before becoming a Participant, elect from among the payment options specified in Section 7.3, the manner in which such Participant's Account will be paid following Termination of Employment. A Participant may change his or her benefit payment election at any time, and from time to time, by completing a new election form as the Committee provides and filing the completed form with, and acceptance by, the Committee; provided, however, that the Participant has not filed a payment election form within the prior 12 months. With respect to amounts deferred under Sub Plan II, except where the payment of the Participant's benefit is due to death or disability (within the meaning of Code Section 409A), (i) a Participant's election to change the form of benefit payment shall become effective one year from the date on which the election form was file with the Committee, but only if the Participant continued in employment throughout such one-year period, and (ii) any lump sum or installment form of payment that is changed by the Participant's election pursuant to this paragraph will be paid not earlier than five years from the date that such payment would otherwise have been paid.

Each Participant with Assumed Amounts attributable to his or her participation in the KEDCP who either (i) failed to make an election under the Duke Plan upon commencement of participation in such plan, or (ii) who had a Termination of Employment with Duke prior to January I, 2000, shall be subject to the following rules:

(a) No distribution shall be made prior to the Termination of Employment of the Participant.

(b) If the Participant elected to receive all distributions under the KEDCP in a single lump sum, distribution shall be made to the Participant in a single lump sum.

(c) If the Participant elected to receive a distribution under the KEDCP in installments (including an annuity) or in a combination of installments and a lump sum payment, the Participants' Account that is governed by Sub-Plan I (as defined in Section 14.5 hereof) shall be paid in term payment of 10 years unless Termination of Employment occurs

prior to becoming eligible for early or normal retirement under the Duke Energy Retirement Cash Balance Plan as in effect on October 3, 2004, without giving effect to amendments adopted thereafter, in which case distribution shall be made in term payments of3 years in accordance with Section 7.3(b).

7.3 Payment Options. Subject to the foregoing, the payment options are:

(a) Lump Sum. Payment of the full amount of the Participant's Account on the last business day of the month following the month in which Termination of Employment occurs.

(b) Term Payments. Payments on a monthly basis over a term of years, which shall be either 3 years or 10 years, as follows: The Company will determine the amount of the Participant's Account on the Valuation Date, and as of the last day of each Plan Year thereafter. The Participant will receive on the last business day of each month during the term, beginning with the last day of the month following the Valuation Date, an amount determined pursuant to the following formula:

$$\text{amount} = \frac{V}{N}$$

where

N represents the number of months remaining in the payment term as of the immediately preceding December 31, except for payments made for the first calendar year, in which case the number of months shall be equal to the number of months in the elected installment form; and

V represents the balance of the Participant's Account determined as of the immediately preceding December 31, except for payments made for the first calendar year, in which case the balance will be determined as of the last day of the month immediately prior to the payment commencement date.

Any remaining balance in the Participant's Account shall be paid to the Participant on the last day of the last month of the term. Distributions from the Participant's Spectra Energy Common Stock - Stock Deferrals Subaccount shall be on an annual, rather than a monthly basis, and the formula set forth above in this Section 7.3(b) shall be reformed accordingly. Term payments from the Spectra Energy Common Stock- Stock Deferrals Subaccount shall be made on the last business day of the month immediately following each anniversary of the Valuation Date.

Notwithstanding the foregoing, if a Participant has previously elected to receive payment of his Account on a monthly basis over a period of 15 years and has commenced payment of his Account

pursuant to such election as of December 31, 2009, the Participant shall continue to receive payment of his Account on a monthly basis for the remainder of such 15-year period. If the Participant has previously elected to receive payment of his Account on a monthly basis over a period of 15 years and has not yet commenced payment of his Account pursuant to such election as of December 31, 2009, the Participant shall be permitted to retain such election, but in the event that the Participant makes a subsequent election, only the forms of benefit payment set forth in the first paragraph of this Section 7.3(b) are available.

(c) Separate Payment Election for Spectra Energy Common Stock - Stock Deferrals Subaccount. With respect to Sub-Plan II only, the Participant may make separate payment elections in accordance with Section 7.2 with respect to (i) the amount credited to his Spectra Energy Common Stock - Stock Deferrals Subaccount and (ii) the remainder of his Account.

(d) Six Month Delay. Notwithstanding any provision in this Plan to the contrary, if the payment of any benefit hereunder would be subject to additional taxes and interest under Code Section 409A because the timing of such payment is not delayed as provided in Section 409A for a Specified Employee, then if the Participant is a Specified Employee under Section 409A, any such payment that the Participant would otherwise be entitled to receive during the first six months following the date of the Participant's Termination of Employment shall be delayed and paid, if in the form of a lump sum payment or, commence, if in the form of installment payments, as applicable, within fifteen (15) business days after the date that is six months following the date of the Participant's Termination of Employment, or such earlier date upon which such amount can be paid or provided under Code Section 409A without being subject to such taxation.

(e) Default Form of Payment. If a Participant fails to timely elect a payment option in accordance with this Section 7.3, the Participant's Account will be paid to the Participant in a single lump sum on the last business day of the month following the month in which Termination of Employment occurs, subject to Section 7.3(d).

7.4 Payments After Death. If a Participant (or a Beneficiary previously designated by a deceased Participant) dies before receiving all amounts payable hereunder, then the remaining amounts payable will be paid to the specified Beneficiary of such deceased person in accordance with the payment option in effect, subject to Section 7.5; provided, however, that (i) if such deceased person has failed to specify a surviving Beneficiary, then the person's estate will be considered to be the Beneficiary, and (ii) if a person receiving payments over a term of years dies and an estate is such person's Beneficiary, then such term payments will cease and the remaining amount credited to the Account will be paid to such estate in a lump sum not later than by the last day of the month following the month in which the Participant's death occurs.

7.5 Small Payments. If a Participant's Account balance at Termination of Employment is less than $25,000, and the Committee does not anticipate that any amounts will be credited thereto pursuant to Articles IV and V after his Termination of Employment, the Participant's Account shall automatically be paid in a lump sum as soon as practicable following, and not later than sixty (60) days after, the date of Termination of Employment, subject to Section 7.3(d).

7 . 6 Form of Payment. All amounts due under the Plan shall be paid in cash, except that units in the Spectra Energy Common Stock - Stock Deferrals Subaccount shall be converted to whole shares of Spectra Energy Corp common stock and cash for any fractional share. To the extent that the delivery of any shares of Spectra Energy Corp common stock to a Participant under this Plan otherwise would cause all or any portion of the Plan to be considered an "equity compensation plan" as such term is defined in Section 303A(8) of the New York Stock Exchange Listed Company Manual or any successor rule ***("Listed Company Manual"),*** then such shares shall be paid from, and shall count against the share reserve of, a Company sponsored "equity compensation plan" designated by the Committee that complies with the shareholder approval requirements contained in the Listed Company Manual.

7.7 Acceleration of Payment in the Event of Hardship. Upon written request by a Participant, the Committee may distribute to a Participant who is receiving installment payments, prior to the payment of all installments due to the Participant, such amount of the Participant's Account which the Committee determines is necessary to alleviate a financial hardship suffered by the Participant. For this purpose, "financial hardship" shall mean a severe financial hardship that constitutes an "unforeseeable emergency" within the meaning of Code Section 409A.

7.8 In-Service Distribution Coupled with Ten Percent Forfeiture. Notwithstanding any other provision of this Article VII, a distribution shall be made to any Participant who, prior to Termination of Employment, files a written request for an immediate lump sum distribution in an amount not less than $25,000 (the entire account balance in the case of Accounts that are valued at less than $25,000), and who simultaneously agrees in writing to a permanent forfeiture equal to 10% of the amount requested as a distribution. Such distribution, less the 10% forfeiture, shall be made within 30 days following receipt by the Company of the signed request for distribution and forfeiture agreement. Distributions under this Section shall be removed from a Participant's Accounts on a prorated basis. The ability to receive an in-service distribution as described in this Section 7.8 shall not apply to (i) any amounts deferred under Sub-Plan II as described in Section 14.5, and (ii) any amounts deferred under Sub-Plan I to the extent that the in-service distribution provided under this Section 7.8 was not available under the terms of the plan or agreement controlling such amounts as in effect on October 3, 2004.

ARTICLE VIII

BENEFICIARY

8.1 Designation of Beneficiary. A Participant shall designate a Beneficiary to receive benefits under the Plan by submitting to the Committee a Designation of Beneficiary in the form required by the Committee. If more than one Beneficiary is named, the share and precedence of each Beneficiary shall be indicated. A Participant shall have the right to change the Beneficiary by submitting to the Committee a Change of Beneficiary in the form provided, but no change of Beneficiary shall be effective until acknowledged in writing by the Company.

8.2 Designation by Beneficiary. A Beneficiary who has become entitled to receive benefits shall designate a Beneficiary.

8 . 3 Discharge of Obligations. Any payment made by the Company, in good faith and in accordance with this Plan, shall fully discharge the Company from all further obligations with respect

to that payment. If the Company has any doubt as to the proper Beneficiary to receive payments hereunder, the Company shall have the right to withhold such payments until the matter is finally adjudicated.

8.4 Payment to Minors and Incapacitated Persons. In the event that any amount is payable to a minor or to any person who, in the judgment of the Committee, is incapable of making proper disposition thereof, such payment shall be made to the legal guardian of the property of such minor or such person. The Company shall make such payments as directed by the Committee without the necessary intervention of any guardian or like fiduciary, and without any obligation to require bond or to see to the further application of such payment. Any payment so made shall be in complete discharge of the Plan's obligation to the Participant and his Beneficiaries.

ARTICLE IX

NATURE OF COMPANY'S OBLIGATION

9.1 Unsecured Promise. The Company's obligation to the Participant under this Plan shall be an unfunded and unsecured promise to pay. The rights of a Participant or Beneficiary under this Plan shall be solely those of an unsecured general creditor of the Company. The Company shall not be obligated under any circumstances to set aside or hold assets to fund its financial obligations under this Plan.

9.2 No Right to Specific Assets. Notwithstanding the foregoing, the Company may, in its sole discretion establish such accounts, trusts, insurance policies or arrangements, or any other mechanisms it deems necessary or appropriate to account for or fund its obligations under the Plan. Any assets which the Company may set aside, acquire or hold to help cover its financial liabilities under this Plan are and remain general assets of the Company subject to the claims of its creditors. The Company does not give, and the Plan does not give, any beneficial ownership interest in any assets of the Company to a Participant or Beneficiary. All rights of ownership in any assets are and remain in the Company. Any general asset used or acquired by the Company in connection with the liabilities it has assumed under this Plan shall not be deemed to be held under any trust for the benefit of the Participant or any Beneficiary, and no general asset shall be considered security for the performance of the obligations of the Company. Any asset shall remain a general, unpledged, and unrestricted asset of the Company.

9.3 Plan Provisions. The Company's liability for payment of benefits shall be determined only under the provisions of this Plan, as it may be amended from time to time.

ARTICLE X

TERMINATION, AMENDMENT, MODIFICATION OR SUPPLEMENTATION OF PLAN

10.1 Right to Terminate and Amend. The Committee retains the sole and unilateral right to terminate, amend, modify or supplement this Plan, in whole or in part, at any time. The Committee may delegate the right to amend the Plan, subject to any limitations it may impose, to an officer of the Company. No such action shall adversely affect a Participant's right to receive amounts then

credited to a Participant's Account with respect to events occurring prior to the date of such amendment.

In the event of a Change in Control, the Plan shall become irrevocable and may not be amended or terminated without the written consent of each Plan Participant who may be affected in any way by such amendment or termination, either at the time of such action or at any time thereafter. This restriction in the event of a Change in Control shall be determined by reference to the date any amendment or resolution terminating the Plan is actually signed by an authorized party rather than the date such action purports to be effective.

ARTICLE XI

RESTRICTIONS ON ALIENATION OF BENEFITS

11.1 No Assignment. Except as provided under Section 11.2 with respect to a DRO, no right or benefit under the Plan shall be subject to anticipation, alienation, sale, assignment, pledge, encumbrance or charge. Any attempt to anticipate, alienate, sell, assign, pledge, encumber or charge these benefits shall be void. No right or benefit under this Plan shall in any manner be liable for or subject to the debts, contracts, liabilities, or torts of the person entitled to the benefit. If any Participant or Beneficiary under the Plan should become bankrupt or attempt to anticipate, alienate, sell, assign, pledge, encumber or charge any right to a benefit hereunder, then the right or benefit, in the discretion of the Committee, shall cease. In these circumstances, the Committee may hold or apply the benefit payment or payments, or any part of it, for the benefit of the Participant or his Beneficiary, the Participant's spouse, children, or other dependents, or any of them, in any manner and in any portion that the Committee may deem proper.

11.2 Domestic Relations Order. The anti-alienation restrictions of Section 11.1 shall not apply to a domestic relations order (as defined in Code Section 414(p)(1)(B)) (a ***"DRO").*** The Committee may direct the acceleration of payment of all or a portion of a Participant's Account and pay such amount to an individual other than the Participant to the extent necessary to fulfill the requirements of a DRO. The rules set forth in Section 7.2 governing subsequent changes in the Participant's benefit payment election shall not apply to any change in the form and timing of payment to the extent that such election is reflected in, or made in accordance with, the terms of a DRO.

ARTICLE XII

ADMINISTRATION

12.1 "Top-Hat" Plan. The Company intends for the Plan to be "top-hat" plan for a select group of management or highly compensated employees which is exempt from substantially all of the requirements of Title I of ERISA pursuant to Sections 201(2), 301(a)(3), and 401(a)(l) of ERISA. The Company is the Plan sponsor under Section 3(16)(B) of ERISA.

12.2 Named Fiduciary. The Committee is the named fiduciary of the Plan and as such shall have the authority to control and manage the operation and administration of the Plan except as otherwise expressly provided in this Plan document. The named fiduciary may designate persons

other than the named fiduciary to carry out fiduciary responsibilities under the Plan. Any such allocation or designation must be in writing and must be accepted in writing by any such other person.

12.3 Plan Administrator. The Committee is the administrator of the Plan within the meaning of Section 3(16)(A) of ERISA. As administrator, the Committee has the authority (without limitation as to other authority) to delegate its duties to agents and to make rules and regulations that it believes are necessary or appropriate to carry out the Plan. The Committee has the discretion as a Plan fiduciary (i) to interpret and construe the terms and provisions of the Plan (including any rules or regulations adopted under the Plan), (ii) to determine questions of eligibility to participate in the Plan and (iii) to make factual determinations in connection with any of the foregoing. A decision of the Committee with respect to any matter pertaining to the Plan including without limitation the Employees determined to be Participants, the benefits payable, and the construction or interpretation of any provision thereof, shall be conclusive and binding upon all interested persons.

ARTICLE XIII

CLAIMS PROCEDURE

13.1 Claim. If a Participant has any grievance, complaint, or claim concerning any aspect of the operation or administration of the Plan, including but not limited to claims for benefits and complaints concerning the performance or administration of the phantom investment funds (collectively referred to herein as ***"claim" or "claims"),*** the Participant shall submit the claim to the Committee, which shall have the initial responsibility for deciding the claim.

13.2 Written Claim. A claim for benefits will be considered as having been made when submitted in writing by the claimant to the Committee. No particular form is required for the claim, but the claim must identify the name of the claimant and describe generally the benefit to which the claimant believes he is entitled. The claim may be delivered personally during normal business hours or mailed to the Committee. All such claims shall be submitted in writing and shall set forth the relief requested and the reasons the relief should be granted. All such claims must be submitted with the "applicable limitations period." The "applicable limitations period" shall be two years beginning on: (i) in the case of any lump-sum payment, the date on which the payment was made, (ii) in the case of an installment payment, the date of the first in the series of payments, or (iii) for all other claims, the date on which the action complained or grieved of occurred.

13.3 Committee Determination. The Committee will determine whether, or to what extent, the claim may be allowed or denied under the terms of the Plan. If the claim is wholly or partially denied, the claimant shall be so informed by written notice within 90 days after the day the claim is submitted unless special circumstances require an extension of time for processing the claim. If such an extension of time for processing is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial 90-day period. Such extension may not exceed an additional 90 days from the end of the initial 90-day period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the final decision. If notice of denial of a claim (in whole or in part) is not furnished within the initial 90-day period after the claim is submitted (or, if applicable, the extended 90-day period), the claimant shall consider that his claim has been denied just as if he had received actual notice of denial.

13.4 Notice of Determination. The notice informing the claimant that his claim has been wholly or partially denied shall be written in a manner calculated to be understood by the claimant and shall include:

(1) The specific reason(s) for the denial.

(2) Specific reference to pertinent Plan provisions on which the denial 1s based.

(3) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary.

(4) Appropriate information as to the steps to be taken if the Participant or Beneficiary wishes to submit his claim for review.

13.5 Appeal. If the claim is wholly or partially denied, the claimant (or his authorized representative) may file an appeal of the denied claim with the Committee requesting that the claim be reviewed. The Committee shall conduct a full and fair review of each appealed claim and its denial. Unless the Committee notifies the claimant that due to the nature of the benefit and other attendant circumstances he is entitled to a greater period of time within which to submit his request for review of a denied claim, the claimant shall have 60 days after he (or his authorized representative) receives written notice of denial of his claim within which such request must be submitted to the Committee.

13.6 Request for Review. The request for review of a denied claim must be made in writing in connection with making such request, the claimant or his authorized representative may:

(1) Review pertinent documents.

(2) Submit issues and comments in writing.

13.7 Determination of Appeal. The decision of the Committee regarding the appeal shall be promptly given to the claimant in writing and shall normally be given no later than 60 days following the receipt of the request for review. However, if special circumstances (for example, if the Committee decides to hold a hearing on the appeal) require a further extension of time for processing, the decision shall be rendered as soon as possible, but no later than 120 days after receipt of the request for review. However, if the Committee holds regularly scheduled meetings at least quarterly, a decision on review shall be made by no later than the date of the meeting which immediately follows the Plan's receipt of a request for review, unless the request is filed within 30 days preceding the date of such meeting. In such case, a decision may be made by no later than the date of the second meeting following the Plan's receipt of the request for review. If special circumstances (for example, ifthe Committee decides to hold a hearing on the appeal) require a further extension of time for processing, the decision shall be rendered as soon as possible, but no later than the third meeting following the Plan's receipt of the request for review. If special circumstances require that the decision will be made beyond the initial time for furnishing the decision, written notice of the extension shall be furnished to the claimant (or his authorized representative) prior to the commencement of the extension. The decision on review shall be in

writing and shall be furnished to the claimant or to his authorized representative within the appropriate time for the decision. If a decision on review is not furnished within the appropriate time, the claim shall be deemed to have been denied on appeal.

13.8 Hearing. The Committee may, in its sole discretion, decide to hold a hearing if it determines that a hearing is necessary or appropriate in order to make a full and fair review of the appealed claim.

13.9 Decision. The decision on review shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, as well as specific references to the pertinent Plan provisions on which the decision is based.

13.10 Exhaustion of Appeals. A Participant must exhaust his rights to file a claim and to request a review of the denial of his claim before bringing any civil action to recover benefits due to him under the terms of the Plan, to enforce his rights under the terms of the Plan, or to clarify his rights to future benefits under the terms of the Plan. No action at law or in equity to recover under this Plan shall be commenced later than one year from the date of the decision on review (or deemed denial if no decision is issued).

13.11 Committee's Authority. The Committee shall exercise its responsibility and authority under this claims procedure as a fiduciary and, in such capacity, shall have the discretionary authority and responsibility (1) to interpret and construe the Plan and any rules or regulations under the Plan, (2) to determine the eligibility of Employees to participate in the Plan, and the rights of Participants to receive benefits under the Plan, and (3) to make factual determinations in connection with any of the foregoing.

ARTICLE XIV

GENERAL PROVISIONS

14.1 No Right to Employment. Nothing in this Plan shall be deemed to give any person the right to remain in the employ of the Company, its subsidiaries or affiliates or affect the right of the Company to terminate any Participant's employment with or without cause.

14.2 Withholding. Any amount required to be withheld under applicable Federal, state and local tax laws (including any amounts required to be withheld under Section 3121(v) ofthe Code) will be withheld in such manner as the Committee will determine and any payment under the Plan will be reduced by the amount so withheld, as well as by any other lawful withholding.

14.3 Section 16. Notwithstanding anything in this Plan to the contrary, any Participant who is subject to the reporting requirements of Section 16(a) of the Securities Exchange Act of 1934 (the ***"Exchange Act")*** shall not liquidate, transfer or dispose of any investment of such Participant's Account under Article VI in units of the phantom investment fund that corresponds to (i) the RSP's Spectra Energy Corp Common Stock Fund, or (ii) the Spectra Energy Common Stock - Stock Deferrals Subaccount during the six-month period following the investment of such Participant's Account in such units, nor shall any such Participant elect to make a Discretionary Transaction (as such term is defined in Rule 16b-3(b)(l) under the Exchange Act)

within six months of the election of a nonexempt "opposite way" (as such term is used for purposes of Section 16(b) of the Exchange Act) Discretionary Transaction under any plan ofthe Company in which the Participant participates. Any provision hereof related to a credit, grant or award of such units under this Plan to a Participant who is subject to the reporting requirements of Section 16(a) under the Exchange Act shall be interpreted, in the event of any ambiguity, such that the transaction or transactions relating thereto shall qualify for exemption from liability under Section 16(b) of such Act.

14.4 Governing Law. This Plan shall be construed and administered in accordance with the laws of the State of Texas to the extent that such laws are not preempted by Federal law.

14.5 Compliance With Section 409A. The Plan is divided into two separate deferred compensation sub-plans, one of which is named ***"Sub-Plan I"*** and the other is named ***"Sub Plan II."*** Sub-Plan I shall include only "amounts deferred" before January 1, 2005 (within the meaning of Code Section 409A) under the Duke Plan, and earnings thereon, and such deferred compensation shall be subject to the applicable provisions of the Duke Plan as in effect on October 3, 2004, as modified herein, and as Sub-Plan Iis subsequently amended or otherwise changed, except as would result in such deferred compensation being subject to Code Section 409A. The adoption of the Plan is not intended to be a "material modification" (within the meaning of Code Section 409A) with respect to amounts under Sub-Plan I, and shall be construed accordingly. Sub-Plan II shall include only "amounts deferred" after December 31, 2004, and earnings thereon, and such deferred compensation shall be subject to the provisions of the Plan as in effect on the Distribution Date, as subsequently amended or otherwise changed. The Company intends Sub-Plan II to comply with the provisions of Code Section 409A, so as to prevent the inclusion in gross income of any amounts deferred hereunder in a taxable year that is prior to the taxable year or years in which such amounts would otherwise actually be distributed or made available to Participants and Beneficiaries. Sub-Plan II shall be construed, administered and governed in a manner that effectuates such intent, and no action shall be taken that is inconsistent with such intent. In furtherance of this intent, to the extent that any terms of the Plan are ambiguous, such terms shall be interpreted as necessary to comply with Code Section 409A.

IN WITNESS WHEREOF, this amendment and restatement of the Plan is executed on behalf of the Company this 1st day of May, 2012.

SPECTRA ENERGY CORP
By: _____
Name: Dorothy M. Ables
Title: Chief Administrative Officer

EXHIBIT 10.24

SPECTRA ENERGY CORP
EXECUTIVE CASH BALANCE PLAN
(As Amended and Restated Effective as of May 1, 2012)

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SPECTRA ENERGY CORP
EXECUTIVE CASH BALANCE PLAN

ARTICLE I

PURPOSE OF PLAN

The purposes of the Spectra Energy Corp Executive Cash Balance Plan (the *"Plan")* are (i) to provide additional retirement benefits for a select group of management or highly compensated employees and (ii) to provide for the payment of certain amounts deferred under the predecessor Duke Energy Corporation Executive Cash Balance Plan I and II. The Plan is effective as of the Distribution Date (as defined below), and is hereby amended and restated effective as of May 1, 2012. The Plan is intended to be a nonqualified, unfunded plan of deferred compensation for a select group of management or highly compensated employees that qualifies as a top-hat plan that is exempt from substantially all of the requirements of Title I of the Employee Retirement Income Security Act of 1974, as amended *("ERISA"),* and shall be so interpreted and administered.

ARTICLE II

DEFINITIONS

Wherever used herein, a pronoun or adjective in the masculine gender includes the feminine gender, the singular includes the plural, and the following terms have the following meanings unless a different meaning is clearly required by the context:

2.1. ***"Account"*** means the record of contributions and adjustments thereto maintained with respect to each Participant pursuant to Article IV.

2.2. ***"Beneficiary"*** means the person or persons designated by a Participant, or by another person entitled to receive benefits hereunder, to receive benefits following the death of such person.

2.3. ***"Board of Directors"*** or ***"Board"*** means the Board of Directors of Spectra Energy Corp.

2.4. ***"Change in Control"*** shall be deemed to have occurred upon:

(i) an acquisition subsequent to the Distribution Date hereof by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the *"Exchange Acf))* of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (A) the then outstanding shares of common stock of Spectra Energy Corp or (B) the combined voting power of the then outstanding voting securities of Spectra Energy Corp entitled to vote generally in the election of directors; excluding, however, the following: (1) any acquisition directly from Spectra Energy Corp, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from Spectra Energy Corp, (2) any acquisition

by Spectra Energy Corp and (3) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by Spectra Energy Corp or its affiliated companies;

(ii) during any period of two (2) consecutive years (not including any period prior to the Distribution Date), individuals who at the beginning of such period constitute the Board of Directors (and any new directors whose election by the Board of Directors or nomination for election by the Spectra Energy Corp's shareholders was approved by a vote of at least 2/3 of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was so approved) cease for any reason (except for death, disability or voluntary retirement) to constitute a majority thereof;

(iii) the consummation, after the Distribution Date, of a merger, consolidation, reorganization or similar corporate transaction, which has been approved by the shareholders of Spectra Energy Corp, whether or not Spectra Energy Corp is the surviving corporation in such transaction, other than a merger, consolidation, or reorganization that would result in the voting securities of Spectra Energy Corp outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least fifty percent (50%) of the combined voting power of the voting securities of Spectra Energy Corp (or such surviving entity) outstanding immediately after such merger, consolidation or reorganization; or

(iv) the consummation, after the Distribution Date, of (A) the sale or other disposition of all or substantially all of the assets of Spectra Energy Corp or (B) a complete liquidation or dissolution of Spectra Energy Corp, which has been approved by the shareholders of Spectra Energy Corp;

provided that in no event shall a Change in Control be deemed to have occurred by reason of any of the events resulting from the separation transaction pursuant to which Spectra Energy Corp becomes a separate publicly-held corporation for the first time.

2.5. ***"Code"*** means the Internal Revenue Code of 1986, as amended.

2.6. ***"Committee"*** means the Compensation Committee of the Board of Directors or its delegate.

2.7. ***"Company"*** means Spectra Energy Corp and its affiliated companies.

2.8. ***"Compensation"*** means "Compensation" as defined in the Retirement Cash Balance Plan but without regard to the limitations of Code Section 401(a)(17) and including employee deferrals (except for deferrals of long-term incentive awards) under the Spectra Energy Corp Executive Savings Plan.

2.9. ***"Distribution Date"*** has the meaning given such term in the Separation and Distribution Agreement by and between Duke Energy Corporation and Spectra Energy Corp.

2.10. ***"Duke"*** means Duke Energy Corporation.

2.11. ***"Duke Plan"*** means, collectively, the Duke Energy Corporation Executive Cash

Balance Plans I and II.

2.12. ***"Employee"*** means a person employed by the Company.

2.13. ***"Equalization Plan"*** means, to the extent maintained, the Spectra Energy Corp Retirement Benefit Equalization Plan.

2.14. ***"Interest Credit"*** means the amount determined by multiplying the balance of a cash balance account by the Interest Factor for a month.

2.15. ***"Interest Factor"*** means the interest rate determined by the formula $(1 + i)^{(1/12)} - 1$, where "i" equals the yield on 30-year Treasury Bonds as published in the Federal Reserve Statistical Release H.15 for the end of the third full business week of the month prior to the beginning of the calendar quarter for which the monthly accrual is being applied, but not more than an annual percentage rate of9% and not less than an annual percentage rate of 4%.

2.16. ***"Make-Whole Account"*** means the account described in Section 4.2.

2.17. ***"Make-Whole Benefit"*** means the benefit provided pursuant to Section 4.2 of the Plan.

2.18. ***"Participant"*** means an Employee who is entitled to receive benefits from the Plan.

2.19. ***"Pay Credit"*** means a credit that is added to a Participant's Make-Whole Account pursuant to Section 4.2.

2.20. ***"Retirement Cash Balance Plan"*** means (i) with respect to benefits governed by Sub-Plan II, the Spectra Energy Retirement Cash Balance Plan as in effect from time to time, and (ii) with respect to benefits governed by Sub-Plan I, the Duke Energy Retirement Cash Balance Plan as in effect on October 3, 2004, without giving effect to amendments adopted thereafter.

2.21. ***"Separation From Service"*** means the Participant's separation from service with the Company within the meaning of Code Section 409A.

2.22. ***"Specified Employee"*** means a Participant who is a "specified employee" (as defined in Code Section 409A(2)(B)(i)) of the Company (or an entity which is considered to be a single employer with the Company under Code Section 414(b) or 414(c)), as determined under Code Section 409A at any time during any twelve (12) month period ending on December 31, but only if the Company has any stock that is publicly traded on an established securities market or otherwise. Notwithstanding the foregoing, a Participant will be deemed to be a Specified Employee for the period of April 1 through March 31 following such December 31, except as otherwise may be required under Code Section 409A.

2.23. ***"Sub-Plan I"*** and ***"Sub-Plan II"*** have the meanings given such terms m Section 12.6.

2.24. ***"Supplemental Benefit"*** means the benefit provided under Section 4.3 of the Plan.

2.25. ***"Supplemental Credit"*** means a credit that 1s added to a Participant's Supplemental Account pursuant to Section 4.3.

2.26. ***"Supplemental Retirement Plan"*** means the Supplemental Retirement Plan for Employees of Duke Power Company as it existed on December 31, 1996.

2.27. ***"Supplemental Security Plan"*** means the Duke Power Company Supplemental Security Plan as it existed on December 31, 1996.

ARTICLE III

ELIGIBILITY

3.1 General. Any Employee designated by the Committee shall be eligible to participate in the Plan and shall remain eligible as long as he continues to be an Employee or until designated ineligible by the Committee. Notwithstanding the foregoing, an Employee who is not a member of a "select group of management or highly compensated employees" within the meaning of ERISA, may not participate in the Plan. Participants shall not receive any benefits under the terms of the Supplemental Retirement Plan, the Supplemental Security Plan, the Equalization Plan or any comparable plan maintained by the Company.

3 . 2 Assumed Amounts. Any individual with respect to whom ***"Assumed Amounts"*** (as defined in Section 4.5) are credited hereunder shall automatically participate, and be a "Participant," in the Plan with respect to such Assumed Amounts as of the Distribution Date.

ARTICLE IV

BENEFITS

4.1 General. The Plan provides a Make-Whole Benefit and may provide a Supplemental Benefit. Each Participant shall have a ***"Make-Whole Account"***, which is a bookkeeping account established under this Plan and shall be eligible for a Make-Whole Benefit.

The Committee will determine whether a Participant is to be eligible for a Supplemental Benefit, and in such case a ***"Supplemental Account,"*** which is a bookkeeping account, shall be established.

4 . 2 Make-Whole Benefit. Under the Make-Whole Benefit, for any month that a Participant is eligible to participate in this Plan, the Participant's Make-Whole Account shall receive a Pay Credit equal to the excess, if any, of (a) the pay credit that would have been provided under the Retirement Cash Balance Plan for the month if the Retirement Cash Balance Plan used the definition of Compensation set forth herein and, to the extent determined by the Committee from time to time, other types of excluded pay were treated as eligible compensation under such Plan; over (b) the pay credit for the month that is actually made to the Participant's account under the Retirement Cash Balance Plan. A Participant, while "Disabled" as defined in the Retirement Cash Balance Plan and continuing to receive pay credits to the Participant's account under the Retirement Cash Balance Plan, shall continue to receive Pay Credits to the Participant's Make-Whole Account determined on the same

basis as his continued pay credits under the Retirement Cash Balance Plan, and based upon his eligible Compensation immediately prior to disability.

In addition, the Make-Whole Benefit provides a Pay Credit to the Participant's Make Whole Account equal to any reduction in a benefit under the Retirement Cash Balance Plan resulting from the limitations imposed by Code Section 415. Where an opening account balance under the Retirement Cash Balance Plan has been established for a Participant, the Committee, in its sole discretion, may establish an opening balance for the Participant's Make-Whole Account that is designed to provide a transition benefit comparable to the benefit provided through the Retirement Cash Balance Plan opening account balance, but without regard to the limitations imposed by Code Sections 401(a)(17) or 415. If the value of the benefit which a vested Participant had accrued under the Supplemental Retirement Plan as of December 31, 1996, is greater than the value of the Participant's Make-Whole Account on the date the Participant retires, such higher value shall apply.

4.3 Supplemental Credits. A Participant's Supplemental Account shall receive such Supplemental Credits, in such amounts and at such times, as the Committee, in its sole discretion, may determine. Notwithstanding Sections 4.3 and 4.4 to the contrary, the Minimum Benefit feature of Section 4.3(e) of the Duke Plan, as in effect prior to January 1, 1999, is preserved herein and incorporated by reference.

4.4 Interest Credits. An Interest Credit will be added to a Participant's Make-Whole Account and to a Participant's Supplemental Account as of the end of each calendar month ending prior to the month in which the respective account is fully distributed or forfeited. The amount of the Interest Credit for a month will equal the balance of the respective account as of the end of the prior month (after adding any Pay Credit, Supplemental Credit and Interest Credit for the prior month and subtracting any payment or forfeiture for the prior month) multiplied by the Interest Factor for the month. Notwithstanding the foregoing, Interest Credits to the Supplemental Account under Sub-Plan I of a Participant whose employment with the Company terminates before attaining the earliest retirement age under the Retirement Cash Balance Plan will be suspended beginning with the month during which employment terminates and will not resume until the month following the month during which payment of the Supplemental Benefit commences.

4.5 Assumed Amounts. The Company has assumed the obligations under the Duke Plan with respect to certain Participants who previously were employees of Duke or its affiliates ***("Assumed Amounts")***. As a result, a Participant who was a participant in the Duke Plan shall have (i) an initial balance in his or her Make-Whole Account equal to the balance in his or her Make-Whole Account under the Duke Plan immediately prior to the Distribution Date, and (ii) an initial balance in his or her Supplemental Account equal to the balance, if any, in his or her Supplemental Account under the Duke Plan immediately prior to the Distribution Date. The Assumed Amounts credited to Accounts hereunder shall remain subject to the same vesting provisions as in effect under the Duke Plan, and shall remain subject to the same distribution and beneficiary designation elections that were controlling under the Duke Plan immediately prior to the Distribution Date until a new election is made in accordance with the terms of this Plan that by its terms supersedes the prior election.

ARTICLE V

VESTING

Unless the Committee provides otherwise for a particular Participant at the time the Participant initially becomes eligible to participate in the Plan or at the time of an award of a particular Supplemental Credit (and any Interest Credits thereto), a Participant will become fully vested in the Participant's Make-Whole Account and the Participant's Supplemental Account, if any, (i) when the Participant becomes vested under the Retirement Cash Balance Plan, or (ii) the Participant's employment with the Company terminates on account of the Participant's death or the Participant having become "Disabled", as defined in the Retirement Cash Balance Plan. If a Participant's employment with the Company terminates and the Participant is not fully vested, the unvested portion of the Participant's Make-Whole Account and of the Participant's Supplemental Account, if any, shall be immediately forfeited and no benefit under the Plan shall be paid with respect thereto.

In the event of a Change in Control, all Accounts shall become 100% fully and immediately vested and non-forfeitable, and shall thereafter be maintained and paid in accordance with the terms of this Plan.

ARTICLE VI

PAYMENT OF BENEFITS

6.1 Benefit Payments. A Participant who incurs a Separation From Service prior to the Participant's earliest retirement age under the Retirement Cash Balance Plan will receive, or will begin to receive, payment of his vested Make-Whole Account and his vested Supplemental Account, if any, as soon as administratively feasible following the month in which the Participant attains age 55. A Participant who incurs a Separation From Service after the Participant's earliest retirement age under the Retirement Cash Balance Plan will receive, or will begin to receive, payment of his vested Make-Whole Account and his vested Supplemental Account, if any, as soon as administratively feasible following the month in which the Participant's employment terminates. Notwithstanding the foregoing, a Participant who incurs a Separation From Service on or after December 31, 2006 will receive, or will begin to receive, payment of his vested Make Whole Account under Sub-Plan II and his vested Supplemental Account, if any, under Sub-Plan II as soon as administratively feasible following the month in which the Participant's employment terminates. A Participant, while "Disabled" (as defined in the Retirement Cash Balance Plan), and continuing to receive pay credits to the Participant's account under the Retirement Cash Balance Plan, shall not receive payment of benefits during the period the Participant receives such pay credits, any other Participant who incurs a Separation From Service and whose Make-Whole Account and Supplemental Account, if any, have a combined balance, as of the last day of the month during which employment terminated, of less than $25,000 will receive payment of his vested Make-Whole Account and his vested Supplemental Account, if any, in a single sum, as soon as administratively feasible following the month in which the Participant's employment terminates under this Plan. Except as provided in Section 6.5, payment of a Participant's vested Make-Whole Account

and his vested Supplemental Account shall be paid or begin to be paid not later than sixty (60) days following the month in which such amounts become payable.

6.2 Forms of Benefit Payment.

(a) Participants who are designated as eligible after the Distribution Date must elect a form of benefit payment within 30 days after being designated eligible to participate in the Plan by completing such form as the Committee shall require and filing the completed form with, and acceptance by, the Committee. Failure to timely elect a form of benefit payment shall result in a deemed election of a single lump sum payment. A Participant may change his or her benefit payment election at any time, and from time to time, by completing a new election form as the Committee provides and filing the completed form with, and acceptance by, the Committee; provided, however, that the Participant has not filed a payment election form within the prior 12 months. With respect to amounts deferred under Sub-Plan II, except where the payment of the Participant's benefit is due to death or disability (within the meaning of Code Section 409A), (i) a Participant's election to change the form of benefit payment shall become effective one year from the date on which the election form was file with the Committee, but only if the Participant continued in employment throughout such one-year period, and (ii) any lump sum or installment form of payment that is changed by the Participant's election pursuant to this paragraph will be paid not earlier than five years from the date that such payment would otherwise have been paid.

(b) The forms of benefit payment available under the Plan are: (1) single sum payment;

(2) monthly payments for three years; and

(3) monthly payments for ten years.

At such time as benefits under the Plan become payable with respect to a Participant, such benefits shall be paid in accordance with the benefit payment form then in effect and unless otherwise expressly provided by the Plan.

Notwithstanding the foregoing, if a Participant has previously elected to receive payment of his Account on a monthly basis over a period of 15 years and has commenced payment of his Account pursuant to such election as of December 31, 2009, the Participant shall continue to receive payment of his Account on a monthly basis for the remainder of such 15-year period. If the Participant has previously elected to receive payment of his Account on a monthly basis over a period of 15 years and has not yet commenced payment of his Account pursuant to such election as of December 31, 2009, the Participant shall be permitted to retain such election, but in the event that the Participant makes a subsequent election, only the forms of benefit payment set forth in the first paragraph of this Section 6.2(b) are available.

(c) Under the monthly form of benefit payment, the amount of payment for a particular month shall be calculated as follows:

$$\text{amount} = \frac{V}{N}$$

where

N represents the number of months remaining in the payment term as of the immediately preceding December 31, except for payments made for the first calendar year, in which case the number of months shall be equal to the number of months in the elected installment form; and

V represents the balance of the Participant's Make-Whole Account and the balance of the Participant's Supplemental Account, if any, determined as of the immediately preceding December 31, except for payments made for the first calendar year, in which case the balances will be determined as of the last day of the month immediately prior to the payment commencement date.

6.3 Cash Payment Only. Any benefit payment due under the Plan shall be paid in cash.

6.4 Financial Hardship. Upon written request by a Participant, the Committee may distribute to a Participant who is receiving a monthly payment form of distribution, such amount of the remaining balance of the Participant's vested cash balance account and vested Supplemental Account, if any, which the Committee determines is necessary to provide for a financial hardship suffered by the Participant. For this purpose, "financial hardship" shall mean a severe financial hardship that constitutes an "unforeseeable emergency" within the meaning of Code Section 409A. Notwithstanding the foregoing, if any member of the Committee requests a hardship distribution, then such Committee member shall take no part in the discussion or decision concerning whether such member has suffered a financial hardship, or the amount to be distributed in relief thereof.

6.5 Six-Month Delay. Notwithstanding any provision in this Plan to the contrary, if the payment of any benefit hereunder would be subject to additional taxes and interest under Code Section 409A because the timing of such payment is not delayed as provided in Code Section 409A for a Specified Employee, then if the Participant is a Specified Employee under Code Section 409A, any such payment that the Participant would otherwise be entitled to receive during the first six months following the date of the Participant's Separation From Service shall be delayed and paid, if in the form of a lump sum payment, or commence, if in the form of installment payments, as applicable, within fifteen (15) business days after the date that is six months following such Separation From Service date, or such earlier date upon which such amount can be paid or provided under Code Section 409A without being subject to such taxation.

ARTICLE VII

DEATH BENEFITS

7.1 Beneficiary Designation. In accordance with procedures established by the Company, each Participant shall designate a Beneficiary or Beneficiaries to receive payment of his vested Make-Whole Account and vested Supplemental Account upon his death, as provided in Section 7.3 or 7.4, and if applicable, Section 7.5, below.

7.2 No Beneficiary. If the Participant does not designate a Beneficiary, or if the Beneficiary who is designated should predecease the Participant, the death benefit for a deceased Participant shall be paid to the estate of the Participant, as the Participant's Beneficiary, in a single cash payment not later than sixty (60) days following date of the Participant's death.

7.3 Death Before Payment Begins. If a Participant should die while still employed by the Company or otherwise before payment of any Plan benefits has commenced, payments of any death benefit shall be made to the Participant's Beneficiary in the same benefit payment form elected by the Participant under Section 6.2, unless the Beneficiary is the estate and in that case, a single cash payment shall be made not later than sixty (60) days following date of the Participant's death. Notwithstanding the foregoing, if the death benefit is less than $25,000, the death benefit shall automatically be paid to the Participant's Beneficiary in a single cash payment not later than sixty (60) days following the date of Participant's death.

7.4 Death After Payment Begins. If a Participant should die after payment of Plan benefits has commenced, payment of any death benefit will be made to the Participant's Beneficiary as a continuation of the benefit payment form that had been in effect for the Participant, unless the Beneficiary is the estate and in that case, a single cash payment shall be made not later than sixty (60) days following date of the Participant's death.

7.5 Supplemental Security Plan. If an Employee who was an active participant in the Supplemental Security Plan on December 31, 1996, should die while still employed by the Company, the portion of the death benefit attributable to the Employee's Supplemental Account shall not be less than the amount determined by multiplying 2.5 times the annualized base rate of pay of the Employee on the date of death.

ARTICLE VIII

AMENDMENT AND TERMINATION

The Committee retains the sole and unilateral right to terminate, amend, modify or supplement this Plan, in whole or in part, at any time. The Committee may delegate the right to amend the Plan, subject to any limitations it may impose, to an officer of the Company. No such action shall adversely affect a Participant's right to receive amounts then credited to a Participant's account with respect to events occurring prior to the date of such amendment.

In the event of a Change in Control, the Plan shall become irrevocable and may not be amended or terminated without the written consent of each Plan Participant who may be affected in

any way by such amendment or termination either at the time of such action or at any time thereafter. This restriction in the event of a Change in Control shall be determined by reference to the date any amendment or resolution terminating the Plan is actually signed by an authorized party rather than the date such action purports to be effective.

ARTICLE IX

ADMINISTRATION

9.1 Top-Hat Plan. The Company intends for the Plan to be an unfunded "top-hat" plan for a select group of management or highly compensated employees which is exempt from substantially all of the requirements of Title I of ERISA pursuant to Sections 201(2), 301(a)(3), and 401(a)(l) ofERISA. The Company is the Plan sponsor under Section 3(16)(B) ofERISA.

9.2 Plan Operation and Administration. The Committee shall have the authority to control and manage the operation and administration of the Plan except as otherwise expressly provided in this Plan document. The Committee may designate other persons to carry out fiduciary responsibilities under the Plan.

9.3 Plan Administrator. The Committee is the administrator of the Plan within the meaning Section 3(16)(A) of ERISA. As administrator, the Committee has the authority (without limitation as to other authority) to delegate its duties to agents and to make rules and regulations that it believes are necessary or appropriate to carry out the Plan. The Committee has the discretion (i) to interpret and construe the terms and provisions of the Plan (including any rules or regulations adopted under the Plan), (ii) to determine questions of eligibility to participate in the Plan and (iii) to make factual determinations in connection with any of the foregoing. A decision of the Committee with respect to any matter pertaining to the Plan including without limitation the Employees determined to be Participants, the benefits payable, and the construction or interpretation of any provision thereof, shall be conclusive and binding upon all interested persons. No Committee member shall participate in any decision of the Committee that would directly and specifically affect the timing or amount of his benefits under the Plan, except to the extent that such decision applies to all Participants under the Plan.

ARTICLE X

CLAIMS PROCEDURE

10.1 Claim. A person with an interest in the Plan shall have the right to file a claim for benefits under the Plan and to appeal any denial of a claim for benefits. Any request or application for a Plan benefit or to clarify the claimant's rights to future benefits under the terms of the Plan shall be considered to be a claim.

10.2 Written Claim. A claim for benefits will be considered as having been made when submitted in writing by the claimant (or by such claimant's authorized representative) to the Committee. No particular form is required for the claim, but the written claim must identify

the name of the claimant and describe generally the benefit to which the claimant believes he is entitled. The claim may be delivered personally during normal business hours or mailed to the Committee.

10.3 Committee Determination. The Committee will determine whether, or to what extent, the claim may be allowed or denied under the terms of the Plan. If the claim is wholly or partially denied, the claimant shall be so informed by written notice within 90 days after the day the claim is submitted unless special circumstances require an extension of time for processing the claim. If such an extension of time for processing is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial 90-day period. Such extension may not exceed an additional 90 days from the end of the initial 90-day period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the final decision. If notice of denial of a claim (in whole or in part) is not furnished within the initial 90-day period after the claim is submitted (or, if applicable, the extended 90-day period), the claimant shall consider that his claim has been denied just as if he had received actual notice of denial.

10.4 Notice of Determination. The notice informing the claimant that his claim has been wholly or partially denied shall be written in a manner calculated to be understood by the claimant and shall include:

(a) The specific reason(s) for the denial.

(b) Specific reference to pertinent Plan provisions on which the denial is based.

(c) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary.

(d) Appropriate information as to the steps to be taken if the claimant wishes to submit his claim for review.

10.5 Appeal. If the claim is wholly or partially denied, the claimant (or his authorized representative) may file an appeal of the denied claim with the Committee requesting that the claim be reviewed. The Committee shall conduct a full and fair review of each appealed claim and its denial. Unless the Committee notifies the claimant that due to the nature of the benefit and other attendant circumstances he is entitled to a greater period of time within which to submit his request for review of a denied claim, the claimant shall have 60 days after he (or his authorized representative) receives written notice of denial of his claim within which such request must be submitted to the Committee.

10.6 Request for Review. The request for review of a denied claim must be made in writing. In connection with making such request, the claimant or his authorized representative may:

(a) Review pertinent documents.
(b) Submit issues and comments in writing.

10.7 Determination of Appeal. The decision of the Committee regarding the appeal shall be promptly given to the claimant in writing and shall normally be given no later than 60 days following the receipt of the request for review. However, if special circumstances (for example, if the Committee decides to hold a hearing on the appeal) require a further extension of time for processing, the decision shall be rendered as soon as possible, but no later than 120 days after receipt of the request for review. However, if the Committee holds regularly scheduled meetings at least quarterly, a decision on review shall be made by no later than the date of the meeting which immediately follows the Plan's receipt of a request for review, unless the request is filed within 30 days preceding the date of such meeting. In such case, a decision may be made by no later than the date of the second meeting following the Plan's receipt of the request for review. If special circumstances (for example, if the Committee decides to hold a hearing on the appeal) require a further extension of time for processing, the decision shall be rendered as soon as possible, but no later than the third meeting following the Plan's receipt of the request for review. If special circumstances require that the decision will be made beyond the initial time for furnishing the decision, written notice of the extension shall be furnished to the claimant (or his authorized representative) prior to the commencement of the extension. The decision on review shall be in writing and shall be furnished to the claimant or to his authorized representative within the appropriate time for the decision. If a decision on review is not furnished within the appropriate time, the claim shall be deemed to have been denied on appeal.

10.8 Hearing. The Committee may, in its sole discretion, decide to hold a hearing if it determines that a hearing is necessary or appropriate in order to make a full and fair review of the appealed claim.

10.9 Decision. The decision on review shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, as well as specific references to the pertinent Plan provisions on which the decision is based.

10.10 Exhaustion of Appeals. A person must exhaust his rights to file a claim and to request a review of the denial of his claim before bringing any civil action to recover benefits due to him under the terms of the Plan, to enforce his rights under the terms of the Plan, or to clarify his rights to future benefits under the terms of the Plan.

10.11 Committee's Authority. The Committee shall exercise its responsibility and authority under this claims procedure as a fiduciary and, in such capacity, shall have the discretionary authority and responsibility (a) to interpret and construe the Plan and any rules or regulations under the Plan, (b) to determine the eligibility of Employees to participate in the Plan, and the rights of Participants to receive benefits under the Plan, and (c) to make factual determinations in connection with any of the foregoing.

ARTICLE XI

NATURE OF COMPANY'S OBLIGATION

11.1 Unsecured Promise. The Company's obligation to the Participant under this Plan shall be an unfunded and unsecured promise to pay. The rights of a Participant or Beneficiary under this

Plan shall be solely those of an unsecured general creditor of the Company. The Company shall not be obligated under any circumstances to set aside or hold assets to fund its financial obligations under this Plan.

11.2 No Right to Specific Assets. Notwithstanding the foregoing, the Company may, in its sole discretion establish such accounts, trusts, insurance policies or arrangements, or any other mechanisms it deems necessary or appropriate to account for or fund its obligations under the Plan. Any assets which the Company may set aside, acquire or hold to help cover its financial liabilities under this Plan are and remain general assets of the Company subject to the claims of its creditors. The Company does not give, and the Plan does not give, any beneficial ownership interest in any assets of the Company to a Participant or Beneficiary. All rights of ownership in any assets are and remain in the Company. Any general asset used or acquired by the Company in connection with the liabilities it has assumed under this Plan shall not be deemed to be held under any trust for the benefit of the Participant or any Beneficiary, and no general asset shall be considered security for the performance of the obligations of the Company. Any asset shall remain a general, unpledged, and unrestricted asset of the Company.

11.3 Plan Provisions. The Company's liability for payment of benefits shall be determined only under the provisions of this Plan, as it may be amended from time to time.

ARTICLE XII

GENERAL PROVISIONS

12.1 No Right to Employment. Nothing in this Plan shall be deemed to give any person the right to remain in the employ of the Company or affect the right of the Company to terminate any Participant's employment with or without cause.

12.2 No Assignment. Except as provided under Section 12.3 with respect to a DRO, no right or benefit under the Plan shall be subject to anticipation, alienation, sale, assignment, pledge, encumbrance or charge. Any attempt to anticipate, alienate, sell, assign, pledge, encumber or charge these benefits shall be void. No right or benefit under this Plan shall in any manner be liable for or subject to the debts, contracts, liabilities, or torts of the person entitled to the benefit. If any Participant or Beneficiary under the Plan should become bankrupt or attempt to anticipate, alienate, sell, assign, pledge, encumber or charge any right to a benefit hereunder, then the right or benefit, in the discretion of the Committee, shall cease. In these circumstances, the Committee may hold or apply the benefit payment or payments, or any part of it, for the benefit of the Participant or his Beneficiary, the Participant's spouse, children, or other dependents, or any of them, in any manner and in any portion that the Committee may deem proper.

12.3 Domestic Relations Order. The anti-alienation restrictions of Section 12.2 shall not apply to a domestic relations order (as defined in Code Section 414(p)(1)(B)) (a ***"DRO").*** The Committee may direct the acceleration of payment of all or a portion of a Participant's Account and pay such amount to an individual other than the Participant to the extent necessary to fulfill the requirements of a DRO. The rules set forth in Section 6.2(a) governing subsequent changes in the Participant's benefit payment election shall not apply to any change in the form and timing of payment to the extent that such election is reflected in, or made in accordance with, the terms of a DRO.

12.4 Withholding. Any amount required to be withheld under applicable Federal, state and local tax laws (including any amounts required to be withheld under Code Section 3121(v)) will be withheld in such manner as the Committee will determine and any payment under the Plan will be reduced by the amount so withheld, as well as by any other lawful withholding.

12.5 Governing Law. This Plan shall be construed and administered in accordance with the laws of the State of Texas to the extent that such laws are not preempted by Federal law.

12.6 Compliance with Code Section 409A. The Plan is divided into two separate deferred compensation sub-plans, one of which shall be named ***"Sub-Plan I"*** and the other shall be named ***"Sub-Plan II."*** Sub-Plan I shall include only "amounts deferred" before January 1, 2005 (within the meaning of Code Section 409A) under the Duke Plan, and earnings thereon, and such deferred compensation shall be subject to the applicable provisions of the Duke Plan as in effect on October 3, 2004, as modified herein, and as Sub-Plan I is subsequently amended or otherwise changed, except as would result in such deferred compensation being subject to Code Section 409A. The adoption of the Plan is not intended to be a "material modification" (within the meaning of Code Section 409A) with respect to amounts under Sub-Plan I, and shall be construed accordingly. Sub-Plan II shall include only "amounts deferred" after December 31, 2004, and earnings thereon, and such deferred compensation shall be subject to the provisions of the Plan as in effect on the Distribution Date, as subsequently amended or otherwise changed. The Company intends Sub-Plan II to comply with the provisions of Code Section 409A, so as to prevent the inclusion in gross income of any amounts deferred hereunder in a taxable year that is prior to the taxable year or years in which such amounts would otherwise actually be distributed or made available to Participants or Beneficiaries. Sub-Plan II shall be construed, administered, and governed in a manner that effects such intent, and no action shall be taken that would be inconsistent with such intent. To the extent any terms of the Plan are ambiguous, such terms shall be interpreted as necessary to comply with Code Section 409A.

[Signature page follows]

IN WITNESS WHEREOF, this amendment and restatement of the Plan is executed on behalf of the Company this 1st day of May, 2012.

SPECTRA ENERGY CORP
By: _____
Name: Dorothy M. Ables
Title: Chief Administrative Officer

Execution Version

EXHIBIT 10.25

Omnibus Amendment

WHEREAS, this Omnibus Amendment (this "Amendment"), dated as of June 20, 2014 to the equity incentive and non-qualified plans, programs and arrangements set forth on Exhibit A attached hereto (each, a "Plan" and, collectively, the "Plans") shall be effective as of the date hereof;

WHEREAS, subject to the limitations specified in the Plans, the Plans generally permit the Board of Directors of Spectra Energy Corp (the "Board") or the Compensation Committee of the Board (the "Committee") to amend the terms of the Plans; and

WHEREAS, the Board and the Committee wish to amend the Plans on the terms and subject to the conditions described herein.

NOW, THEREFORE, the Plans are hereby amended as of the date hereof as follows:

1. Except as otherwise specifically set forth on Exhibit A hereto, with respect to the Plans and with respect to any award, account or benefit outstanding under any Plan, the definition of "Change in Control" or "Change of Control" shall be amended and restated in its entirety to read as follows:

""***Change in Control***" means:

(1) Any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (A) the then-outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (B) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); *provided*, *however*, that, for purposes of this definition, the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any company controlled by, controlling or under common control with the Company or (iv) any acquisition pursuant to a transaction that complies with Sections (3)(A), (3)(B) and (3)(C) of this definition;

(2) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; *provided*, *however*, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal

of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(3) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or securities of another entity by the Company or any of its subsidiaries (each, a "Business Combination"), in each case unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any parent or other entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 30% or more of, respectively, the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(4) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

Notwithstanding anything in the foregoing to the contrary, with respect to compensation (i) that is subject to Code Section 409A and (ii) for which a Change in Control would accelerate the timing of payment thereunder, the term "Change in Control" shall mean a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company, as defined in Code Section 409A and authoritative guidance thereunder, but only to the extent inconsistent with the above definition and as necessary to comply with Code Section 409A as determined by the Company.

For purposes of this definition, the term "Company" shall mean Spectra Energy Corp."

2. With respect to the Spectra Energy Corp Executive Savings Plan (as amended and restated effective as of May 1, 2012) and the Spectra Energy Corp Executive Cash Balance Plan (as amended and restated effective as of May 1, 2012) only, the following paragraphs will be added to the definition of "***Change in Control***" in Paragraph 1, above:

"Notwithstanding the foregoing, however, for purposes of Sub-Plan I under the Plan, "***Change in Control***" means:

(i) an acquisition subsequent to the Distribution Date hereof by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (A) the then outstanding shares of common stock of the Company or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors; excluding, however, the following: (1) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (2) any acquisition by the Company, (3) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or its affiliated companies and (4) any acquisition pursuant to a transaction that complies with the exceptions in Paragraph (iii) of this definition;

(ii) during any period of two (2) consecutive years (not including any period prior to the Distribution Date), individuals who at the beginning of such period constitute the Board (and any new directors whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least 2/3 of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was so approved) cease for any reason (except for death, disability or voluntary retirement) to constitute a majority thereof;

(iii) the consummation, after the Distribution Date, of a merger, consolidation, reorganization or similar corporate transaction, which has been approved by the shareholders of the Company, whether or not the Company is the surviving corporation in such transaction, other than a merger, consolidation, or reorganization that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least fifty percent (50%) of the combined voting power of the voting securities of the Company (or such surviving entity or any parent thereof) outstanding immediately after such merger, consolidation or reorganization; or

(iv) the consummation, after the Distribution Date, of (A) the sale or other disposition of all or substantially all of the assets of the Company or (B) a complete liquidation or dissolution of the Company, which has been approved by the shareholders of the Company;

provided that in no event shall a Change in Control be deemed to have occurred by reason of any of the events resulting from the separation transaction pursuant to which the Company becomes a separate publicly-held corporation for the first time.

For purposes of this definition, the term "Company" shall mean Spectra Energy Corp."

3. Except as expressly provided in this Amendment, the Plans shall remain in full force and effect.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Amendment has been executed as of the date first above written.

SPECTRA ENERGY CORP

Name: Dorothy M. Ables
Title: Chief Administrative Officer

EXHIBIT A

Spectra Energy Corp Executive Savings Plan (as amended and restated effective as of May 1, 2012)

Spectra Energy Corp Executive Cash Balance Plan (as amended and restated effective as of May 1, 2012)

Spectra Energy Corp 2007 Long-Term Incentive Plan (as amended and restated)*

**only with respect to awards granted as of and subsequent to the date hereof*

EXHIBIT 10.26

CHANGE IN CONTROL AGREEMENT
(As Amended and Restated)

THIS AGREEMENT (As Amended and Restated) (the "Agreement"), dated as of _____ (the "Effective Date"), is made by and between SPECTRA ENERGY CORP, a Delaware corporation (the "Company"), and _____ (the "Executive").

WHEREAS, the Company considers it essential to the best interests of its shareholders to foster the continued employment of key management personnel;

WHEREAS, the Board of Directors of the Company recognizes that, as is the case with many publicly held corporations, the possibility of a Change in Control exists and that such possibility, and the uncertainty and questions which it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its shareholders;

WHEREAS, the Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management, including the Executive, to their assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a Change in Control; and

WHEREAS, the Company and the Executive previously entered into that certain Change in Control Agreement, dated as of _____ (the "Prior Agreement Effective Date"), as amended, (the "Prior Agreement") and now mutually desire to amend and restate the Prior Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Company and the Executive, intending to be legally bound, do hereby agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the meanings indicated below:

(A) "Accrued Rights" shall have the meaning set forth in Section 3 hereof.

(B) "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act.

(C) "Auditor" shall have the meaning set forth in Section 4.2 hereof.

(D) "Base Amount" shall have the meaning set forth in Code Section 280G(b)(3).

(E) "Beneficial Ownership" shall have the meaning set forth in Rule 13d-3 under the Exchange Act.

(F) "Board" shall mean the Board of Directors of the Company.

(G) "Cause" for termination by the Company of the Executive's employment shall mean (i) a material failure by the Executive to carry out, or malfeasance or gross insubordination in carrying out, reasonably assigned duties or instructions consistent with the Executive's position, (ii) the final conviction of the Executive of a (A) felony, (B) crime or criminal offense involving moral turpitude, or (C) criminal or summary conviction offense that is related to the Executive's employment with the Company or an Affiliate, (iii) an egregious act of dishonesty by the Executive (including, without limitation, theft or embezzlement) in connection with employment, or a malicious action by the Executive toward the customers or employees of the Company or any Affiliate, (iv) a material breach by the Executive of the Company's Code of Business Ethics, (v) the failure of the Executive to cooperate fully with governmental investigations involving the Company or its Affiliates, or (vi) the usual meaning of just cause under Canadian common law, if applicable; provided, however, that the Company shall not have reason to terminate the Executive's employment for Cause pursuant to this Agreement unless the Executive receives written notice from the Company identifying the acts or omissions constituting Cause and gives the Executive a thirty (30) day opportunity to cure, if such acts or omissions are capable of cure.

(H) "Change in Control" means:

(a) Any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (A) the then-outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (B) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that, for purposes of this definition, the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any company controlled by, controlling or under common control with the Company or (iv) any acquisition pursuant to a transaction that complies with Sections (c)(1), (c)(2) and (c)(3) of this definition;

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall

be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or securities of another entity by the Company or any of its subsidiaries (each, a "Business Combination"), in each case unless, following such Business Combination, (1) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (2) no Person (excluding any parent or other entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 30% or more of, respectively, the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination, and (3) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

Notwithstanding anything in the foregoing to the contrary, with respect to compensation (i) that is subject to Code Section 409A and (ii) for which a Change in Control would accelerate the timing of payment thereunder, the term "Change in Control" shall mean a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company, as defined in Code Section 409A and authoritative guidance thereunder, but only to the extent inconsistent with the above

definition and as necessary to comply with Code Section 409A as determined by the Company.

(I) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(J) "Company" shall mean Spectra Energy Corp and, except in determining under Section 1.H hereof whether or not any Change in Control of the Company has occurred, shall include any successor to its business and/or assets which assumes and agrees to perform this Agreement by operation of law, or otherwise.

(K) "Confidential Information" shall have the meaning set forth in Section 8 hereof.

(L) "DB Pension Plan" shall mean any tax-qualified, supplemental or excess defined benefit pension plan maintained by the Company and any other defined benefit plan or agreement entered into between the Executive and the Company which is designed to provide the Executive with supplemental retirement benefits.

(M) "DC Pension Plan" shall mean any tax-qualified, supplemental or excess defined contribution plan maintained by the Company and any other defined contribution plan or agreement entered into between the Executive and the Company which is designed to provide the executive with supplemental retirement benefits.

(N) "Date of Termination" with respect to any purported termination of the Executive's employment after a Change in Control and during the Term, shall mean (i) if the Executive's employment is terminated for Disability, thirty (30) days after Notice of Termination is given (provided that the Executive shall not have returned to the full-time performance of the Executive's duties during such thirty (30) day period), and (ii) if the Executive's employment is terminated for any other reason, the date specified in the Notice of Termination (which, in the case of a termination by the Company, shall not be less than thirty (30) days (except in the case of a termination for Cause) and, in the case of a termination by the Executive, shall not be less than fifteen (15) days nor (without the consent of the Company) more than sixty (60) days, respectively, from the date such Notice of Termination is given).

(O) "Disability" shall be deemed the reason for the termination by the Company of the Executive's employment, if, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been absent from the full-time performance of the Executive's duties with the Company for a period of six (6) consecutive months, shall have qualified for benefits under the Company's long-term disability program, the Company shall have given the Executive a Notice of Termination for Disability, and, within thirty (30) days after such Notice of Termination is given, the Executive shall not have returned to the full-time performance of the Executive's duties.

(P) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

(Q) "Excise Tax" shall mean any excise tax imposed under Code section 4999.

(R) "Executive" shall mean the individual named in the first paragraph of this Agreement.

(S) "Good Reason" for termination by the Executive of the Executive's employment shall mean the occurrence (without the Executive's express written consent which specifically references this Agreement) after any Change in Control (subject to Section 4.3 hereof) of any one of the following acts by the Company, or failures by the Company to act, unless such act or failure to act is corrected prior to the Date of Termination specified in the Notice of Termination given in respect thereof: (i) a substantial adverse alteration in the nature or status of the Executive's responsibilities, (ii) a material reduction in the Executive's annual base salary, (iii) a material reduction in the Executive's target annual bonus, (iv) the elimination of any material employee benefit plan in which the Executive is a participant or the material reduction of the Executive's benefits under such plan, unless the Company either (A) immediately replaces such employee benefit plan or unless the Executive is permitted to immediately participate in other employee benefit plan(s) providing the Executive with a substantially equivalent value of benefits in the aggregate to those eliminated or materially reduced, or (B) immediately provides the Executive with other forms of compensation of comparable value to that being eliminated or reduced, (v) the failure of the Company to obtain the assumption of this Agreement from any successor as contemplated in Section 11.1 hereof, or (vi) a relocation without the written consent of the Executive that requires the Executive to report to a work location more than 35 miles from the work location to which he or she was assigned prior to the Change in Control.

The Executive's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder.

(T) "Notice of Termination" shall have the meaning set forth in Section 5 hereof.

(U) "Person" shall have the meaning given in section 3(a)(9) of the Exchange Act, as modified and used in sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(V) "Repayment Amount" shall have the meaning set forth in Section 7.3 hereof.

(W) "Restricted Period" shall have the meaning set forth in Section 7.2 hereof.

(X) "Separation from Service" shall have the meaning provided under Code Section 409A.

(Y) "Severance Payments" shall have the meaning set forth in Section 4.1(C) hereof.

(Z) "Severance Period" shall have the meaning set forth in Section 4.1(C) hereof.

(AA) "Specified Employee" shall have the meaning provided under Code Section 409A.

(BB) "Subsidiary" means an entity that is wholly owned, directly or indirectly, by the Company, or any other affiliate of the Company that is so designated from time to time by the Company.

(CC) "Term" shall mean the period of time described in Section 2 hereof (including any extension, continuation or termination described therein).

(DD) "Total Payments" shall mean those payments so described in Section 4.2 hereof.

2. Term of Agreement. The Term of this Agreement shall commence on the Effective Date hereof and shall continue in effect through the second anniversary of the Effective Date hereof; provided, however, that commencing on the date that is twelve (12) months following the Effective Date hereof and each subsequent anniversary of the Effective Date hereof, the Term shall automatically be extended for one additional year; further provided, however, the Company or the Executive may terminate this Agreement effective at any time following the second anniversary of the Prior Agreement Effective Date only with six (6) months advance written notice; and further provided, however, that, notwithstanding the above, if a Change in Control shall have occurred during the Term, the Term shall in no case expire earlier than twenty-four (24) months beyond the month in which such Change in Control occurred.

This Agreement supersedes any prior Change in Control Agreement between the Company and the Executive in its entirety.

3. Compensation Other Than Severance Payments. If the Executive's employment shall be terminated for any reason following a Change in Control (subject to Section 4.3 hereof) and during the Term, the Company shall pay the Executive the salary amounts payable in the normal course for service through the Date of Termination and any rights or payments that have become vested or that are otherwise due in accordance with the terms of any employee benefit, incentive, or compensation plan or arrangement maintained by the Company that the Executive participated in at the time of his or her termination of employment (together, the "Accrued Rights").

4. Severance Payments.

4.1 Subject to Sections 4.2 and 4.3 hereof, and further subject to the Executive executing and not revoking a release of claims substantially in the form set forth as Exhibit A to this Agreement, if the Executive's employment is terminated following a Change in Control and during the Term (but in any event not later than twenty-four (24) months following a Change in Control), other than (A) by the Company for Cause, (B) by reason of death or Disability, or (C) by the Executive without Good Reason, then, in any such case, in addition to the payments and benefits representing the Executive's Accrued Rights, the Company shall pay the Executive the amounts, and provide the Executive the benefits, described in this Section 4.1 ("Severance Payments").

(A) A lump-sum payment equal to (i) the Executive's annual bonus payment earned for any completed bonus year prior to termination of employment, if not previously paid, plus (ii) a pro-rata amount of the Executive's target bonus under any performance-based bonus plan, program, or arrangement in which the Executive participates for the year in which the termination occurs, determined as if all program goals had been met, pro-rated based on the number of days of service during the bonus year occurring prior to termination of employment;

(B) In lieu of any severance benefit otherwise payable to the Executive, the Company shall pay to the Executive, a lump sum severance payment, in cash, equal to two (or, if less, the number of years (including partial years) until the Executive reaches the Company's mandatory retirement age, provided that the Company adopts a mandatory retirement age pursuant to 29 USC §631(c)), multiplied by the sum of (i) the Executive's annual base salary as in effect immediately prior to the Date of Termination or, if higher, as in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason, and (ii) the Executive's target short-term incentive bonus opportunity for the fiscal year in which the Date of Termination occurs or, if higher, the fiscal year in which the first event or circumstance occurs constituting Good Reason. Notwithstanding the preceding sentence, in the event that a lump sum Severance Payment would constitute a change in the form or timing of any payment that is subject to, and not exempt under, Code Section 409A with respect to any severance benefit otherwise payable to the Executive under any other plan

or arrangement, then the portion of the Severance Payment that is equal to the amount payable under such other severance plan shall be payable in the form and at the time applicable under such other severance plan, and any excess Severance Payment, as determined under this Section 4.1(B), shall be paid in a lump sum in accordance with this Section 4.1.

(C) For a period of two years immediately following the Date of Termination (or, if less, the period until the Executive reaches the Company's mandatory retirement age, provided that the Company adopts a mandatory retirement age pursuant to 29 USC §631(c)) (the "Severance Period"), the Company shall arrange to provide the Executive and his or her spouse, if any, and any other eligible dependents of Executive, with medical, dental, and basic life insurance benefits substantially similar to those provided to the Executive and his or her eligible dependents immediately prior to the Date of Termination, or, if more valuable in the aggregate, to those provided immediately prior to the first occurrence of an event or circumstance constituting Good Reason, at no greater after-tax cost to the Executive than the after-tax cost to the Executive immediately prior to such date or occurrence; provided, however, that, in lieu of providing such benefits, the Company may choose to provide such benefits through a third-party insurer. As a condition to its obligation under the first sentence of this Section 4.1(C) with respect to medical and dental benefits, the Company may also require the Executive (and his or her spouse and other eligible dependents, if applicable) to elect to continue medical and dental coverage under COBRA unless electing to continue such coverage under COBRA would cause such individual(s) to no longer be eligible for any retiree health and welfare benefits offered by the Company or an Affiliate of the Company. Benefits otherwise receivable by the Executive pursuant to this Section 4.1(C) shall be reduced to the extent benefits of the same type are received by or made available to the Executive during the Severance Period as a result of subsequent employment (and any such benefits received by or made available to the Executive shall be reported to the Company by the Executive).

To the extent the continuation of the benefits under this Section 4.1(C) is taxable to Executive, and for medical benefits, the benefits continue beyond the Executive's COBRA period, the Company shall administer such continuation of coverage consistent with the following additional requirements as set forth in Treas. Reg. § 1.409A-3(i)(1)(iv):

(1) Executive's eligibility for benefits in one year will not affect Executive's eligibility for benefits in any other year;

(2) Any reimbursement of eligible expenses will be made on or before the last day of the year following the year in which the expense was incurred; and

(3) Executive's right to benefits is not subject to liquidation or exchange for another benefit.

In the event the preceding sentence applies to certain benefits and Executive is a Specified Employee on the date of his Separation from Service, such benefits shall commence no sooner than the first day of the seventh month after the Executive's Separation from Service.

(D) In addition to the benefits to which the Executive is entitled under the DC Pension Plan, the Company shall pay the Executive a lump sum amount, in cash, equal to the sum of (i) the amount that would have been contributed thereto by the Company on the Executive's behalf during the Severance Period, determined (x) as if the Executive made the maximum permissible contributions thereto during such period, (y) as if the Executive earned compensation during such period equal to the sum of the Executive's base salary and target bonus as in effect immediately prior to the Date of Termination, or, if higher, as in effect immediately prior to the occurrence of the first event or circumstance constituting Good Reason, and (z) without regard to any amendment to the DC Pension Plan made subsequent to a Change in Control and on or prior to the Date of Termination, which amendment adversely affects in any manner the computation of benefits thereunder, and (ii) the unvested portion, if any, of the Executive's account balance under the tax-qualified DC Pension Plan as of the Date of Termination that would have vested had Executive remained employed by the Company for the remainder of the Term. In addition, the unvested portion, if any, of the Executive's account balance under the nonqualified DC Pension Plan as of the Date of Termination that would have vested had Executive remained employed by the Company for the remainder of the Term shall be fully vested as of the Date of Termination and shall be paid out in accordance with the terms of the nonqualified DC Pension Plan.

(E) In addition to the benefits to which the Executive is entitled under the DB Pension Plan, the Company shall pay the Executive a lump sum amount, in cash, equal to the sum of (i) the amount that would have been allocated thereunder by the Company in respect of the Executive during the Severance Period, determined (x) as if the Executive earned compensation during such period equal to the sum of the Executive's base salary and target bonus as in effect immediately prior to the Date of Termination, or, if higher, as in effect immediately prior to the occurrence of the first event or circumstance constituting Good Reason, and (y) without regard to any amendment to the DB Pension Plan made subsequent to a Change in Control and on or prior to the Date of Termination, which amendment adversely affects in any manner the computation of benefits thereunder, and (ii) the Executive's unvested accrued benefit, if any, under the tax-qualified DB Pension Plan as of the Date of Termination that would have vested had Executive remained employed by the Company for the remainder of the Term.

(F) Subject to the last sentence in this section 4.1(F), notwithstanding the terms of any award agreement or plan document to the contrary, the Executive shall be entitled to receive continued vesting of any long term incentive awards, including awards of stock options but excluding awards of restricted stock and phantom stock, held by the Executive at the time of his or her termination of employment that are not vested or exercisable on such date, in accordance with their terms as if the Executive's employment had not terminated, for the duration of the Severance Period, with any options or similar rights to remain exercisable (to the extent exercisable at the end of the Severance Period) for a period of 90 days following the close of the Severance Period, but not beyond the maximum original term of such options or rights. However, if, at the time of his severance under the terms of this agreement the Executive has attained an age of 55 years and has at least 3 years of service, nothing in this section 4.1(F) shall truncate either the vesting period or the exercise period associated with an award. In the event that the terms of any award agreement or plan document, or the actions of the Board in connection with a Change in Control, would provide the Executive with greater benefits with respect to Executive's awards than those set forth in this paragraph (for example and without limitation, full accelerated vesting of awards upon a Change in Control, a longer post-termination exercise period, lapse of restrictions on restricted stock, and/or other benefits in excess of or to a greater extent than those provided for in this paragraph with respect to any of Executive's awards), then the terms and conditions of any such award agreement, plan document or Board action (as the case may be), to the extent of such greater benefits, shall apply to such award, and nothing in this Agreement shall be deemed to provide for or require the benefits only to the extent provided in the first two sentences of this Section 4.1(F).

(G) The Company shall pay to the Executive, a lump sum payment, in cash, equal to $30,000 for outplacement assistance purposes.

Except where otherwise expressly specified to the contrary under this Agreement, all lump sum payments under this Section 4.1 shall be paid within the sixty (60) day period immediately following the Executive's Separation from Service, but only if the Executive has executed by such date as the Company may prescribe (which date shall in no event be later than the 50th day following the Executive's Separation from Service) and not revoked the release of claims in accordance with the first paragraph of this Section 4.1. If the payment period described in the immediately preceding sentence begins in one taxable year and ends in another taxable year, payments described herein shall be made in the second taxable year. If the Executive is a Specified Employee on the date of his Separation from Service, any such payment (other than payments under Section 4.1(A)) that the Executive would otherwise be entitled to receive during the first six months following the Executive's Separation from Service shall be accumulated and paid within fifteen (15) business days after the date that is six months following the Executive's Separation from Service, or if earlier on the first day of the month following Executive's

death. The preceding sentence shall not apply if payments are being made to the Executive upon a Change in Control pursuant to Section 4.3.

4.2 (A) Notwithstanding any other provisions of this Agreement, in the event that any payment or benefit received or to be received by the Executive (including any payment or benefit received in connection with a Change in Control or the termination of the Executive's employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, including the Severance Payments, being hereinafter referred to as the "Total Payments") would be subject (in whole or part), to the Excise Tax, then, after taking into account any reduction in the Total Payments provided by reason of Code section 280G in such other plan, arrangement or agreement, the cash Severance Payments shall first be reduced, and the noncash Severance Payments shall thereafter be reduced, to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which the Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

(B) For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments the receipt or enjoyment of which the Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Code Section 280G(b) shall be taken into account, (ii) no portion of the Total Payments shall be taken into account which, in the opinion of tax counsel ("Tax Counsel") who is reasonably acceptable to the Executive and selected by the accounting firm (the "Auditor") which was, immediately prior to the Change in Control, the Company's independent auditor, does not constitute a "parachute payment" within the meaning of Code Section 280G(b)(2) (including by reason of Code Section 280G(b)(4)(A)) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which, in the opinion of Tax Counsel, constitutes reasonable compensation for services actually rendered, within the meaning of Code Section 280G(b)(4)(B), in excess of the Base Amount allocable to such reasonable compensation, and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Auditor in accordance with the principles of Code Sections 280G(d)(3) and (4).

(C) At the time that payments are made under this Agreement, the Company shall provide the Executive with a written statement setting forth the manner in which such payments were calculated and the basis for such calculations including, without limitation, any opinions or other advice the Company has received from Tax

Counsel, the Auditor or other advisors or consultants (and any such opinions or advice which are in writing shall be attached to the statement).

4.3 Notwithstanding anything in this Agreement to the contrary, if (i) Executive's employment is terminated prior to a Change in Control but after the Company and/or a third party have taken affirmative steps reasonably calculated to effectuate a Change in Control, (ii) such termination is a termination by the Company without Cause, or by the Executive for reasons that would have constituted Good Reason had they occurred following a Change in Control, and the event or actions taken by the Company in connection with such termination have been taken at the request or suggestion of such third party, and (iii) a Change in Control involving such third party (or a party competing with such third party to effectuate a Change in Control) does in fact occur, then for purposes of this Agreement, the date immediately prior to the date of such termination shall be treated as a Change in Control. For purposes of determining the timing of payments and benefits to the Executive under this Agreement in such event, the date of the actual Change in Control shall be treated as the date of the Executive's Separation from Service, and for purposes of determining the amount of payments and benefits to the Executive under this Section 4, the date Executive's employment is actually terminated shall be treated as the Executive's Date of Termination under Section 1(N).

5. Notice of Termination. After a Change in Control and during the Term, any purported termination of the Executive's employment (other than by reason of death) shall be communicated by written Notice of Termination from one party hereto to the other party hereto in accordance with Section 12 hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon.

6. No Mitigation. The Company agrees that, if the Executive's employment with the Company terminates during the Term, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to Section 4 hereof. Further, except as specifically provided in Section 4.1(C) hereof, no payment or benefit provided for in this Agreement shall be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

7. Restrictive Covenants.

7.1 Noncompetition and Nonsolicitation. During the Restricted Period (as defined below), the Executive agrees that he or she shall not, without the Company's prior written consent, for any reason, directly or indirectly, either as principal, agent, manager, employee, partner, shareholder, director, officer, consultant or otherwise (A) become engaged or involved in any business (other than as a less-than three percent (3%) equity owner of any corporation traded on any national, international or regional stock

exchange or in the over-the-counter market) that competes with the Company or any of its Affiliates in the business of gathering, processing, distribution, storage or transmission of natural gas, resale or arranging for the purchase or for the resale, brokering, marketing, or trading of natural gas, or derivatives thereof; energy management and the provision of energy solutions; gathering, compression, treating, processing, fractionation, transportation, trading, marketing of natural gas components, including natural gas liquids; and sales and marketing of natural gas, domestically and abroad; and any other business in which the Company, including Affiliates, is engaged at the termination of the Executive's continuous employment by the Company, including Affiliates; or (B) induce or attempt to induce any customer, client, supplier, employee, agent or independent contractor of the Company or any of its Affiliates to reduce, terminate, restrict or otherwise alter its business relationship with the Company or its Affiliates. The provisions of this Section 7.1 shall be limited in scope and effective only within the following geographical areas: (i) any country in the world where the Company, including Affiliates, has at least US$25 million in capital deployed as of termination of the Executive's continuous employment by Company, including Affiliates; (ii) the continent of North America; (iii) the United States of America and Canada; (iv) the United States of America; (v) the states of Virginia, Georgia, Florida, Texas, California, Massachusetts, Illinois, Michigan, New York, Colorado, Oklahoma, Ohio, Kentucky, Indiana, Pennsylvania, Connecticut, Louisiana, Kansas, Montana, Missouri, Nebraska, and Wyoming; and (vi) any state or states with respect to which was conducted a business of the Company, including Affiliates, which business constituted a substantial portion of the Executive's employment. The parties intend the above geographical areas to be completely severable and independent, and any invalidity or unenforceability of this Agreement with respect to any one area shall not render this Agreement unenforceable as applied to any one or more of the other areas. If any part of this provision is held to be unenforceable because of the duration, scope or area covered, the Company and the Executive agree to modify such part, or that the court making such holding shall have the power to modify such part, to reduce its duration, scope or area, including deletion of specific words and phrases, i.e., "blue penciling", and in its modified, reduced or blue pencil form, such part shall become enforceable and shall be enforced. Nothing in Section 7.1 shall be construed to prohibit the Executive being retained during the Restricted Period in a capacity as an attorney licensed to practice law, or to restrict the Executive providing advice and counsel in such capacity, in any jurisdiction where such prohibition or restriction is contrary to law.

7.2 Restricted Period. For purposes of this Agreement, "Restricted Period" shall mean the period of the Executive's employment during the Term and, in the event of a termination of the Executive's employment following a Change in Control that entitles Executive to Severance Payments covered by Section 4 hereof, the twelve (12) month period following such termination of employment, commencing from the Date of Termination.

7.3 Forfeiture and Repayments. The Executive agrees that, in the event he or she violates the provisions of Section 7 hereof during the Restricted Period,

he or she will forfeit and not be entitled to any Severance Payments or any non-cash benefits or rights under this Agreement (including, without limitation, stock option rights), other than the payments provided under Section 3 hereof. The Executive further agrees that, in the event he or she violates the provisions of Section 7 hereof following the payment or commencement of any Severance Payments, (A) he or she will forfeit and not be entitled to any further Severance Payments, and (B) he or she will be obligated to repay to the Company an amount in respect of the Severance Payments previously made to him or her under Section 4 hereof (the "Repayment Amount"). The Repayment Amount shall be determined by aggregating the cash Severance Payments made to the Executive and multiplying the resulting amount by a fraction, the numerator of which is the number of full and partial calendar months remaining in the Severance Period at the time of the violation (rounded to the nearest quarter of a month), and the denominator of which is twenty-four (24). The Repayment Amount shall be paid to the Company in cash in a single sum within ten (10) business days after the first date of the violation, whether or not the Company has knowledge of the violation or has made a demand for payment. Any such payment made following such date shall bear interest at a rate equal to the prime lending rate of Citibank, N.A. (as periodically set) plus 1%. Furthermore, in the event the Executive violates the provisions of Section 7 hereof, and notwithstanding the terms of any award agreement or plan document to the contrary (which shall be considered to be amended to the extent necessary to reflect the terms hereof), the Executive shall immediately forfeit the right to exercise any stock option or similar rights that are outstanding at the time of the violation, and the Repayment Amount, calculated as provided above, shall be increased by the amount of any gains (measured by the difference between the aggregate fair market value on the date of exercise of shares underlying the stock option or similar right (including without limitation restricted stock, restricted stock units, performance shares and phantom stock units) and the aggregate exercise price (if any) of such stock option or similar right) realized by the Executive upon the exercise or payment of such stock options or similar rights within the one-year period prior to the first date of the violation.

7.4 Permissive Release. The Executive may request that the Company release him or her from the restrictive covenants of Section 7.1 hereof upon the condition that the Executive forfeit and repay all termination benefits and rights provided for in Section 4.1 hereof. The Company may, in its sole discretion, grant such a release in whole or in part or may reject such request and continue to enforce its rights under this Section 7.

7.5 Consideration; Survival. The Executive acknowledges and agrees that the compensation and benefits provided in this Agreement constitute adequate and sufficient consideration for the covenants made by the Executive in this Section 7 and in the remainder of this Agreement. As further consideration for the covenants made by the Executive in this Section 7 and in the remainder of this Agreement, the Company has provided and will provide the Executive certain proprietary and other confidential information about the Company, including, but not limited to, business plans and strategies, budgets and budgetary projections, income and earnings projections and

statements, cost analyses and assessments, and/or business assessments of legal and regulatory issues. The Executive's obligations under this Section 7 shall survive any termination of his or her employment as specified herein.

8. Confidentiality. The Executive acknowledges that during the Executive's employment with the Company or any of its Affiliates, the Executive will acquire, be exposed to and have access to, non-public material, data and information of the Company and its Affiliates and/or their customers or clients that is confidential, proprietary, and/or a trade secret ("Confidential Information"). At all times, both during and after the Term, the Executive shall keep and retain in confidence and shall not disclose, except as required and authorized in the course of the Executive's employment with the Company or any its Affiliates, to any person, firm or corporation, or use for his or her own purposes, any Confidential Information. For purposes of this Agreement, such Confidential Information shall include, but shall not be limited to: sales methods, information concerning principals or customers, advertising methods, financial affairs or methods of procurement, marketing and business plans, strategies (including risk strategies), projections, business opportunities, inventions, designs, drawings, research and development plans, client lists, sales and cost information and financial results and performance. Notwithstanding the foregoing, "Confidential Information" shall not include any information known generally to the public (other than as a result of unauthorized disclosure by the Executive or by the Company or its Affiliates). The Executive acknowledges that the obligations pertaining to the confidentiality and non-disclosure of Confidential Information shall remain in effect for a period of five (5) years after termination of employment, or until the Company or its Affiliates has released any such information into the public domain, in which case the Executive's obligation hereunder shall cease with respect only to such information so released into the public domain; provided, however, with respect to those items of Confidential Information which constitute a trade secret as defined by the applicable laws governing the protection of trade secrets of the Company, the Executive's obligation of confidentiality shall continue to survive after the 5-year period to the greatest extent permitted by applicable trade secret law. The Executive's obligations under this Section 8 shall survive any termination of his or her employment. If the Executive receives a subpoena or other judicial process requiring that he or she produce, provide or testify about Confidential Information, the Executive shall notify the Company and cooperate fully with the Company in resisting disclosure of the Confidential Information. The Executive acknowledges that the Company has the right either in the name of the Executive or in its own name to oppose or move to quash any subpoena or other legal process directed to the Executive regarding Confidential Information. Notwithstanding any other provision of this Agreement, the Executive remains free to report or otherwise communicate any nuclear safety concern, any workplace safety concern, or any public safety concern to the United States Department of Labor or any other appropriate federal or state governmental agency, and the Executive remains free to participate in any federal or state administrative, judicial, or legislative proceeding or investigation with respect to any claims and matters not resolved and terminated pursuant to this Agreement. With respect to any claims and matters resolved and terminated pursuant to this Agreement, the

Executive is free to participate in any federal or state administrative, judicial, or legislative proceeding or investigation if subpoenaed. The Executive shall give the Company, through its legal counsel, notice, including a copy of the subpoena, within twenty-four (24) hours of receipt thereof. Notwithstanding any other provision of this Agreement, nothing in this Agreement generally prevents the Executive from filing a charge or complaint with or from participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission, the National Labor Relations Board, the Securities Exchange Commission or any other federal, state, or local agency charged with the enforcement of any employment laws or any criminal or civil statute.

9. Return of Company Property. All records, files, lists, including, computer generated lists, drawings, documents, equipment and similar items relating to the business of the Company and its Affiliates which the Executive shall prepare or receive from the Company or its Affiliates shall remain the sole and exclusive property of Company and its Affiliates. Upon termination of the Executive's employment for any reason, the Executive shall promptly return all property of Company or any of its Affiliates in his or her possession. The Executive further represents that he or she will not copy or cause to be copied, print out or cause to be printed out any software, documents or other materials originating with or belonging to the Company or any of its Affiliates.

10. Acknowledgement and Enforcement. The Executive acknowledges that the restrictions contained in this Agreement with regards to the Executive's use of Confidential Information and his or her future business activities are fair, reasonable and necessary to protect the Company's legitimate protectable interests, particularly given the competitive nature and broad scope of the Company's business and that of its Affiliates, as well as the Executive's position with the Company. The Executive further acknowledges that the Company may have no adequate means to protect its rights under this Agreement other than by securing an injunction (a court order prohibiting the Executive from violating this Agreement). The Executive therefore agrees that the Company, in addition to any other right or remedy it may have, shall be entitled to enforce this Agreement by obtaining a preliminary and permanent injunction and any other appropriate equitable relief in any court of competent jurisdiction. The Executive acknowledges that the recovery of damages will not be an adequate means to redress a breach of this Agreement, but nothing in this Section 10 shall prohibit the Company from pursuing any remedies in addition to injunctive relief, including recovery of damages and/or any forfeiture or repayment obligations provided for herein.

11. Successors; Binding Agreement.

11.1 In addition to any obligations imposed by law upon any successor to the Company, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to

perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement to perform this Agreement prior to the effectiveness of any Change in Control shall be a breach of this Agreement and shall constitute Good Reason hereunder. For purposes of implementing the foregoing, the date on which any such Change in Control becomes effective shall be deemed the date Good Reason occurs, and shall be the Date of Termination if requested by the Executive.

11.2 This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive shall die while any amount would still be payable to the Executive hereunder (other than amounts which, by their terms, terminate upon the death of the Executive) if the Executive had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the executors, personal representatives or administrators of the Executive's estate.

12. Notices. All notices or other communications hereunder shall be in writing and shall be deemed to have been duly given (a) when delivered personally, (b) upon confirmation of receipt when such notice or other communication is sent by facsimile, (c) one day after timely delivery to an overnight delivery courier, or (d) when delivered or mailed by United States registered mail, return receipt requested, postage prepaid. Such notices shall be directed, in the case of the Company, to the Company's chief legal officer at the principal executive offices of the Company and, in the case of the Executive, to the Executive at the most recent address on file in the payroll records of the Company. Either party hereto may, by notice to the other, change its address for receipt of notices hereunder.

13. Code Section 409A. It is the intention of the Company and the Executive that this Agreement is written and administered, and will be interpreted and construed, in a manner such that no amount under this Agreement becomes subject to (a) gross income inclusion under Code Section 409A or (b) interest and additional tax under Code Section 409A (collectively, "Section 409A Penalties"), including, where appropriate, the construction of defined terms to have meanings that would not cause the imposition of the Section 409A Penalties. Accordingly, the Executive consents to any amendment of this Agreement as the Company may reasonably make in furtherance of such intention, and the Company shall promptly provide, or make available to, the Executive a copy of such amendment. Further, to the extent that any terms of the Agreement are ambiguous, such terms shall be interpreted as necessary to comply with Code Section 409A.

14. Miscellaneous. Except as otherwise provided in Section 13 hereof, no provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and the Chairman of the Board (or such officer as may be specifically designated by the Chairman of the Board). No waiver by either party hereto at any time of any breach by

the other party hereto of, or of any lack of compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. This Agreement supersedes any other agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof which have been made by either party or Duke Energy; provided, however, that this Agreement shall supersede any agreement setting forth the terms and conditions of the Executive's employment with the Company only in the event that the Executive's employment with the Company is terminated on or within two years following a Change in Control, by the Company other than for Cause, by the Executive for Good Reason, or under the circumstances described in Section 4.3. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Texas. All references to sections of the Exchange Act or the Code shall be deemed also to refer to any successor provisions to such sections. Any payments provided for hereunder shall be paid net of any applicable withholding required under federal, state or local law and any additional withholding to which the Executive has agreed and no such payments shall be treated as creditable compensation under any other employee benefit plan, program, arrangement or agreement of or with the Company or its affiliates. The obligations of the Company and the Executive under this Agreement which by their nature may require either partial or total performance after the expiration of the Term (including, without limitation, those under Section 4 hereof) shall survive such expiration.

15. Certain Legal Fees. To provide the Executive with reasonable assurance that the purposes of this Agreement will not be frustrated by the cost of enforcement, the Company shall reimburse the Executive promptly after receipt of an invoice for reasonable attorneys' fees and expenses incurred by the Executive as a result of a claim that the Company has breached or otherwise failed to perform its obligations under this Agreement or any provision hereof, regardless of which party, if any, prevails in the contest; provided, however, that Company shall not be responsible for such fees and expenses to the extent incurred in connection with a claim made by the Executive that the trier of fact in any such contest finds to be frivolous or if the Executive is determined to have breached his or her obligations under Sections 7, 8, 9, 16, or 17 of this Agreement; and provided further, however, the Company shall not be responsible for such fees or expenses in excess of $100,000 in the aggregate. Notwithstanding the preceding sentence, no reimbursement shall be made for attorneys' fees and expenses incurred after the last day of the second taxable year of the Executive following the taxable year in which the Executive incurs a Separation from Service, and reimbursement of such amounts will not be made later than the last day of the third taxable year of the Executive following the taxable year in which the Executive incurs the Separation from Service.

16. Cooperation. The Executive agrees that he or she will fully cooperate in any litigation, proceeding, investigation or inquiry in which the Company or its Affiliates may be or become involved. The Executive also agrees to cooperate fully with any internal investigation or inquiry conducted by or on behalf of the Company. Such

cooperation shall include the Executive making himself or herself available, upon the request of the Company or its counsel, for depositions, court appearances and interviews by Company's counsel. The Company shall reimburse the Executive for all reasonable and documented out-of-pocket expenses incurred by him or her in connection with such cooperation. To the maximum extent permitted by law, the Executive agrees that he or she will notify the Board if he or she is contacted by any government agency or any other person contemplating or maintaining any claim or legal action against the Company or its Affiliates or by any agent or attorney of such person. Nothing contained in this Section 16 shall preclude the Executive from providing truthful testimony in response to a valid subpoena, court order, regulatory request or as may be required by law. Payment for expenses to be reimbursed under this Section 16 may not be made after December 31st of the year following the year in which the expense was incurred.

17. Non-Disparagement. The Executive agrees that he or she will not make or publish, or cause to be made or published, any statement which is, or may reasonably be considered to be, disparaging of the Company or its Affiliates, or directors, officers or employees of the businesses of the Company or its Affiliates. Nothing contained in this Section 17 shall preclude the Executive from providing truthful testimony in response to a valid subpoena, court order, regulatory request or as may be required by law.

18. Validity; Severability. The invalidity or unenforceability of any provision of any Section or sub-Section of this Agreement, including, but not limited to, any provision contained in Section 7 hereof, shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect. If any provision of this Agreement is held to be unenforceable because of the scope, activity or duration of such provision, or the area covered thereby, the parties hereto agree to modify such provision, or that the court making such determination shall have the power to modify such provision, to reduce the scope, activity, duration and/or area of such provision, or to delete specific words or phrases therefrom, and in its reduced or modified form, such provision shall then be enforceable and shall be enforced to the maximum extent permitted by applicable law.

19. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

20. Settlement of Disputes. All claims by the Executive for benefits under this Agreement (a) shall be directed to and determined by the Chairman of the Board, unless the Executive is the Chief Executive Officer of the Company, in which case such a claim shall be directed to and determined by the Compensation Committee of the Board, and (b) shall be in writing. Any denial by the Chairman of the Board or the Compensation Committee of the Board, as applicable, of a claim for benefits under this Agreement shall be delivered to the Executive in writing and shall set forth the specific provisions of this Agreement relied upon.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the Effective Date first written above.

SPECTRA ENERGY CORP

By: _____

Name: Gregory L. Ebel

Title: Chair, President & CEO

_____

EXECUTIVE

EXHIBIT A

RELEASE OF CLAIMS

This RELEASE OF CLAIMS (the "Release") is executed and delivered by _____ (the "Employee") to SPECTRA ENERGY CORP (together with its successors, the "Company").

In consideration of the agreement by the Company to provide the Employee with the rights, payments and benefits under the Change in Control Agreement between the Employee and the Company dated _____ __, 20___ (the "Severance Agreement"), the Employee hereby agrees as follows:

Section 1. Release and Covenant. The Employee, of his or her own free will, voluntarily and unconditionally releases and forever discharges the Company, its subsidiaries, parents, affiliates, their directors, officers, employees, agents, stockholders, successors and assigns (both individually and in their official capacities with the Company) (the "Company Releasees") from, any and all past or present causes of action, suits, agreements or other claims which the Employee, his or her dependents, relatives, heirs, executors, administrators, successors and assigns has or may hereafter have from the beginning of time to the date hereof against the Company or the Company Releasees upon or by reason of any matter, cause or thing whatsoever, including, but not limited to, any matters arising out of his or her employment by the Company and the cessation of said employment, and including, but not limited to, any alleged violation of the Civil Rights Acts of 1964 and 1991, the Equal Pay Act of 1963, the Employee Retirement Income Security Act of 1974, the Age Discrimination in Employment Act of 1967, the Rehabilitation Act of 1973, the Older Workers Benefit Protection Act of 1990, the Americans with Disabilities Act of 1990 and any other federal, state or local law, regulation or ordinance, or public policy, contract or tort law having any bearing whatsoever on the terms and conditions of employment or termination of employment. This Release shall not, however, constitute a waiver of any of the Employee's rights under the Severance Agreement.

Section 2. Due Care. The Employee acknowledges that he or she has received a copy of this Release prior to its execution and has been advised hereby of his or her opportunity to review and consider this Release for 21 days prior to its execution. The Employee further acknowledges that he or she has been advised hereby to consult with an attorney prior to executing this Release. The Employee enters into this Release having freely and knowingly elected, after due consideration, to execute this Release and to fulfill the promises set forth herein. This Release shall be revocable by the Employee during the 7-day period following its execution, and shall not become effective or enforceable until the expiration of such 7-day period. In the event of such a revocation, the Employee shall not be entitled to the consideration for this Release set forth above.

Section 3. Nonassignment of Claims; Proceedings. The Employee represents and warrants that there has been no assignment or other transfer of any interest in any claim which the Employee may have against the Company or any of the Company Releasees. The Employee represents that he or she has not commenced or joined in any claim, charge, action or proceeding whatsoever against the Company or any of the Company Releasees arising out of or relating to any of the matters set forth in this Release. The Employee further agrees that he or she will not seek or be entitled to any personal recovery in any claim, charge, action or proceeding whatsoever against the Company or any of the Company Releasees for any of the matters set forth in this Release.

Section 4. Reliance by Employee. The Employee acknowledges that, in his or her decision to enter into this Release, he or she has not relied on any representations, promises or agreements of any kind, including oral statements by representatives of the Company or any of the Company Releasees, except as set forth in this Release and the Severance Agreement.

Section 5. Nonadmission. Nothing contained in this Release will be deemed or construed as an admission of wrongdoing or liability on the part of the Company or any of the Company Releasees.

Section 6. Communication of Safety Concerns. Notwithstanding any other provision of this Release, the Employee remains free to report or otherwise communicate any nuclear safety concern, any workplace safety concern, or any public safety concern to the Nuclear Regulatory Commission, United States Department of Labor, or any other appropriate federal or state governmental agency, and the Employee remains free to participate in any federal or state administrative, judicial, or legislative proceeding or investigation with respect to any claims and matters not resolved and terminated pursuant to the Severance Agreement and this Release. With respect to any claims and matters resolved and terminated pursuant to the Severance Agreement and this Release, the Employee is free to participate in any federal or state administrative, judicial, or legislative proceeding or investigation if subpoenaed. The Employee shall give the Company, through its legal counsel, notice, including a copy of the subpoena, within twenty-four (24) hours of receipt thereof.

Section 7. Governing Law. This Release shall be interpreted, construed and governed according to the laws of the State of Texas, without reference to conflicts of law principles thereof.

Section 8. Severability. It is understood by you and the Company that if any part of this Release of Claims is held by a court to be invalid, the remaining portions shall not be affected.

[SIGNATURE PAGE FOLLOWS]

This RELEASE OF CLAIMS is executed by the Employee and delivered to the Company on _____, 20___.

EMPLOYEE

_____

[not to be signed upon execution of Change in Control Agreement]

SPECTRA ENERGY CORP
PHANTOM STOCK AWARD AGREEMENT

This **Phantom Stock Award Agreement** (the "Agreement") has been made as of , (the "Date of Grant") between **Spectra Energy Corp**, a Delaware corporation, with its principal offices in Houston, Texas (the "Company"), and _____ (the "Grantee").

RECITALS

Under the amended and restated Spectra Energy Corp 2007 Long-Term Incentive Plan as it may, from time to time, be amended (the "Plan"), the Compensation Committee of the Board of Directors of the Company (the "Committee"), or its delegatee, has determined the form of this Agreement (which also includes Schedule A hereto or Schedule B hereto, as applicable to the Grantee) and selected the Grantee, as an Employee, to receive the award evidenced by this Agreement (the "Award") and the Phantom Stock units and tandem Dividend Equivalents that are subject hereto. The basis for the Award is to provide an incentive for the Employee to remain with the Company and to improve Employee retention. Awards are not intended for Employees who have given notice of resignation or who have been given notice of termination by the Company or an employing Subsidiary, and will not accrue to Employees once such notices are given. For clarity, Awards do not accrue for Employees who have received notice, given notice or have been determined to be entitled to a notice period by a court, and no damages suffered by an Employee due to lack of sufficient notice will include compensation for loss of vesting rights or accrual of an Award, notwithstanding any statutory, contractual, or common law period of notice of termination, or compensation in lieu of such notice, to which an employee may be entitled. The applicable provisions of the Plan are incorporated in this Agreement by reference, including the definitions of terms contained in the Plan (unless such terms are otherwise defined herein).

AWARD

In accordance with the Plan, the Company has made this Award, effective as of the Date of Grant and upon the following terms and conditions:

Section 1. *Number and Nature of Phantom Stock Units and Tandem Dividend Equivalents*. The number of Phantom Stock units and the number of tandem Dividend Equivalents subject to this Award are each _____ **(____)**. Each Phantom Stock unit, upon becoming vested before its expiration, represents a right to receive payment in the form of cash equal to the Fair Market Value of one (1) share of Common Stock. Each tandem Dividend Equivalent represents a right to receive cash payments equivalent to the amount of cash dividends declared and paid on one (1) share of Common Stock after the Date of Grant and before the Dividend Equivalent expires. Phantom Stock units and

Dividend Equivalents are used solely as units of measurement, and are not shares of Common Stock and the Grantee is not, and has no rights as, a shareholder of the Company by virtue of this Award. The Phantom Stock units and Dividend Equivalents subject to this Award have been awarded to the Grantee in respect of services to be performed by the Grantee exclusively in and after the year in which the Award is made.

Section 2. *Vesting of Phantom Stock Units*. The specified percentage of the Phantom Stock units subject to this Award, and not previously forfeited, shall vest, with such percentage considered satisfied to the extent such Phantom Stock units have previously vested, as follows:

(a) **Generally.** 100% upon Grantee continuously remaining an Employee of the Company, including Subsidiaries, through the third anniversary of the Date of Grant (the "Vesting Period").

(b) **Retirement.** If Grantee's employment with the Company, including Subsidiaries, terminates at a time when Grantee is eligible for an immediately payable early or normal retirement benefit under the Spectra Energy Retirement Cash Balance Plan or under another retirement plan of the Company or Subsidiary, which plan the Committee, or its delegatee, in its sole discretion, determines to be the functional equivalent of the Spectra Energy Retirement Cash Balance Plan, then the number of Phantom Stock units and tandem Dividend Equivalents to which the Grantee shall have a right to payment hereunder shall be prorated to reflect the number of months of the Vesting Period during which the Grantee's active employment with the Company, including Subsidiaries, ("Active Employment") continued, and the remaining Phantom Stock units not vested shall be forfeited. Solely for purposes of calculating the prorated payment in the preceding sentence, if the Grantee's Active Employment continued for at least one (1) day during a calendar month in the Vesting Period, Grantee's Active Employment shall be considered to have continued for the entirety of such month, but in no event for more than thirty-six (36) months. Grantee shall be considered to have "retired" but Grantee's employment shall be considered to continue, with continued vesting under Section 2(a) with respect to the prorated payment determined in accordance with the above, (i) unless the Committee or its delegatee, in its sole discretion, determines that (A) Grantee is in violation of any obligation identified in Section 4 or (B) the termination of Grantee's employment is for Cause, in which case all Phantom Stock units not previously vested shall be forfeited, or (ii) unless the Grantee dies, in which case the Phantom Stock units subject to the provisions of this Section 2(b) shall vest in accordance with Section 2(c). The additional provisions of Section 1 of Schedule B hereto are incorporated herein if Schedule B is applicable to the Grantee.

(c) **Death or Disability.** If Grantee's employment with the Company, including Subsidiaries, terminates (i) as the result of Grantee's death or (ii) as the result of Grantee's "permanent and total disability," as defined in Section 1 of Schedule A hereto or Section 2 of Schedule B hereto, as applicable to the Grantee, 100% of the Phantom Stock units subject to this Award shall vest immediately.

(d) **Involuntary Termination Without Cause.** If Grantee's employment is terminated by the Company, or employing Subsidiary, other than for Cause, regardless of reason for termination or the party giving notice, (i) the number of Phantom Stock units and tandem Dividend Equivalents to which the Grantee shall have a right to payment hereunder shall be prorated to reflect the number of months of Active Employment during the Vesting Period, and shall vest immediately, and (ii) the remaining Phantom Stock units shall be forfeited. Solely for purposes of calculating the prorated payment in clause (i) of the preceding sentence, if the Grantee's Active Employment continued for at least one (1) day during a calendar month in the Vesting Period, Grantee's Active Employment shall be considered to have continued for the entire month, but in no event for more than thirty-six (36) months. The additional provisions of Section 3 of Schedule B hereto are incorporated herein if Schedule B is applicable to the Grantee.

(e) **Change in Control.** All Phantom Stock units and tandem Dividend Equivalents to which the Grantee has the right to payment hereunder shall become 100% vested to the extent not yet vested as provided for in Section 2 above, if, following the occurrence of a Change in Control and before the second anniversary of such occurrence, (A) the Grantee's employment is terminated involuntarily, and not for Cause, by the Company, or employing Subsidiary, or their successor; or (B) such employment is terminated by the Grantee for Good Reason.

For the purposes of this Agreement, "Good Reason" is defined as the occurrence (without the Grantee's express written consent) of any of the following, unless such act or failure to act is corrected, prior to the effective date of Grantee's termination of employment, as specified in Grantee's notice termination, as provided in the following paragraph: (A) a substantial adverse alteration in the nature or status of the Grantee's responsibilities; (B) a reduction in the Grantee's annual base salary, provided that there is not an across-the-board reduction similarly affecting all or substantially all similarly-situated employees of the Company and employing Subsidiaries; (C) a reduction in the Grantee's target annual bonus, provided that there is not an across-the-board reduction similarly affecting all similarly-situated employees of the Company and employing Subsidiaries; (D) the elimination of any material employee benefit plan in which the Grantee is a participant or the material reduction of Grantee's benefits under such plan, unless the Company either (1) immediately replaces such employee benefit plan or unless the Grantee is permitted to immediately participate in other employee benefit plan(s) providing the Grantee with a substantially equivalent value of benefits in the aggregate to those eliminated or materially reduced, or (2) immediately provides the Grantee with other forms of compensation of comparable value to that being eliminated or reduced; (E) a relocation without the written consent of the Grantee that requires the Grantee to report to a work location more than thirty-five (35) miles from the work location to which the Grantee was assigned prior to the Change in Control.

Grantee is required to provide notice to the Company of the existence of any of the conditions set forth in the "Good Reason" definition in this Section 2(e) at least fifteen (15),

but not more than sixty (60), days prior to the date of Grantee's termination of employment. Upon receipt of such notice, the Company may, prior to the effective date of Grantee's termination of employment, cure or remedy such condition. If Grantee terminates from employment after providing notice and after the Company has cured the condition within the time frame set forth in this Section 2(e), then such termination of employment will be considered to be a voluntary termination of employment, and not a separation for Good Reason.

The Grantee's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason pursuant to the foregoing provisions of this Section 2(e).

Section 3. *Definition of "Cause*." For the purposes of this Agreement, "Cause" for termination by the Company or an employing Subsidiary of the Grantee's employment shall include: (i) a material failure by the Grantee to carry out, or malfeasance or gross insubordination in carrying out, reasonably assigned duties or instructions consistent with the Grantee's position, (ii) the final conviction of the Grantee of a (A) felony, (B) crime or criminal offense involving moral turpitude, or (C) criminal or summary conviction offense that is related to the Grantee's employment with the Company or an employing Subsidiary, (iii) an egregious act of dishonesty by the Grantee (including, without limitation, theft or embezzlement) in connection with employment, or a malicious action by the Grantee toward the customers or employees of the Company or any affiliate, (iv) a material breach by the Grantee of the Company's Code of Business Ethics, (v) the failure of the Grantee to cooperate fully with governmental investigations involving the Company or its affiliates, or (vi) the usual meaning of just cause under Canadian common law, if applicable; all as determined by the Company in its sole discretion.

Section 4. *Violation of Grantee Obligation*. In consideration of the continued vesting opportunity provided under Section 2 following the termination of Grantee's continuous employment by the Company, including Subsidiaries, if Grantee is considered "retired", Grantee agrees to the noncompetition and other restrictions set forth in Section 2 of Schedule A hereto or Section 4 of Schedule B hereto, as applicable to the Grantee. In the event that Grantee violates applicable noncompetition and other restrictions, the continued vesting opportunity provided under Section 2 shall terminate and be forfeited.

Section 5. *Forfeiture/Expiration*. Any Phantom Stock unit subject to this Award shall be forfeited upon notice of the termination of Grantee's continuous employment with the Company and its Subsidiaries, whether such notice is given by the Grantee or by the Company, including Subsidiaries, from the Date of Grant, except to the extent otherwise provided in Section 2, and, if not previously vested, deferred or forfeited, shall expire immediately before the third anniversary of the Date of Grant. Any Dividend Equivalent subject to this Award shall expire at the time the unit of Phantom Stock with respect to which the Dividend Equivalent is in tandem (i) is vested and paid, or, to the extent permitted by the laws of the applicable jurisdiction, deferred, (ii) is forfeited, or (iii) expires. The

additional provisions of Section 5 of Schedule B hereto are incorporated herein if Schedule B is applicable to the Grantee.

Section 6. *Dividend Equivalent Payments*. Payment with respect to any Dividend Equivalent subject to this Award that is in tandem with a Phantom Stock unit that is vested and paid shall be paid in a single lump sum cash payment as soon as practicable following the vesting and payment of the Phantom Stock unit, and in no event later than the end of the third calendar year following the year of the Date of Grant, except, if the vested Phantom Stock unit is deferred by the Grantee as provided in Section 7, payment with respect to the tandem Dividend Equivalent shall likewise be deferred. Payment under this Section 6 shall be made not later than thirty (30) days after payment hereunder of the related tandem Phantom Stock units. The Dividend Equivalent payment amount shall equal the aggregate cash dividends declared and paid with respect to one (1) share of Common Stock for the period beginning on the Date of Grant and ending on the date the vested, tandem Phantom Stock unit is paid or deferred and before the Dividend Equivalent expires. However, should the Grantee receive payment of Phantom Stock units under this Award without the right to receive a dividend and, because of the timing of the declaration of such dividend, the Grantee is not otherwise entitled to payment under the expiring Dividend Equivalent with respect to such dividend, the Grantee, nevertheless, shall be entitled to such payment. Dividend Equivalent payments shall be subject to withholding for taxes. Notwithstanding any other provision hereof, to the extent necessary for this Agreement not to be construed as a salary deferral arrangement under Canadian law, in no event will any Dividend Equivalent to which the Grantee may be entitled vest, or will the right to receive a payment in respect of any Dividend Equivalent arise, after December 30 of the calendar year which is three years following the end of the year in which any portion of the services to which the award of such Dividend Equivalent relates were performed by the Grantee, and in the event this would, apart from this provision, occur, notwithstanding any other provision hereof, the applicable Dividend Equivalent will vest and the Grantee will be entitled to receive payment of such Dividend Equivalent on December 30 (or the first date prior thereto that is not a Saturday, Sunday or holiday) in the first calendar year which is three years following the end of the year in which any portion of the services to which the award of such Dividend Equivalent relates were performed by the Grantee.

Section 7. *Payment of Phantom Stock Units*. Payment of Phantom Stock units subject to this Award shall be made to the Grantee in a single lump sum cash payment as soon as practicable following the time such units become vested in accordance with Section 2 prior to their expiration but in no event later than thirty (30) days following such vesting and in no event later than the end of the third calendar year following the year of the Date of Grant, except to the extent deferred by Grantee in accordance with such procedures as the Committee, or its delegatee, may prescribe consistent with the requirements of Code Section 409A or any Canadian law equivalent, as applicable. Any deferral of Phantom Stock units by the Grantee hereunder shall apply to both the shares of Common Stock and the related tandem Dividend Equivalents. Payment shall be subject to withholding for taxes. Payment shall be in the form of cash equal to the Fair Market Value of one (1) share

of Common Stock for each full vested unit of Phantom Stock, and any fractional vested unit of Phantom Stock shall be rounded up to the next whole share for purposes of both vesting under Section 2 and payment under this Section 7.

Section 8. *No Employment Right*. Nothing in this Agreement or in the Plan shall confer upon the Grantee the right to continued employment by the Company or any Subsidiary, or affect the right of the Company or any Subsidiary to terminate the employment or service of the Grantee at any time for any reason.

Section 9. *Nonalienation*. The Phantom Stock units and Dividend Equivalents subject to this Award are not assignable or transferable by the Grantee. Upon any attempt to transfer, assign, pledge, hypothecate, sell or otherwise dispose of any such Phantom Stock unit or Dividend Equivalent, or of any right or privilege conferred hereby, or upon the levy of any attachment or similar process upon such Phantom Stock unit or Dividend Equivalent, or upon such right or privilege, such Phantom Stock unit or Dividend Equivalent, or right or privilege, shall immediately become null and void.

Section 10. *Determinations*. Determinations by the Committee, or its delegatee, shall be final and conclusive with respect to the interpretation of the Plan and this Agreement.

Section 11. *Governing Law and Severability*. The validity and construction of this Agreement shall be governed by the laws of the state of Delaware applicable to transactions taking place entirely within that state. The invalidity of any provision of this Agreement shall not affect any other provision of this Agreement, which shall remain in full force and effect.

Section 12. *Code Section 409A*. Notwithstanding any provision of this Agreement to the contrary, for the purposes of this Agreement, the termination of Grantee's employment shall not result in the payment of any amount hereunder that is subject to, and not exempt from, Code Section 409A, unless such termination of employment constitutes a "separation from service" as defined under Code Section 409A. Further, notwithstanding any provision of this Agreement to the contrary, if any payment or other benefit provided herein would be subject to unfavorable tax consequences under Code Section 409A because the timing of such payment is not delayed as provided in Code Section 409A for a "specified employee" (within the meaning of Code Section 409A), then if the Grantee is a "specified employee," any such payment that the Grantee would otherwise be entitled to receive during the first six (6) months following Grantee's termination of employment from the Company, including Subsidiaries, shall be accumulated and paid, within thirty (30) days after the date that is six (6) months following the Grantee's date of termination of employment from the Company, including Subsidiaries, or such earlier date upon which such amount can be paid under Code Section 409A without being subject to such unfavorable tax consequences such as, for example, upon the Grantee's death.

Section 13. *Conflicts with Plan, Correction of Errors, Grantee's Consent, and Amendments*. In the event that any provision of this Agreement conflicts in any way with a provision of the Plan, such Plan provision shall be controlling and the applicable provision of this Agreement shall be without force and effect to the extent necessary to cause such Plan provision to be controlling. In the event that, due to administrative error, this Agreement does not accurately reflect a Phantom Stock Award properly granted to Grantee pursuant to the Plan, the Company, acting through its Executive Compensation Department, reserves the right to cancel any erroneous document and, if appropriate, to replace the cancelled document with a corrected document. It is the intention of the Company and the Grantee that this Agreement either (i) comply with the salary deferral arrangement rules under Canadian law and Code Section 409A, as applicable, or (ii) not be construed as a salary deferral arrangement under Canadian law and be exempt from Code Section 409A, to the extent applicable. Accordingly, this Agreement shall be interpreted as necessary and to the extent legally permissible to comply with the requirements of, or exemption under, Canadian law and Code Section 409A, as applicable, as determined by the Committee or its delegatee. Grantee shall also be deemed to consent to any amendment of the Plan or the Agreement as the Committee may reasonably make in furtherance of such intention, and the Committee shall promptly provide, or make available to, the Grantee a copy of any such amendment. Finally, this Agreement may be amended or modified at any time and from time to time by action of the Committee.

Section 14. *Grantee Confidentiality Obligations*. In accepting this Phantom Stock Award, Grantee acknowledges that Grantee is obligated under Company policy, and under federal, state, provincial and other applicable law, to protect and safeguard the confidentiality of trade secrets and other proprietary and confidential information belonging to the Company and its affiliates that are acquired by Grantee during Grantee's employment with the Company and its affiliates, and that such obligations continue beyond the termination of such employment. Grantee agrees to notify any subsequent employer of such obligations and that the Company and its affiliates, in order to enforce such obligations, may pursue legal recourse not only against Grantee, but against a subsequent employer of Grantee. Grantee agrees that he shall not disclose the existence or terms of this Agreement to anyone other than his spouse, tax advisor(s) and/or attorney(s), provided that he first obtains the agreement of such persons to be bound by the confidentiality provisions of this paragraph. Grantee also agrees to immediately give the Company written notice in accordance with the provisions of this Agreement in the event he is legally required to disclose any of the confidential information covered by the provisions of this paragraph.

Section 15. *Nonsolicitation*. Grantee further agrees that he will not, either directly or indirectly, solicit, hire or employ, or cause any other person, company, or entity to solicit, hire or employ, any employee or contractor retained or employed by the Company or its affiliates during the period of Grantee's employment and for the period set forth in Section 3 of Schedule A hereto or Section 6 of Schedule B hereto, as applicable to the Grantee. The provisions of this paragraph shall not apply to contact initiated by an employee or contractor of the Company or its affiliates in response to a general solicitation of applications

for employment. Grantee agrees that this Agreement is subject to the provisions of this paragraph.

Section 16. *Notices*. All notices under this Agreement shall be mailed or delivered by hand to the parties at their respective addresses set forth beneath their signatures below or at such other address as may be designated in writing by either party to the other party, or to their permitted transferees if applicable. Notices shall be effective upon receipt.

Section 17. *Payments Subject to Clawback*. To the extent that any payment under this Agreement is subject to clawback under Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as it may be amended from time to time, such amount will be clawed back in appropriate circumstances, as determined under the terms and conditions prescribed by such Act and the authority issued thereunder. Further, the Company will be entitled to the extent permitted or required by any other applicable law and/or Company policy as in effect from time to time (including, but not limited to, the Policy on Recovery of Executive Compensation) to recoup compensation of whatever kind paid by the Company or any of its affiliates at any time to the Grantee pursuant to this Agreement.

Section 18. *Equitable Remedies*. Grantee hereby acknowledges and agrees that a breach of Grantee's obligations under this Agreement would result in damages to the Company that could not be adequately compensated for by monetary award. Accordingly, in the event of any such breach by Grantee, in addition to all other remedies available to the Company at law or in equity, the Company will be entitled as a matter of right to apply to a court of competent jurisdiction for such relief by way of restraining order, injunction, decree or otherwise, as may be appropriate to ensure compliance with the provisions of this Agreement.

Section 19. *Arbitration Agreement*. The Grantee and the Company both agree that any dispute arising out of or related to this Agreement, which does not involve the Company seeking a court injunction or other relief as provided for in Section 18, shall be resolved by binding arbitration under the employment dispute resolution rules of the American Arbitration Association and that any proceeding under the provisions of this Section 19 shall be held in Houston, Texas. The parties both irrevocably WAIVE ANY AND ALL RIGHTS TO A JURY as to any and all claims and issues in any such dispute. By this provision, both the Grantee and the Company understand and agree that any and all claims and issues in such dispute shall be decided by such arbitration proceeding.

Notwithstanding the foregoing, this Award is subject to cancellation by the Company in its sole discretion unless the Grantee, by not later than _____ __, ____, has signed a duplicate of this Agreement, in the space provided below, and returned the signed duplicate to the Executive Compensation Department - Phantom Stock (WO 1O23), Spectra Energy Corp, P. O. Box 1642, Houston, TX 77251-1642, which, if, and to the extent, permitted by the Executive Compensation Department, may be accomplished by electronic means.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and granted in Houston, Texas, to be effective as of the Date of Grant.

ATTEST:

By: _____
Corporate Secretary

SPECTRA ENERGY CORP:

By: _____
President & CEO, Spectra Energy Corp

Address for Notices:

5400 Westheimer Court
Mail Drop 1O23
Houston, Texas 77056

Attention: Karen Gowder

Acceptance of Phantom Stock Award

IN WITNESS OF Grantee's acceptance of this Award and Grantee's agreement to be bound by the provisions of this Agreement and the Plan, Grantee has signed this Agreement this _____ day of _____, ____.

_____
Grantee's Signature

_____
(print name)

_____
(employee ID)

Address for Notices:

_____
(address)

_____
(address)

SCHEDULE A

This Schedule A and the provisions hereof shall apply to the Grantee if (and only if) the Grantee is on the payroll of one of the Company's directly or indirectly held or majority or greater-owned subsidiaries or affiliates that is a United States entity.

Section 1. For purposes of Section 2(c) of the Agreement, "permanent and total disability" shall have the meaning set forth in Code Section 22(e)(3).

Section 2. The following provisions shall apply for purposes of Section 4 of the Agreement:

Grantee agrees that during the period beginning with such termination of employment and ending with the third anniversary of the Date of Grant ("Restricted Period"), Grantee shall not (i) without the prior written consent of the Company, or its delegatee, become employed by, serve as a principal, partner, or member of the board of directors of, or in any similar capacity with, or otherwise provide service to, a competitor, to the detriment, of the Company or any Subsidiary or (ii) violate any of Grantee's other noncompetition obligations, or any of Grantee's nonsolicitation or nondisclosure obligations, to the Company or any Subsidiary. The noncompetition obligations of clause (i) of the preceding sentence shall be limited in scope and shall be effective only to competition with the Company or any Subsidiary in the businesses of: gathering, processing or transmission of natural gas, resale or arranging for the purchase or for the resale, brokering, marketing, or trading of natural gas or crude oil, electricity or derivatives thereof; energy management and the provision of energy solutions; gathering, compression, treating, processing, fractionation, transportation, trading, marketing of natural gas components, including natural gas liquids, or of crude oil; sales and marketing of electric power and natural gas, domestically and abroad; and any other business in which the Company, including Subsidiaries, is engaged at the termination of Grantee's continuous employment by the Company, including Subsidiaries; and within the following geographical areas (i) any country in the world where the Company has at least US$25 million in capital deployed as of termination of Grantee's continuous employment by Company, including Subsidiaries; (ii) the continent of North America; (iii) the United States of America and Canada; (iv) the states of (A) Virginia, (B) Georgia, (C) Florida, (D) Texas, (E) California, (F) Massachusetts, (G) Illinois, (H) Michigan, (I) New York, (J) Colorado, (K) Oklahoma, (L) Kentucky, (M) Ohio, (N) Louisiana, (O) Kansas, (P) Montana, (Q) Missouri, (R) Nebraska, and (S) Wyoming; and (v) any state or states or province or provinces in which was conducted a business of the Company, including Subsidiaries, which business constituted a substantial portion of Grantee's employment. The Company and Grantee intend the above restrictions on competition in geographical areas to be

entirely severable and independent, and any invalidity or enforceability of this provision with respect to any one or more of such restrictions, including geographical areas, shall not render this provision unenforceable as applied to any one or more of the other restrictions, including geographical areas. If any part of this provision is held to be unenforceable because of the duration, scope or area covered, the Company and Grantee agree to modify such part, or that the court making such holding shall have the power to modify such part, to reduce its duration, scope or area, including deletion of specific words and phrases, i.e., "blue penciling", and in its modified, reduced or blue pencil form, such part shall become enforceable and shall be enforced. Nothing herein shall be construed to prohibit Grantee being retained during the Restricted Period in a capacity as an attorney licensed to practice law, or to restrict Grantee providing advice and counsel in such capacity, in any jurisdiction where such prohibition or restriction is contrary to law.

Section 3. The nonsolicitation period for purposes of Section 15 of the Agreement is a period of three (3) years following Grantee's termination of employment with the Company and its affiliates.

SCHEDULE B

This Schedule B and the provisions hereof shall apply to the Grantee if (and only if) the Grantee is on the payroll of one of the Company's directly or indirectly held or majority or greater-owned subsidiaries or affiliates that is a Canadian entity.

Section 1. The following provisions shall be incorporated at the end of Section 2(b) of the Agreement:

The date of the termination of Grantee's continuous employment with the Company for the purposes of this Section 2(b) shall be deemed to be the date on which any notice of termination of employment provided to or by such Grantee is stated to be effective (or in the case of an alleged constructive dismissal, the date on which the alleged constructive dismissal is alleged to have occurred), and not during or as of the end of any period following such date during which the Grantee is in receipt of, or entitled to receive, statutory, contractual, or common law notice of termination or any compensation in lieu of such notice.

Section 2. For purposes of Section 2(c) of the Agreement, an individual shall be considered to have a "permanent and total disability" if the individual is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

Section 3. The following provisions shall be incorporated at the end of Section 2(d) of the Agreement:

The date that the Grantee's employment is terminated by the Company, including Subsidiaries, other than for Cause for the purposes of this Section 2(d) shall be deemed to be the date on which any notice of termination of employment provided to such Grantee is stated to be effective (or in the case of an alleged constructive dismissal, the date on which the alleged constructive dismissal is alleged to have occurred), and not during or as of the end of any period following such date during which the Grantee is in receipt of, or entitled to receive, statutory, contractual, or common law notice of termination or any compensation in lieu of such notice.

Section 4. The following provisions shall apply for purposes of Section 4 of the Agreement:

Grantee agrees that during the period beginning with such termination of employment and ending with the earlier of (1) the third anniversary of the Date of Grant or (2) the first anniversary of the date of such termination of employment ("Restricted Period"), Grantee shall not (i) without the prior

written consent of the Company, or its delegatee, become employed by, serve as a principal, partner, or member of the board of directors of, or in any similar capacity with, or otherwise provide service to, a competitor, to the detriment, of the Company or any Subsidiary or (ii) violate any of Grantee's other noncompetition obligations, or any of Grantee's nonsolicitation or nondisclosure obligations, to the Company or any Subsidiary. The noncompetition obligations of clause (i) of the preceding sentence shall be limited in scope and shall be effective only to competition with the Company or any Subsidiary in the businesses of: gathering, processing or transmission of natural gas or crude oil, resale or arranging for the purchase or for the resale, brokering, marketing, or trading of natural gas, electricity or derivatives thereof; energy management and the provision of energy solutions; gathering, compression, treating, processing, fractionation, transportation, trading, marketing of natural gas components, including natural gas liquids, or of crude oil; sales and marketing of electric power and natural gas, domestically and abroad; and any other business in which the Company, including Subsidiaries, is engaged at the termination of Grantee's continuous employment by the Company, including Subsidiaries; and within the geographical area of the province in which Grantee was employed at termination of employment from the Company and employing Subsidiaries. If any part of this provision is held to be unenforceable because of the duration, scope or area covered, the Company and Grantee agree to modify such part, or that the court making such holding shall have the power to modify such part, to reduce its duration, scope or area, including deletion of specific words and phrases, i.e., "blue penciling", and in its modified, reduced or blue pencil form, such part shall become enforceable and shall be enforced. Nothing herein shall be construed to prohibit Grantee being retained during the Restricted Period in a capacity as an attorney licensed to practice law, or to restrict Grantee providing advice and counsel in such capacity, in any jurisdiction where such prohibition or restriction is contrary to law.

Section 5. The following provisions shall be incorporated at the end of Section 5 of the Agreement:

The date of the termination of Grantee's continuous employment with the Company, including Subsidiaries, for the purposes of this Section 5 shall be deemed to be the date on which any notice of termination of employment provided to or by such Grantee is stated to be effective (or in the case of an alleged constructive dismissal, the date on which the alleged constructive dismissal is alleged to have occurred), and not during or as of the end of any period following such date during which the Grantee is in receipt of, or entitled to receive, statutory, contractual, or common law notice of termination or any compensation in lieu of such notice.

Section 6. The nonsolicitation period for purposes of Section 15 of the Agreement is a period of one (1) year following Grantee's termination of employment with the Company and its affiliates.

EXHIBIT 10.28

SPECTRA ENERGY CORP
STOCK OPTION AGREEMENT
(Nonqualified Stock Options)

This Stock Option Agreement (the "Agreement") has been made as of _____ ___, _____ (the "Date of Grant") between Spectra Energy Corp, a Delaware Company, with its principal offices in Houston, Texas (the "Company"), and _____ (the "Grantee").

RECITALS

Under the amended and restated Spectra Energy Corp 2007 Long-Term Incentive Plan as it may, from time to time, be amended (the "Plan"), the Compensation Committee of the Board of Directors of the Company (the "Committee"), or its delegatee, has determined the form of this Agreement (which also includes Schedule A hereto or Schedule B hereto, as applicable to the Grantee) and selected the Grantee, as an Employee, to receive the award evidenced by this Agreement (the "Award") and the nonqualified stock option that is subject hereto. Awards are not intended for employees who have given notice of resignation or who have been given notice of termination by the Company or an employing Subsidiary, and will not accrue to employees once such notices are given. For clarity, Awards do not accrue for employees who have received notice, given notice or have been determined to be entitled to a notice period by a court, and no damages suffered by an employee due to lack of sufficient notice will include compensation for loss of vesting rights or accrual of an Award, notwithstanding any statutory, contractual, or common law period of notice of termination, or compensation in lieu of such notice, to which an employee may be entitled. The applicable provisions of the Plan are incorporated in this Agreement by reference, including the definitions of terms contained in the Plan (unless such terms are otherwise defined herein).

AWARD

In accordance with the Plan, the Company has made this Award, effective as of the Date of Grant and upon the following terms and conditions:

Section 1. *Grant of Options.* Pursuant to, and subject to, the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Grantee a Nonqualified Stock Option (the "Option") with respect to _____ shares of Common Stock of the Company (the "Option Shares").

Section 2. *Exercise Price; Exercisability.* The exercise price of each share of Common Stock underlying the Option hereby granted is $_____ ("Exercise Price").

Section 3. *Vesting of Options.* The Option shall become vested and exercisable as follows:

(a) **Generally.** Subject to the terms of the Plan, the Option hereunder shall vest and be exercisable in accordance with the following vesting schedule on the dates set

forth in such schedule (each such date, a "Vesting Date"), provided that Grantee continuously remains an Employee of the Company, including Subsidiaries, through each applicable Vesting Date:

Vesting Date	Percentage of Option Vesting and Exercisable
First Anniversary of Date of Grant	33.33%
Second Anniversary of Date of Grant	33.33%
Third Anniversary of Date of Grant	33.34%
Total	100%

(b) **Retirement.** If Grantee's employment with the Company, including Subsidiaries, terminates at a time when Grantee is eligible for an immediately payable early or normal retirement benefit under the Spectra Energy Retirement Cash Balance Plan or under another retirement plan of the Company or Subsidiary, which plan the Committee, or its delegatee, in its sole discretion, determines to be the functional equivalent of the Spectra Energy Retirement Cash Balance Plan, unless the Committee or its delegatee, in its sole discretion, determines that (i) Grantee is in violation of any obligation identified in Section 4 or (ii) the termination of Grantee's employment is for Cause, in which case all Option Shares not previously vested shall be forfeited, then the number of Option Shares not yet vested as of the date of such employment termination to which the Grantee shall have a right hereunder shall be prorated by multiplying the total number of Option Shares granted under this Agreement by a fraction, the numerator of which is the number of months during the three-year vesting period beginning with the Date of Grant and ending on the third anniversary of the Date of Grant (the "Vesting Period") during which Grantee's active employment with the Company, including Subsidiaries, ("Active Employment") continued, and the denominator of which is thirty-six (36), and subtracting from this result the number of Option Shares already vested and exercisable. Solely for purposes of calculating such prorated vesting, if the Grantee's Active Employment continued for at least one (1) day during a calendar month in the Vesting Period, Grantee's Active Employment shall be considered to have continued for the entirety of such month, but in no event for more than thirty-six (36) months. The prorated unforfeited Option Shares determined in accordance with the first sentence of this Section 3(b) shall vest and become exercisable immediately upon the date of such employment termination, and any remaining portion of the Option that is unvested shall be forfeited. The additional provisions of Section 1 of Schedule B hereto are incorporated herein if Schedule B is applicable to the Grantee.

For the purposes of this Agreement, "Cause" for termination by the Company or an employing Subsidiary of the Grantee's employment shall include: (i) a material failure by the Grantee to carry out, or malfeasance or gross insubordination in carrying out, reasonably assigned duties or instructions consistent with the Grantee's position, (ii) the final conviction of the Grantee of a (A) felony, (B) crime or criminal offense involving moral turpitude, or (C) criminal or summary conviction offense that is related to the Grantee's employment with the Company or an employing Subsidiary, (iii) an egregious act of dishonesty by the Grantee (including, without limitation, theft or embezzlement) in connection with employment, or a malicious action by the Grantee toward the customers or employees of the Company or any affiliate, (iv) a material breach by the Grantee of the Company's Code of Business Ethics, (v) the failure of the Grantee to cooperate fully with governmental investigations involving the Company or its affiliates, or (vi) the usual meaning of just cause under Canadian common law, if applicable; all as determined by the Company in its sole discretion.

(c) **Death or Disability.** If Grantee's employment with the Company, including Subsidiaries, terminates (i) as the result of Grantee's death or (ii) as the result of Grantee's "permanent and total disability," as defined in Section 1 of Schedule A hereto or Section 2 of Schedule B hereto, as applicable to the Grantee, 100% of the Option subject to this Award not yet vested as of the date of such employment termination to which the Grantee shall have a right hereunder shall vest and become exercisable immediately.

(d) **Involuntary Termination Without Cause.** If Grantee's employment is terminated by the Company, or employing Subsidiary, other than for Cause, regardless of reason for termination or the party giving notice, then the number of Option Shares not yet vested as of the date of such employment termination to which the Grantee shall have a right hereunder shall be prorated by multiplying the total number of Option Shares granted under this Agreement by a fraction, the numerator of which is the number of months during the Vesting Period during which Grantee's Active Employment continued, and the denominator of which is thirty-six (36), and subtracting from this result the number of Option Shares already vested. Solely for purposes of calculating such prorated vesting, if the Grantee's Active Employment continued for at least one (1) day during a calendar month in the Vesting Period, Grantee's Active Employment shall be considered to have continued for the entirety of such month, but in no event for more than thirty-six (36) months. The prorated unforfeited Option Shares determined in accordance with the first sentence of this Section 3(d) shall vest and become exercisable immediately upon the date of such employment termination, and any remaining portion of the Option that is unvested shall be forfeited. The additional provisions of Section 3 of Schedule B hereto are incorporated herein if Schedule B is applicable to the Grantee.

(e) **Change in Control.** All Option Shares to which the Grantee has the right to hereunder shall become 100% vested and exercisable to the extent not yet vested, if, following the occurrence of a Change in Control and before the second anniversary of such occurrence, (i) the Grantee's employment is terminated involuntarily, and not for

Cause, by the Company, or an employing Subsidiary, or their successor; or (ii) such employment is terminated by the Grantee for Good Reason.

For the purposes of this Agreement, "Good Reason" is defined as the occurrence (without the Grantee's express written consent) of any of the following, unless such act or failure to act is corrected, prior to the effective date of Grantee's termination of employment, as specified in Grantee's notice termination, as provided in the following paragraph: (A) a substantial adverse alteration in the nature or status of the Grantee's responsibilities; (B) a material reduction in the Grantee's annual base salary; (C) a material reduction in the Grantee's target annual bonus; (D) the elimination of any material employee benefit plan in which the Grantee is a participant or the material reduction of Grantee's benefits under such plan, unless the Company either (1) immediately replaces such employee benefit plan or unless the Grantee is permitted to immediately participate in other employee benefit plan(s) providing the Grantee with a substantially equivalent value of benefits in the aggregate to those eliminated or materially reduced, or (2) immediately provides the Grantee with other forms of compensation of comparable value to that being eliminated or reduced; (E) a relocation without the written consent of the Grantee that requires the Grantee to report to a work location more than thirty-five (35) miles from the work location to which the Grantee was assigned prior to the Change in Control.

Grantee is required to provide notice to the Company of the existence of any of the conditions set forth in the "Good Reason" definition in this Section 3(e) at least fifteen (15), but not more than sixty (60), days prior to the date of Grantee's termination of employment. Upon receipt of such notice, the Company may, prior to the effective date of Grantee's termination of employment, cure or remedy such condition. If Grantee terminates from employment after providing notice and after the Company has cured the condition within the time frame set forth in this Section 3(e), then such termination of employment will be considered to be a voluntary termination of employment, and not a separation for Good Reason.

The Grantee's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason pursuant to the foregoing provisions of this Section 3(e).

Section 4. *Violation of Grantee Obligation*. In consideration of the vesting opportunity provided under Section 3(b) following the termination of Grantee's continuous employment by the Company, including Subsidiaries, if Grantee is considered "retired", Grantee agrees to the noncompetition and other restrictions set forth in Section 2 of Schedule A hereto or Section 4 of Schedule B hereto, as applicable to the Grantee. In the event that Grantee violates applicable noncompetition and other restrictions, the vesting opportunity provided under Section 3(b) shall terminate and be forfeited.

Section 5. *Manner of Exercise and Taxes.* The Option shall be exercised by delivery of an electronic or physical written notice to the third party administrator selected

by the Company, or such other form as permitted by the Committee from time to time and communicated to the Grantee (the "Exercise Notice"), which shall state the election to exercise the Option, specify the number of shares of Common Stock with respect to which the Option is being exercised, and such other representations and agreements as may be required by the Committee pursuant to the provisions of the Plan. The Exercise Notice shall include payment for an amount equal to the Exercise Price multiplied by the number of shares of Common Stock specified in such Exercise Notice. Such payment may be made in (i) cash or cash equivalent; (ii) shares of Common Stock having a Fair Market Value equal to the Exercise Price (provided that, if such shares were acquired by exercise of an option intended to qualify as an incentive stock option under Section 422 of the Code (an "ISO"), the Grantee has owned such shares for at least one (1) year following the transfer of such shares to the Grantee upon exercise of such ISO); (iii) a combination of cash and shares (provided that, if such shares were acquired by exercise of an option intended to qualify as an ISO, the Grantee has owned such shares for at least one (1) year following the transfer of such shares to the Grantee upon exercise of such ISO); (iv) in the Committee's sole discretion, through a broker assisted exercise, but only to the extent such right or the utilization of such right would not cause the Option to be subject to Section 409A of the Code and to the extent the use of net-physical settlement is permitted by, and is in compliance with applicable law; or (v) in the Committee's sole discretion, by a combination of the methods described in this sentence; provided, however, that the Company may restrict the use of any of the foregoing payment methods to the extent it would result in adverse accounting treatment to the Company. The partial exercise of the Option, alone, shall not cause the expiration, termination or cancellation of the remaining portion of the Option. The Grantee shall pay or shall ensure payment of the full amount to the Company of any and all applicable income tax, employment tax and any other withholding tax amounts that are required to be withheld in connection with the exercise of the Option, which may be payable under one or more of the methods described above for payment of the exercise price of the Option to the extent permitted by the Committee or as otherwise may be approved by the Committee. The Company shall not be required to deliver shares of Common Stock to the Grantee until the Company determines such obligations are satisfied. The Grantee acknowledges that there may be adverse tax consequences upon exercise of the Option or disposition of the underlying shares of Common Stock and that the Grantee should consult a tax advisor prior to such exercise or disposition.

Section 6. *Expiration of Options*. The Grantee's Option, or portion thereof, which has not become vested and exercisable shall expire on the date Grantee's employment with the Company, including Subsidiaries, terminates for any reason. The Grantee's Option, or any portion thereof, which has become vested and exercisable on or before the date Grantee's employment with the Company, including Subsidiaries, terminates for any reason (or that vests and becomes exercisable as a result of such termination) shall expire on the earliest of:

(a) **Involuntary Termination With Cause, Involuntary Termination Without Cause, or Voluntary Termination.** Three (3) months after the date (i) Grantee's

employment with the Company, including Subsidiaries, is terminated for Cause (as determined by the Committee in its sole discretion), (ii) Grantee's employment with the Company, including Subsidiaries, is terminated not for Cause, or (iii) Grantee voluntarily terminates employment with the Company, including Subsidiaries; provided, however, that this Section 6(a) shall not apply if:

(i) the vesting set forth in Section 3(e) (Change in Control) applies (i.e., the termination event is (A) either a termination that is involuntary, and not for Cause, by the Company, or an employing Subsidiary, or their successor or a termination by the Grantee for Good Reason and (B) is following the occurrence of a Change in Control but before the second anniversary of such occurrence); or

(ii) the vesting set forth in Section 3(b) (Retirement) applies.

(b) **Death or Disability.** Thirty-six (36) months after the date the Grantee's employment is terminated by reason of death or "permanent and total disability," as defined in Section 1 of Schedule A hereto or Section 2 of Schedule B hereto, as applicable to the Grantee; or

(c) The tenth anniversary of the Date of Grant for such Option(s).

All Options, whether vested or unvested, that have not sooner expired shall expire no later than the tenth anniversary of the Date of Grant. The additional provisions of Section 5 of Schedule B hereto are incorporated herein if Schedule B is applicable to the Grantee.

Section 7. *No Employment Right*. Nothing in this Agreement or in the Plan shall confer upon the Grantee the right to continued employment by the Company or any Subsidiary, or affect the right of the Company or any Subsidiary to terminate the employment or service of the Grantee at any time for any reason.

Section 8. *Nonalienation and Transferability*. The Option is exercisable during the Grantee's lifetime only by the Grantee or his or her guardian or legal representative, and may not be sold, pledged, hypothecated, or otherwise encumbered or subject to any lien, obligation, or liability of the Grantee to any party (other than the Company or a Subsidiary), or assigned or transferred by such Grantee, but immediately upon such purported sale, assignment, transfer, pledge, hypothecation or other disposal of the Option will be forfeited by the Grantee and all of the Grantee's rights to such Option shall immediately terminate without any payment or consideration from the Company. Upon the death of a Grantee, outstanding Options granted to such Grantee may be exercised only by the executors or administrators of the Grantee's estate or by any person or persons who shall have acquired such right to exercise by will or by the laws of descent and distribution pursuant to the Plan.

Section 9. *Determinations*. Determinations by the Committee, or its delegatee, shall be final and conclusive with respect to the interpretation of the Plan and this Agreement, and the Grantee hereby acknowledges the foregoing.

Section 10. *Governing Law and Severability*. The validity and construction of this Agreement shall be governed by the laws of the state of Delaware applicable to transactions taking place entirely within that state. The invalidity of any provision of this Agreement shall not affect any other provision of this Agreement, which shall remain in full force and effect.

Section 11. *Conflicts with Plan, Correction of Errors, Grantee's Consent, and Amendments*. In the event that any provision of this Agreement conflicts in any way with a provision of the Plan, such Plan provision shall be controlling and the applicable provision of this Agreement shall be without force and effect to the extent necessary to cause such Plan provision to be controlling. In the event that, due to administrative error, this Agreement does not accurately reflect a Stock Option Award properly granted to Grantee pursuant to the Plan, the Company, acting through its Executive Compensation Department, reserves the right to cancel any erroneous document and, if appropriate, to replace the cancelled document with a corrected document. It is the intention of the Company and the Grantee that this Agreement either (i) comply with the stock option rules under Canadian law (Section 7 of the Income Tax Act) and Code Section 409A, as applicable, or (ii) not be construed as a salary deferral arrangement under Canadian law and be exempt from Code Section 409A, to the extent applicable. Accordingly, this Agreement shall be interpreted as necessary and to the extent legally permissible to comply with the requirements of, or exemption under, Canadian law and Code Section 409A, as applicable, as determined by the Committee or its delegatee. Grantee shall also be deemed to consent to any amendment of the Plan or the Agreement as the Committee may reasonably make in furtherance of such intention, and the Committee shall promptly provide, or make available to, the Grantee a copy of any such amendment. Finally, this Agreement may be amended or modified at any time and from time to time by action of the Committee.

Section 12. *Grantee Confidentiality Obligations*. In accepting this Option Award, Grantee acknowledges that Grantee is obligated under Company policy, and under federal, state, provincial and other applicable law, to protect and safeguard the confidentiality of trade secrets and other proprietary and confidential information belonging to the Company and its affiliates that are acquired by Grantee during Grantee's employment with the Company and its affiliates, and that such obligations continue beyond the termination of such employment. Grantee agrees to notify any subsequent employer of such obligations and that the Company and its affiliates, in order to enforce such obligations, may pursue legal recourse not only against Grantee, but against a subsequent employer of Grantee. Grantee agrees that he shall not disclose the existence or terms of this Agreement to anyone other than his spouse, tax advisor(s) and/or attorney(s), provided that he first obtains the agreement of such persons to be bound by the confidentiality provisions of this paragraph. Grantee also agrees to immediately give the Company written notice in

accordance with the provisions of this Agreement in the event he is legally required to disclose any of the confidential information covered by the provisions of this paragraph.

Section 13. *Nonsolicitation*. Grantee further agrees that he will not, either directly or indirectly, solicit, hire or employ, or cause any other person, company, or entity to solicit, hire or employ, any employee or contractor retained or employed by the Company or its affiliates during the period of Grantee's employment and for the period set forth in Section 3 of Schedule A hereto or Section 6 of Schedule B hereto, as applicable to the Grantee. The provisions of this paragraph shall not apply to contact initiated by an employee or contractor of the Company or its affiliates in response to a general solicitation of applications for employment. Grantee agrees that this Agreement is subject to the provisions of this paragraph.

Section 14. *Notices*. All notices under this Agreement shall be mailed or delivered by hand to the parties at their respective addresses set forth beneath their signatures below or at such other address as may be designated in writing by either party to the other party, or to their permitted transferees if applicable. Notices shall be effective upon receipt.

Section 15. *Payments Subject to Clawback*. To the extent that any payment under this Agreement is subject to clawback under Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as it may be amended from time to time, such amount will be clawed back in appropriate circumstances, as determined under the terms and conditions prescribed by such Act and the authority issued thereunder. Further, the Company will be entitled to the extent permitted or required by any other applicable law and/or Company policy as in effect from time to time (including, but not limited to, the Policy on Recovery of Executive Compensation) to recoup compensation of whatever kind paid by the Company or any of its affiliates at any time to the Grantee pursuant to this Agreement.

Section 16. *Equitable Remedies*. Grantee hereby acknowledges and agrees that a breach of Grantee's obligations under this Agreement would result in damages to the Company that could not be adequately compensated for by monetary award. Accordingly, in the event of any such breach by Grantee, in addition to all other remedies available to the Company at law or in equity, the Company will be entitled as a matter of right to apply to a court of competent jurisdiction for such relief by way of restraining order, injunction, decree or otherwise, as may be appropriate to ensure compliance with the provisions of this Agreement.

Section 17. *Arbitration Agreement*. The Grantee and the Company both agree that any dispute arising out of or related to this Agreement, which does not involve the Company seeking a court injunction or other relief as provided for in Section 16, shall be resolved by binding arbitration under the employment dispute resolution rules of the American Arbitration Association and that any proceeding under the provisions of this Section 17 shall be held in Houston, Texas. The parties both irrevocably WAIVE ANY AND ALL RIGHTS TO A JURY as to any and all claims and issues in any such dispute. By this

provision, both the Grantee and the Company understand and agree that any and all claims and issues in such dispute shall be decided by such arbitration proceeding.

Notwithstanding the foregoing, this Award is subject to cancellation by the Company in its sole discretion unless the Grantee, by not later than _____ __, ____, has signed a duplicate of this Agreement, in the space provided below, and returned the signed duplicate to the Executive Compensation Department – Stock Option (WO 1O23), Spectra Energy Corp, P. O. Box 1642, Houston, TX 77251-1642, which, if, and to the extent, permitted by the Executive Compensation Department, may be accomplished by electronic means.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and granted in Houston, Texas, to be effective as of the Date of Grant.

ATTEST:	SPECTRA ENERGY CORP:
By: _____	By: _____
Corporate Secretary	Chair, President & CEO, Spectra Energy Corp

Address for Notices:

5400 Westheimer Court
Mail Drop 1O23
Houston, Texas 77056

Attention: Karen Gowder

Acceptance of Stock Option Award

IN WITNESS OF Grantee's acceptance of this Award and Grantee's agreement to be bound by the provisions of this Agreement and the Plan, Grantee has signed this Agreement this _____ day of _____, ____.

_____
Grantee's Signature

_____
(print name)

_____
(employee ID)

Address for Notices:

_____
(address)

_____
(address)

SCHEDULE A

This Schedule A and the provisions hereof shall apply to the Grantee if (and only if) the Grantee is on the payroll of one of the Company's directly or indirectly held or majority or greater-owned subsidiaries or affiliates that is a United States entity.

Section 1. For purposes of Section 3(c) of the Agreement, "permanent and total disability" shall have the meaning set forth in Code Section 22(e)(3).

Section 2. The following provisions shall apply for purposes of Section 4 of the Agreement:

Grantee agrees that during the period beginning with such termination of employment and ending with the third anniversary of the Date of Grant ("Restricted Period"), Grantee shall not (i) without the prior written consent of the Company, or its delegatee, become employed by, serve as a principal, partner, or member of the board of directors of, or in any similar capacity with, or otherwise provide service to, a competitor, to the detriment, of the Company or any Subsidiary or (ii) violate any of Grantee's other noncompetition obligations, or any of Grantee's nonsolicitation or nondisclosure obligations, to the Company or any Subsidiary. The noncompetition obligations of clause (i) of the preceding sentence shall be limited in scope and shall be effective only to competition with the Company or any Subsidiary in the businesses of: gathering, processing or transmission of natural gas, resale or arranging for the purchase or for the resale, brokering, marketing, or trading of natural gas or crude oil, electricity or derivatives thereof; energy management and the provision of energy solutions; gathering, compression, treating, processing, fractionation, transportation, trading, marketing of natural gas components, including natural gas liquids, or of crude oil; sales and marketing of electric power and natural gas, domestically and abroad; and any other business in which the Company, including Subsidiaries, is engaged at the termination of Grantee's continuous employment by the Company, including Subsidiaries; and within the following geographical areas (i) any country in the world where the Company has at least US$25 million in capital deployed as of termination of Grantee's continuous employment by Company, including Subsidiaries; (ii) the continent of North America; (iii) the United States of America and Canada; (iv) the states of (A) Virginia, (B) Georgia, (C) Florida, (D) Texas, (E) California, (F) Massachusetts, (G) Illinois, (H) Michigan, (I) New York, (J) Colorado, (K) Oklahoma, (L) Kentucky, (M) Ohio, (N) Louisiana, (O) Kansas, (P) Montana, (Q) Missouri, (R) Nebraska, and (S) Wyoming; and (v) any state or states or province or provinces in which was conducted a business of the Company, including Subsidiaries, which business constituted a substantial portion of Grantee's employment. The Company and Grantee intend the above restrictions on competition in geographical areas to be

entirely severable and independent, and any invalidity or enforceability of this provision with respect to any one or more of such restrictions, including geographical areas, shall not render this provision unenforceable as applied to any one or more of the other restrictions, including geographical areas. If any part of this provision is held to be unenforceable because of the duration, scope or area covered, the Company and Grantee agree to modify such part, or that the court making such holding shall have the power to modify such part, to reduce its duration, scope or area, including deletion of specific words and phrases, i.e., "blue penciling", and in its modified, reduced or blue pencil form, such part shall become enforceable and shall be enforced. Nothing herein shall be construed to prohibit Grantee being retained during the Restricted Period in a capacity as an attorney licensed to practice law, or to restrict Grantee providing advice and counsel in such capacity, in any jurisdiction where such prohibition or restriction is contrary to law.

Section 3. The nonsolicitation period for purposes of Section 13 of the Agreement is a period of three (3) years following Grantee's termination of employment with the Company and its affiliates.

SCHEDULE B

This Schedule B and the provisions hereof shall apply to the Grantee if (and only if) the Grantee is on the payroll of one of the Company's directly or indirectly held or majority or greater-owned subsidiaries or affiliates that is a Canadian entity.

Section 1. The following provisions shall be incorporated at the end of Section 3(b) of the Agreement:

The date of the termination of Grantee's continuous employment with the Company for the purposes of this Section 3(b) shall be deemed to be the date on which any notice of termination of employment provided to or by such Grantee is stated to be effective (or in the case of an alleged constructive dismissal, the date on which the alleged constructive dismissal is alleged to have occurred), and not during or as of the end of any period following such date during which the Grantee is in receipt of, or entitled to receive, statutory, contractual, or common law notice of termination or any compensation in lieu of such notice.

Section 2. For purposes of Section 3(c) of the Agreement, an individual shall be considered to have a "permanent and total disability" if the individual is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

Section 3. The following provisions shall be incorporated at the end of Section 3(d) of the Agreement:

The date that the Grantee's employment is terminated by the Company, including Subsidiaries, other than for Cause for the purposes of this Section 3(d) shall be deemed to be the date on which any notice of termination of employment provided to such Grantee is stated to be effective (or in the case of an alleged constructive dismissal, the date on which the alleged constructive dismissal is alleged to have occurred), and not during or as of the end of any period following such date during which the Grantee is in receipt of, or entitled to receive, statutory, contractual, or common law notice of termination or any compensation in lieu of such notice.

Section 4. The following provisions shall apply for purposes of Section 4 of the Agreement:

Grantee agrees that during the period beginning with such termination of employment and ending with the earlier of (1) the third anniversary of the Date of Grant or (2) the first anniversary of the date of such termination of employment ("Restricted Period"), Grantee shall not (i) without the prior

written consent of the Company, or its delegatee, become employed by, serve as a principal, partner, or member of the board of directors of, or in any similar capacity with, or otherwise provide service to, a competitor, to the detriment, of the Company or any Subsidiary or (ii) violate any of Grantee's other noncompetition obligations, or any of Grantee's nonsolicitation or nondisclosure obligations, to the Company or any Subsidiary. The noncompetition obligations of clause (i) of the preceding sentence shall be limited in scope and shall be effective only to competition with the Company or any Subsidiary in the businesses of: gathering, processing or transmission of natural gas or crude oil, resale or arranging for the purchase or for the resale, brokering, marketing, or trading of natural gas, electricity or derivatives thereof; energy management and the provision of energy solutions; gathering, compression, treating, processing, fractionation, transportation, trading, marketing of natural gas components, including natural gas liquids, or of crude oil; sales and marketing of electric power and natural gas, domestically and abroad; and any other business in which the Company, including Subsidiaries, is engaged at the termination of Grantee's continuous employment by the Company, including Subsidiaries; and within the geographical area of the province in which Grantee was employed at termination of employment from the Company and employing Subsidiaries. If any part of this provision is held to be unenforceable because of the duration, scope or area covered, the Company and Grantee agree to modify such part, or that the court making such holding shall have the power to modify such part, to reduce its duration, scope or area, including deletion of specific words and phrases, i.e., "blue penciling", and in its modified, reduced or blue pencil form, such part shall become enforceable and shall be enforced. Nothing herein shall be construed to prohibit Grantee being retained during the Restricted Period in a capacity as an attorney licensed to practice law, or to restrict Grantee providing advice and counsel in such capacity, in any jurisdiction where such prohibition or restriction is contrary to law.

Section 5. The following provisions shall be incorporated at the end of Section 6 of the Agreement:

The date of the termination of Grantee's continuous employment with the Company, including Subsidiaries, for the purposes of this Section 6 shall be deemed to be the date on which any notice of termination of employment provided to or by such Grantee is stated to be effective (or in the case of an alleged constructive dismissal, the date on which the alleged constructive dismissal is alleged to have occurred), and not during or as of the end of any period following such date during which the Grantee is in receipt of, or entitled to receive, statutory, contractual, or common law notice of termination or any compensation in lieu of such notice.

Section 6. The nonsolicitation period for purposes of Section 13 of the Agreement is a period of one (1) year following Grantee's termination of employment with the Company and its affiliates.

SPECTRA ENERGY CORP
PERFORMANCE SHARE AWARD AGREEMENT

This **Performance Share Award Agreement** (the "Agreement") has been made as of _____ ___, (the "Date of Grant") between **Spectra Energy Corp**, a Delaware Company, with its principal offices in Houston, Texas (the "Company"), and _____ (the "Grantee").

RECITALS

Under the amended and restated Spectra Energy Corp 2007 Long-Term Incentive Plan as it may, from time to time, be amended (the "Plan"), the Compensation Committee of the Board of Directors of the Company (the "Committee"), or its delegatee, has determined the form of this Agreement and selected the Grantee, as an Employee, to receive the award evidenced by this Agreement (which also includes Schedule A hereto or Schedule B hereto, as applicable to the Grantee) (the "Award") and the Performance Share units and tandem Dividend Equivalents that are subject hereto. Awards are not intended for employees who have given notice of resignation or who have been given notice of termination by the Company or an employing Subsidiary, and will not accrue to employees once such notices are given. For clarity, Awards do not accrue for employees who have received notice, given notice or have been determined to be entitled to a notice period by a court, and no damages suffered by an employee due to lack of sufficient notice will include compensation for loss of vesting rights or accrual of an Award, notwithstanding any statutory, contractual, or common law period of notice of termination, or compensation in lieu of such notice, to which an employee may be entitled. The applicable provisions of the Plan are incorporated in this Agreement by reference, including the definitions of terms contained in the Plan (unless such terms are otherwise defined herein).

AWARD

In accordance with the Plan, the Company has made this Award, effective as of the Date of Grant and upon the following terms and conditions:

Section 1. *Number and Nature of Performance Share Units and Tandem Dividend Equivalents*. The number of Performance Share units and the number of tandem Dividend Equivalents subject to this Award are each _____ **(_____)**. Each Performance Share unit, upon becoming vested before its expiration, represents a right to receive payment in the form of one (1) share of Common Stock. Each tandem Dividend Equivalent, after its tandem Performance Share unit vests, represents a right to receive a cash payment equivalent in amount to the aggregate cash dividends declared and paid on one (1) share of Common Stock for the period beginning on the Date of Grant and ending on the date such Dividend Equivalent expires. Each tandem Performance Share unit, consisting of both the Performance Share unit and the tandem Dividend Equivalents,

is either paid or is deferred in accordance with procedures established by the Committee that comply with the requirements of Code Section 409A, if applicable. Performance Share units and Dividend Equivalents are used solely as units of measurement, and are not shares of Common Stock, and the Grantee is not, and has no rights as, a shareholder of the Company by virtue of this Award.

Section 2. *Vesting of Performance Share Units*. (a) Provided that Grantee's continuous employment by the Company, including Subsidiaries, has not terminated, or as otherwise provided in Sections 2(b) or 2(c), Performance Share units subject to this Award shall become vested upon the written certification by the Committee, or its delegatee, in its sole discretion, of the achievement of the Performance Goal, which is the Company's Total Shareholder Return ("TSR") relative to the TSR of the peer group of companies listed on Exhibit A to this Agreement (the "Peer Group"), for the period beginning January 1, 2016 and ending December 31, 2018 ("Performance Period"), at, or above, the 30th percentile, in accordance with the applicable vesting percentage specified for such percentile ranking in the following schedule:

Percentile Ranking	Vesting Percentage
Lower than 30th	0%
30th	50%
*	*
50th	100%
*	*
80th or higher	200%

*When such determination is of a percentile ranking between those specified, such results will be interpolated on a straight-line basis to determine the applicable vesting percentage.

All Performance Share units that do not become vested upon the written certification by the Committee, or its delegatee, in its sole discretion, or as otherwise provided in Sections 2(b), 2(c) or 2(d), shall be forfeited.

For purposes of this Agreement, "TSR" means the change in fair market value over a specified period of time, expressed as a percentage, of an initial investment in specified common stock, with dividends reinvested, as determined utilizing such methodology as the Committee, or its delegate, shall approve, with the final TSR considering the last twenty (20) business days preceding the start and the end of the period.

In addition, when calculating TSR for the Performance Period, (i) if a company that would have been included in the Peer Group as a result of being in the S&P 500 Energy Index or the Alerian MLP Index (an "Index Company") is not in the applicable index for the entire

Performance Period, the performance of such company will not be used in calculating the Peer Group's TSR, except that the performance of any company that ceases to be an Index Company during the Performance Period because it becomes bankrupt during the Performance Period will be included in calculating Peer Group's TSR; (ii) with respect to a company in the Peer Group that is not an Index Company, the performance of such a company will not be used in calculating the Peer Group's TSR if the company is not publicly traded (i.e., has no ticker symbol) for the entire Performance Period, except that the performance of any such company in the Peer Group that becomes bankrupt during the Performance Period will be included in calculating the Peer Group's TSR even if it has no ticker symbol at the end of the Performance Period; and (iii) the Committee retains discretion to reduce Performance Awards that were otherwise earned in the event that the Company's TSR during the Performance Period is negative.

(b) In the event that, prior to the date that the determination of the achievement of the Performance Goal is made, the Grantee's continuous employment by the Company, including Subsidiaries, terminates, the Performance Share units subject to this Award shall be forfeited, except that if such employment terminates (i) at a time when Grantee is eligible for an immediately payable early or normal retirement benefit under the Spectra Energy Retirement Cash Balance Plan or under another retirement plan of the Company or a Subsidiary, which plan the Committee, or its delegatee, in its sole discretion, determines to be the functional equivalent of the Spectra Energy Retirement Cash Balance Plan ("Functional Equivalent Plan"), unless the Committee, or its delegatee, in its sole discretion, determines that (A) Grantee is in violation of any obligation identified in Section 3 or (B) the termination of Grantee's employment is for Cause, (ii) as the result of the termination of such employment by the Company, or employing Subsidiary, other than for Cause, as determined by the Company or employing Subsidiary, in its sole discretion, or (iii) as the direct and sole result, as determined by the Company, or employing Subsidiary, in its sole discretion, of the divestiture of assets, a business, or a company, by the Company or a Subsidiary, the Performance Share units subject to this Award shall be prorated on the basis of the portion of the Performance Period that Grantee's active employment with the Company, including Subsidiaries, ("Active Employment") continued (unless such termination occurs after the end of the Performance Period, in which event the number of Performance Share units earned, if any, shall not be prorated) and shall vest upon such determination of the achievement of the Performance Goal, at such vesting percentage determined by the Committee, or its delegate. Solely for purposes of calculating the prorated payment in the preceding sentence, if the Grantee's Active Employment continued for at least one (1) day during a calendar month in the Performance Period, Grantee's Active Employment shall be considered to have continued for the entirety of such month, but in no event for more than thirty-six (36) months. The additional provisions of Section 1 of Schedule B hereto are also incorporated herein if Schedule B is applicable to the Grantee. For the purposes of this Agreement, "Cause" for termination by the Company, or employing Subsidiary, of the Grantee's employment shall include (i) a material failure by the Grantee to carry out, or malfeasance or gross insubordination in carrying out, reasonably assigned duties or instructions consistent with the Grantee's position, (ii) the final conviction of the Grantee of a (A) felony, (B) crime or criminal offense involving moral

turpitude, or (C) criminal or summary conviction offense that is related to the Grantee's employment with the Company or an employing Subsidiary, (iii) an egregious act of dishonesty by the Grantee (including, without limitation, theft or embezzlement) in connection with employment, or a malicious action by the Grantee toward the customers or employees of the Company or any affiliate, (iv) a material breach by the Grantee of the Company's Code of Business Ethics, (v) the failure of the Grantee to cooperate fully with governmental investigations involving the Company or its affiliates, or (vi) the usual meaning of just cause under Canadian common law, if applicable; all as determined by the Company in its sole discretion. Further, if Grantee voluntarily terminates employment with the Company, including Subsidiaries, after the Performance Period has ended and prior to the date that the determination of the achievement of the Performance Goal is made, all as determined by the Company, or employing Subsidiary, in its sole discretion, the Performance Share units subject to this Award shall vest upon such determination of the achievement of the Performance Goal, at such vesting percentage determined by the Committee, or its delegate.

(c) In the event that Grantee's employment with the Company, including Subsidiaries, terminates before the Performance Period has ended (i.e., on or before the last day of the Performance Period) (i) as the result of the Grantee's death, or (ii) as the result of the Grantee's "permanent and total disability" as defined in Section 1 of Schedule A hereto or Section 2 of Schedule B hereto, as applicable to the Grantee, the Performance Share units subject to this Award shall vest upon such occurrence, at the 100% vesting percentage, irrespective of any subsequent determination of the achievement of the Performance Goal. In the event that (i) Grantee's employment with the Company, including Subsidiaries, terminates after the Performance Period has ended (A) as the result of the Grantee's death, or (B) as the result of the Grantee's "permanent and total disability" as defined in Section 1 of Schedule A hereto or Section 2 of Schedule B hereto, as applicable to the Grantee, all as determined by the Company, or employing Subsidiary, in its sole discretion, the Performance Share units subject to this Award shall vest upon such determination of the achievement of the Performance Goal, at such vesting percentage determined by the Committee, or its delegatee.

(d) Notwithstanding the foregoing or anything to the contrary contained herein, in the event that a Change in Control occurs before the Performance Period has ended, the following provisions shall apply to this Award to the extent the Award is not yet vested. The achievement of the Performance Goal and the applicable "vesting percentage" shall be determined as set forth in Section 2(a) except shall be based upon the Company's TSR relative to the TSR of the Peer Group for the period beginning on January 1, 2016, and ending on the effective date of the Change in Control (such period, the "CIC Performance Period" and such determination, the "CIC Performance Goal Determination"), and the Award shall vest on December 31, 2018, at such vesting percentage determined by the Committee, or its delegate, based on the CIC Performance Goal Determination, provided that the Grantee remains continuously employed by the Company, an employing Subsidiary, or their successor through December 31, 2018. In the event that the Grantee does not remain continuously employed by the Company, an employing Subsidiary, or their

successor, through December 31, 2018, the Performance Share units subject to this Award shall be forfeited, except as follows:

(i) In the event that Grantee's employment termination is the result of the Grantee's death or the Grantee's "permanent and total disability" as defined in Section 1 of Schedule A hereto or Section 2 of Schedule B hereto, as applicable to the Grantee, and occurs on or after the occurrence of the Change in Control, the Performance Share units subject to this Award shall vest upon such employment termination, at such vesting percentage determined by the Committee, or its delegate, based on the CIC Performance Goal Determination.

(ii) In the event that the Grantee's employment termination meets the criteria in Section 2(b)(i), the Performance Share units subject to this Award shall be prorated on the basis of the portion of the period beginning January 1, 2016 and ending on December 31, 2018 (the "Vesting Period") that Grantee's Active Employment continued during the Vesting Period, and the Award shall be considered to vest on December 31, 2018, at such vesting percentage determined by the Committee, or its delegate, based on the CIC Performance Goal Determination. Solely for purposes of calculating the prorated payment in the preceding sentence, if the Grantee's Active Employment continued for at least one (1) day during a calendar month in the Vesting Period, Grantee's Active Employment shall be considered to have continued for the entirety of such month, but in no event for more than thirty-six (36) months.

(iii) In the event that following the occurrence of the Change in Control and before the second anniversary of the occurrence of the Change in Control, (A) the Grantee's employment is terminated involuntarily, and not for Cause, by the Company, or employing Subsidiary, or their successor; or (B) such employment is terminated by the Grantee for Good Reason, the Performance Share units subject to this Award shall vest upon such occurrence, at such vesting percentage determined by the Committee, or its delegate, based on the CIC Performance Goal Determination. In the event that the Grantee's employment is terminated involuntarily, and not for Cause, by the Company, or employing Subsidiary, or their successor during the Vesting Period and either (1) prior to the occurrence of the Change in Control or (2) on or after the second anniversary of the occurrence of the Change in Control, the Performance Share units subject to this Award shall be prorated on the basis of the portion of the Vesting Period that Grantee's Active Employment continued during the Vesting Period, and the Award shall be considered to vest on December 31, 2018, at such vesting percentage determined by the Committee, or its delegate, based on the CIC Performance Goal Determination. Solely for purposes of calculating the prorated payment in the preceding sentence, if the Grantee's Active Employment continued for at least one (1) day during a calendar month in the Vesting Period, Grantee's Active Employment shall be considered to have

continued for the entirety of such month, but in no event for more than thirty-six (36) months.

The additional provisions of Section 1 of Schedule B hereto are also incorporated herein if Schedule B is applicable to the Grantee.

For the purposes of this Agreement, "Good Reason" is defined as the occurrence (without the Grantee's express written consent) of any of the following, unless such act or failure to act is corrected, prior to the effective date of Grantee's termination of employment, as specified in Grantee's notice termination, as provided in the following paragraph: (A) a substantial adverse alteration in the nature or status of the Grantee's responsibilities; (B) a material reduction in the Grantee's annual base salary; (C) a material reduction in the Grantee's target annual bonus; (D) the elimination of any material employee benefit plan in which the Grantee is a participant or the material reduction of Grantee's benefits under such plan, unless the Company either (1) immediately replaces such employee benefit plan or unless the Grantee is permitted to immediately participate in other employee benefit plan(s) providing the Grantee with a substantially equivalent value of benefits in the aggregate to those eliminated or materially reduced, or (2) immediately provides the Grantee with other forms of compensation of comparable value to that being eliminated or reduced; (E) a relocation without the written consent of the Grantee that requires the Grantee to report to a work location more than thirty-five (35) miles from the work location to which the Grantee was assigned prior to the Change in Control.

Grantee is required to provide notice to the Company (or its successor) of the existence of any of the conditions set forth in the "Good Reason" definition in this Section 2(d) at least fifteen (15), but not more than sixty (60), days prior to the date of Grantee's termination of employment. Upon receipt of such notice, the Company (or its successor) may, prior to the effective date of Grantee's termination of employment, cure or remedy such condition. If Grantee terminates from employment after providing notice and after the Company (or its successor) has cured the condition within the time frame set forth in this Section 2(d), then such termination of employment will be considered to be a voluntary termination of employment, and not a separation for Good Reason.

The Grantee's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason pursuant to the foregoing provisions of this Section 2(d).

Section 3. *Violation of Grantee Obligation*. In consideration of the continued vesting opportunity provided under Section 2 following the termination of Grantee's continuous employment by the Company, including Subsidiaries, if, at any time of such termination of employment, Grantee is eligible for an immediately payable early or normal retirement benefit under the Spectra Energy Retirement Cash Balance Plan or Functional Equivalent Plan, Grantee agrees to the noncompetition and other restrictions set forth in Section 2 of Schedule A hereto or Section 3 of Schedule B hereto, as applicable to the Grantee. In the event that Grantee violates applicable noncompetition and other

restrictions, the continued vesting opportunity provided under Section 2 shall terminate and be forfeited.

Section 4. *Forfeiture/Expiration*. Any Performance Share unit subject to this Award shall be forfeited upon the termination of the Grantee's continuous employment by the Company, including Subsidiaries, from the Date of Grant, except to the extent otherwise provided in Section 2, and, if not previously vested and paid, deferred or forfeited, shall expire immediately before the tenth (10^{th}) anniversary of the Date of Grant. The additional provisions of Section 4 of Schedule B hereto are also incorporated herein if Schedule B is applicable to the Grantee. Any Dividend Equivalent subject to this Award shall expire at the time its tandem Performance Share unit (i) is vested and paid, or deferred, (ii) is forfeited, or (iii) expires.

Section 5. *Dividend Equivalent Payment*. Payment with respect to any Dividend Equivalent subject to this Award that is in tandem with a Performance Share unit that is vested and paid shall be paid in cash to the Grantee as soon as practicable following the vesting and payment of the Performance Share unit and in no event later than the end of the third calendar year following the year of the Date of Grant, except, if the vested Performance Share unit is deferred by Grantee as provided in Section 6, payment with respect to the tandem Dividend Equivalent shall likewise be deferred. Payment under this Section 5 shall be made not later than thirty (30) days after payment hereunder of the related tandem Performance Share units. The Dividend Equivalent payment amount shall equal the aggregate cash dividends declared and paid with respect to one (1) share of Common Stock for the period beginning on the Date of Grant and ending on the date the vested, tandem Performance Share unit is paid or deferred and before the Dividend Equivalent expires. However, should the Grantee receive shares under this Award without the right to receive a dividend and, because of the timing of the declaration of such dividend, the Grantee is not otherwise entitled to payment under the expiring Dividend Equivalent with respect to such dividend, the Grantee, nevertheless, shall be entitled to such payment. Dividend Equivalent payments shall be subject to withholding for taxes.

Section 6. *Payment of Performance Share Units*. Payment of Performance Share units subject to this Award shall be made to the Grantee in a single lump sum payment as soon as practicable following the time such Performance Share units become vested in accordance with Section 2 prior to their expiration but in no event later than thirty (30) days following such vesting event and in no event later than the end of the third calendar year following the year of the Date of Grant, except to the extent deferred by the Grantee in accordance with such procedures as the Committee, or its designee, may prescribe that comply with the requirements of Code Section 409A, or any Canadian law equivalent, if applicable. Any deferral of Performance Share units hereunder shall apply to both payment of Performance Share units and the related tandem Dividend Equivalents. Payment shall be subject to withholding for taxes. Payment shall be in the form of one (1) share of Common Stock for each full vested Performance Share unit, and any fractional vested Performance Share unit shall be rounded up to the next whole share for purposes of both vesting under Section 2 and payment under this Section 6. Notwithstanding the

foregoing, the number of shares of Common Stock that would otherwise be paid (valued at Fair Market Value on the date the respective Performance Share units became vested) shall be reduced by the Committee, or its delegatee, in its sole discretion, to fully satisfy any tax required to be withheld, unless the Company, or employing Subsidiary, as applicable, and the Grantee agree that such tax obligations will instead be satisfied by the Grantee timely tendering to the Company, or employing Subsidiary, as applicable, sufficient cash to satisfy such obligations and the Grantee does timely tender such cash. In the event that payment, after any such reduction in the number of shares of Common Stock to satisfy withholding for tax requirements, would be for less than ten (10) shares of Common Stock, then, if so determined by the Committee, or its delegatee, in its sole discretion, payment, instead of being made in shares of Common Stock, shall be made in a cash amount equal in value to the shares of Common Stock that would otherwise be paid, valued at Fair Market Value on the date the respective Performance Share units became vested.

Section 7. *No Employment Right*. Nothing in this Agreement or in the Plan shall confer upon the Grantee the right to continued employment by the Company or any Subsidiary, or affect the right of the Company or any Subsidiary to terminate the employment or service of the Grantee at any time for any reason.

Section 8. *Nonalienation*. The Performance Share units and Dividend Equivalents subject to this Award are not assignable or transferable by Grantee. Upon any attempt to transfer, assign, pledge, hypothecate, sell or otherwise dispose of any such Performance Share unit or Dividend Equivalent, or of any right or privilege conferred hereby, or upon the levy of any attachment or similar process upon such Performance Share unit or Dividend Equivalent, or upon such right or privilege, such Performance Share unit or Dividend Equivalent, or right or privilege, shall immediately become null and void.

Section 9. *Grantee Confidentiality Obligations*. In accepting this Performance Award, Grantee acknowledges that Grantee is obligated under Company policy, and under federal, state, provincial and other applicable law, to protect and safeguard the confidentiality of trade secrets and other proprietary and confidential information belonging to the Company and its affiliates that are acquired by Grantee during Grantee's employment with the Company and its affiliates, and that such obligations continue beyond the termination of such employment. Grantee agrees to notify any subsequent employer of such obligations and that the Company and its affiliates, in order to enforce such obligations, may pursue legal recourse not only against Grantee, but against a subsequent employer of Grantee. Grantee agrees that he shall not disclose the existence or terms of this Agreement to anyone other than his spouse, tax advisor(s) and/or attorney(s), provided that he first obtains the agreement of such persons to be bound by the confidentiality provisions of this paragraph. Grantee also agrees to immediately give the Company written notice in accordance with the provisions of this Agreement in the event he is legally required to disclose any of the confidential information covered by the provisions of this paragraph.

Section 10. *Nonsolicitation*. Grantee further agrees that he will not, either directly or indirectly, solicit, hire or employ, or cause any other person, company, or entity to solicit, hire or employ, any employee or contractor retained or employed by the Company or its affiliates during the period of Grantee's employment and for the period set forth in Section 3 of Schedule A hereto or Section 5 of Schedule B hereto, as applicable to the Grantee. The provisions of this paragraph shall not apply to contact initiated by an employee or contractor of the Company or its affiliates in response to a general solicitation of applications for employment. Grantee agrees that this Agreement is subject to the provisions of this paragraph.

Section 11. *Notices*. All notices under this Agreement shall be mailed or delivered by hand to the parties at their respective addresses set forth beneath their signatures below or at such other address as may be designated in writing by either party to the other party, or to their permitted transferees if applicable. Notices shall be effective upon receipt.

Section 12. *Payments Subject to Clawback*. To the extent that any payment under this Agreement is subject to clawback under Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as it may be amended from time to time, such amount will be clawed back in appropriate circumstances, as determined under the terms and conditions prescribed by such Act and the authority issued thereunder. Further, the Company will be entitled to the extent permitted or required by any other applicable law and/or Company policy as in effect from time to time (including, but not limited to, the Policy on Recovery of Executive Compensation) to recoup compensation of whatever kind paid by the Company or any of its affiliates at any time to the Grantee pursuant to this Agreement.

Section 13. *Determinations*. Determinations by the Committee, or its delegatee, shall be final and conclusive with respect to the interpretation of the Plan and this Agreement.

Section 14. *Governing Law and Severability*. The validity and construction of this Agreement shall be governed, construed and enforced in accordance with the laws of the State of Delaware applicable to transactions that take place entirely within that state. The invalidity of any provision of this Agreement shall not affect any other provision of this Agreement, which shall remain in full force and effect.

Section 15. *Code Section 409A*. Notwithstanding any provision of this Agreement to the contrary, for purposes of this Agreement, the termination of Grantee's employment shall not result in the payment of any amount hereunder that is subject to, and not exempt from, Code Section 409A, unless such termination of employment constitutes a "separation from service" as defined under Code Section 409A. Further, notwithstanding any provision of this Agreement to the contrary, if any payment or other benefit provided herein would be subject to unfavorable tax consequences under Code Section 409A because the timing of such payment is not delayed as provided in Code Section 409A for a "specified employee" (within the meaning of Code Section 409A), then if the Grantee is a "specified employee," any such payment that the Grantee would otherwise be entitled to receive

during the first six (6) months following Grantee's termination of employment from the Company, shall be accumulated and paid, within thirty (30) days after the date that is six (6) months following the Grantee's date of termination of employment from the Company, or such earlier date upon which such amount can be paid under Code Section 409A without being subject to such unfavorable tax consequences such as, for example, upon the Grantee's death.

Section 16. *Conflicts with Plan, Correction of Errors, Grantee's Consent, and Amendments*. In the event that any provision of this Agreement conflicts in any way with a provision of the Plan, such Plan provision shall be controlling and the applicable provision of this Agreement shall be without force and effect to the extent necessary to cause such Plan provision to be controlling. In the event that, due to administrative error, this Agreement does not accurately reflect an Award properly granted to the Grantee pursuant to the Plan, the Company, acting through its Executive Compensation Department, reserves the right to cancel any erroneous document and, if appropriate, to replace the cancelled document with a corrected document. It is the intention of the Company and the Grantee that this Agreement either (i) comply with the salary deferral arrangement rules under Canadian law and Code Section 409A, as applicable, or (ii) not be construed as a salary deferral arrangement under Canadian law and be exempt from Code Section 409A, to the extent applicable. Accordingly, this Agreement shall be interpreted as necessary and to the extent legally permissible to comply with the requirements of, or exemption under, Canadian law and Code Section 409A, as applicable, as determined by the Committee or its delegate. Grantee shall also be deemed to consent to any amendment of the Plan or the Agreement as the Committee may reasonably make in furtherance of such intention, and the Committee shall promptly provide, or make available to, the Grantee a copy of any such amendment.
Finally, this Agreement may be amended or modified at any time and from time to time by action of the Committee.

Section 17. *Equitable Remedies*. Grantee hereby acknowledges and agrees that a breach of Grantee's obligations under this Agreement would result in damages to the Company that could not be adequately compensated for by monetary award. Accordingly, in the event of any such breach by Grantee, in addition to all other remedies available to the Company at law or in equity, the Company will be entitled as a matter of right to apply to a court of competent jurisdiction for such relief by way of restraining order, injunction, decree or otherwise, as may be appropriate to ensure compliance with the provisions of this Agreement.

Section 18. *Arbitration Agreement*. The Grantee and the Company both agree that any dispute arising out of or related to this Agreement, which does not involve the Company seeking a court injunction or other relief as provided for in Section 17, shall be resolved by binding arbitration under the employment dispute resolution rules of the American Arbitration Association and that any proceeding under the provisions of this Section 18 shall be held in Houston, Texas. The parties both irrevocably WAIVE ANY AND ALL RIGHTS TO A JURY as to any and all claims and issues in any such dispute. By this

provision, both the Grantee and the Company understand and agree that any and all claims and issues in such dispute shall be decided by such arbitration proceeding.

Notwithstanding the foregoing, this Award is subject to cancellation by the Company in its sole discretion unless the Grantee, by not later than _____ __, _____, has signed a duplicate of this Agreement, in the space provided below, and returned the signed duplicate to the Executive Compensation Department - Performance Stock (WO 1O23), Spectra Energy Corp, P. O. Box 1642, Houston, TX 77251-1642, which, if, and to the extent, permitted by the Executive Compensation Department, may be accomplished by electronic means.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and granted in Houston, Texas, to be effective as of the Date of Grant.

ATTEST:	SPECTRA ENERGY CORP:
By: _____	By: _____
Corporate Secretary	Chair, President & CEO, Spectra Energy Corp

Address for Notices:

5400 Westheimer Court
Mail Drop 1O23
Houston, Texas 77056

Attention: Karen Gowder

Acceptance of Performance Award

IN WITNESS OF Grantee's acceptance of this Performance Award and Grantee's agreement to be bound by the provisions of this Agreement and the Plan, Grantee has signed this Agreement this _____ day of _____, ____.

_____
Grantee's Signature

_____
(print name)

_____
(employee ID)

Address for Notices:

_____
(address)

_____
(address)

EXHIBIT A

The Peer Group will consist of the following:

- Companies in the S&P 500 Energy Index
- Companies in the Alerian MLP Index, excluding DCP Midstream Partners LP (DPM) and Spectra Energy Partners, LP (SEP)
- Enbridge Inc. (ENB)
  TransCanada Corporation (TRP)

SCHEDULE A

This Schedule A and the provisions hereof shall apply to the Grantee if (and only if) the Grantee is on the payroll of one of the Company's directly or indirectly held or majority or greater-owned subsidiaries or affiliates that is a United States entity.

Section 1. For purposes of Section 2(c) and Section 2(d) of the Agreement, "permanent and total disability" shall have the meaning set forth in Code Section 22(e)(3).

Section 2. The following provisions shall apply for purposes of Section 3 of the Agreement:

Grantee agrees that during the period beginning with such termination of employment and ending with the third anniversary of the Date of Grant ("Restricted Period"), Grantee shall not (i) without the prior written consent of the Company, or its delegatee, become employed by, serve as a principal, partner, or member of the board of directors of, or in any similar capacity with, or otherwise provide service to, a competitor, to the detriment, of the Company or any Subsidiary, or (ii) violate any of Grantee's other noncompetition obligations, or any of Grantee's nonsolicitation or nondisclosure obligations, to the Company or any Subsidiary. The noncompetition obligations of clause (i) of the preceding sentence shall be limited in scope and shall be effective only to competition with the Company or any Subsidiary in the businesses of: gathering, processing or transmission of natural gas or crude oil, resale or arranging for the purchase or for the resale, brokering, marketing, or trading of natural gas, or derivatives thereof; gathering, compression, treating, processing, fractionation, transportation, trading, marketing of natural gas components, including natural gas liquids, or of crude oil; and sales and marketing of natural gas, domestically and abroad; and any other business in which the Company, including Subsidiaries, is engaged at the termination of Grantee's continuous employment by the Company, including Subsidiaries; and within the following geographical areas (i) any country in the world where the Company, including Subsidiaries, has at least US$25 million in capital deployed as of termination of Grantee's continuous employment by Company, including Subsidiaries; (ii) the continent of North America; (iii) the United States of America and Canada; (iv) the states of (A) Virginia, (B) Georgia, (C) Florida, (D) Texas, (E) California, (F) Massachusetts, (G) Illinois, (H) Michigan, (I) New York, (J) Colorado, (K) Oklahoma, (L) Kentucky, (M) Ohio, (N) Louisiana, (O) Kansas, (P) Montana, (Q) Missouri, (R) Nebraska, and (S) Wyoming; and (v) any state or states or province or provinces in which was conducted a business of the Company, including Subsidiaries, which business constituted a substantial portion of Grantee's employment. The Company and Grantee intend the above restrictions on competition in geographical areas to be entirely severable and independent, and any invalidity or enforceability of

this provision with respect to any one or more of such restrictions, including geographical areas, shall not render this provision unenforceable as applied to any one or more of the other restrictions, including geographical areas. If any part of this provision is held to be unenforceable because of the duration, scope or area covered, the Company and Grantee agree to modify such part, or that the court making such holding shall have the power to modify such part, to reduce its duration, scope or area, including deletion of specific words and phrases, i.e., "blue penciling", and in its modified, reduced or blue pencil form, such part shall become enforceable and shall be enforced. Nothing herein shall be construed to prohibit Grantee being retained during the Restricted Period in a capacity as an attorney licensed to practice law, or to restrict Grantee providing advice and counsel in such capacity, in any jurisdiction where such prohibition or restriction is contrary to law.

Section 3. The nonsolicitation period for purposes of Section 10 of the Agreement is a period of three (3) years following Grantee's termination of employment with the Company and its affiliates.

SCHEDULE B

This Schedule B and the provisions hereof shall apply to the Grantee if (and only if) the Grantee is on the payroll of one of the Company's directly or indirectly held or majority or greater-owned subsidiaries or affiliates that is a Canadian entity.

Section 1. The following provisions shall be incorporated immediately before the definition of "Cause" in Section 2(b) of the Agreement and immediately before the definition of "Good Reason" in Section 2(d) of the Agreement:

The date that the Grantee's continuous employment is terminated for the purposes of Section 2(b) and Section 2(d) shall be deemed to be the date on which any notice of termination of employment provided to such Grantee is stated to be effective (or in the case of an alleged constructive dismissal, the date on which the alleged constructive dismissal is alleged to have occurred), and not during or as of the end of any period following such date during which the Grantee is in receipt of, or entitled to receive, statutory, contractual, or common law notice of termination or any compensation in lieu of such notice.

Section 2. For purposes of Section 2(c) and Section 2(d) of the Agreement, an individual shall be considered to have a "permanent and total disability" if the individual is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

Section 3. The following provisions shall apply for purposes of Section 3 of the Agreement:

Grantee agrees that during the period beginning with such termination of employment and ending with the earlier of (1) the third anniversary of the Date of Grant or (2) the first anniversary of the date of such termination of employment ("Restricted Period"), Grantee shall not (i) without the prior written consent of the Company, or its delegatee, become employed by, serve as a principal, partner, or member of the board of directors of, or in any similar capacity with, or otherwise provide service to, a competitor, to the detriment, of the Company or any Subsidiary, or (ii) violate any of Grantee's other noncompetition obligations, or any of Grantee's nonsolicitation or nondisclosure obligations, to the Company or any Subsidiary. The noncompetition obligations of clause (i) of the preceding sentence shall be limited in scope and shall be effective only to competition with the Company or any Subsidiary in the businesses of: gathering, processing or transmission of natural gas or crude oil, resale or arranging for the purchase or for the

resale, brokering, marketing, or trading of natural gas, or derivatives thereof; gathering, compression, treating, processing, fractionation, transportation, trading, marketing of natural gas components, including natural gas liquids, or of crude oil; and sales and marketing of natural gas, domestically and abroad; and any other business in which the Company, including Subsidiaries, is engaged at the termination of Grantee's continuous employment by the Company, including Subsidiaries; and within the geographical area of the province in which Grantee was employed at termination of employment from the Company and employing Subsidiaries. If any part of this provision is held to be unenforceable because of the duration, scope or area covered, the Company and Grantee agree to modify such part, or that the court making such holding shall have the power to modify such part, to reduce its duration, scope or area, including deletion of specific words and phrases, i.e., "blue penciling", and in its modified, reduced or blue pencil form, such part shall become enforceable and shall be enforced. Nothing herein shall be construed to prohibit Grantee being retained during the Restricted Period in a capacity as an attorney licensed to practice law, or to restrict Grantee providing advice and counsel in such capacity, in any jurisdiction where such prohibition or restriction is contrary to law.

Section 4. The following provisions shall be incorporated after the first sentence in Section 4 of the Agreement:

The date of the termination of Grantee's continuous employment with the Company, including Subsidiaries, for the purposes of this Section 4 shall be deemed to be the date on which any notice of termination of employment provided to or by such Grantee is stated to be effective (or in the case of an alleged constructive dismissal, the date on which the alleged constructive dismissal is alleged to have occurred), and not during or as of the end of any period following such date during which the Grantee is in receipt of, or entitled to receive, statutory, contractual, or common law notice of termination or any compensation in lieu of such notice.

Section 5. The nonsolicitation period for purposes of Section 10 of the Agreement is a period of one (1) year following Grantee's termination of employment with the Company and its affiliates.

EXHIBIT 10.30

SPECTRA ENERGY CORP
PHANTOM STOCK AWARD AGREEMENT

This **Phantom Stock Award Agreement** (the "Agreement") has been made as of , (the "Date of Grant") between **Spectra Energy Corp**, a Delaware corporation, with its principal offices in Houston, Texas (the "Company"), and _____ (the "Grantee").

RECITALS

Under the amended and restated Spectra Energy Corp 2007 Long-Term Incentive Plan as it may, from time to time, be amended (the "Plan"), the Compensation Committee of the Board of Directors of the Company (the "Committee"), or its delegatee, has determined the form of this Agreement (which also includes Schedule A hereto or Schedule B hereto, as applicable to the Grantee) and selected the Grantee, as an Employee, to receive the award evidenced by this Agreement (the "Award") and the Phantom Stock units and tandem Dividend Equivalents that are subject hereto. The basis for the Award is to provide an incentive for the Employee to remain with the Company and to improve Employee retention. Awards are not intended for Employees who have given notice of resignation or who have been given notice of termination by the Company or an employing Subsidiary, and will not accrue to Employees once such notices are given. For clarity, Awards do not accrue for Employees who have received notice, given notice or have been determined to be entitled to a notice period by a court, and no damages suffered by an Employee due to lack of sufficient notice will include compensation for loss of vesting rights or accrual of an Award, notwithstanding any statutory, contractual, or common law period of notice of termination, or compensation in lieu of such notice, to which an employee may be entitled. The applicable provisions of the Plan are incorporated in this Agreement by reference, including the definitions of terms contained in the Plan (unless such terms are otherwise defined herein).

AWARD

In accordance with the Plan, the Company has made this Award, effective as of the Date of Grant and upon the following terms and conditions:

Section 1. *Number and Nature of Phantom Stock Units and Tandem Dividend Equivalents*. The number of Phantom Stock units and the number of tandem Dividend Equivalents subject to this Award are each _____ **(____)**. Each Phantom Stock unit, upon becoming vested before its expiration, represents a right to receive payment in the form of cash equal to the Fair Market Value of one (1) share of Common Stock. Each tandem Dividend Equivalent represents a right to receive cash payments equivalent to the amount of cash dividends declared and paid on one (1) share of Common Stock after the Date of Grant and before the Dividend Equivalent expires. Phantom Stock units and Dividend Equivalents are used solely as units of measurement, and are not shares of

Common Stock and the Grantee is not, and has no rights as, a shareholder of the Company by virtue of this Award. The Phantom Stock units and Dividend Equivalents subject to this Award have been awarded to the Grantee in respect of services to be performed by the Grantee exclusively in and after the year in which the Award is made.

Section 2. *Vesting of Phantom Stock Units*. The specified percentage of the Phantom Stock units subject to this Award, and not previously forfeited, shall vest, with such percentage considered satisfied to the extent such Phantom Stock units have previously vested, as follows:

(a) **Generally.** 100% upon Grantee continuously remaining an Employee of the Company, including Subsidiaries, through the third anniversary of the Date of Grant (the "Vesting Period").

(b) **Retirement.** If Grantee's employment with the Company, including Subsidiaries, terminates at a time when Grantee is eligible for an immediately payable early or normal retirement benefit under the Spectra Energy Retirement Cash Balance Plan or under another retirement plan of the Company or Subsidiary, which plan the Committee, or its delegatee, in its sole discretion, determines to be the functional equivalent of the Spectra Energy Retirement Cash Balance Plan, then the number of Phantom Stock units and tandem Dividend Equivalents to which the Grantee shall have a right to payment hereunder shall be prorated to reflect the number of months of the Vesting Period during which the Grantee's active employment with the Company, including Subsidiaries, ("Active Employment") continued, and the remaining Phantom Stock units not vested shall be forfeited. Solely for purposes of calculating the prorated payment in the preceding sentence, if the Grantee's Active Employment continued for at least one (1) day during a calendar month in the Vesting Period, Grantee's Active Employment shall be considered to have continued for the entirety of such month, but in no event for more than thirty-six (36) months. Grantee shall be considered to have "retired" but Grantee's employment shall be considered to continue, with continued vesting under Section 2(a) with respect to the prorated payment determined in accordance with the above, (i) unless the Committee or its delegatee, in its sole discretion, determines that (A) Grantee is in violation of any obligation identified in Section 4 or (B) the termination of Grantee's employment is for Cause, in which case all Phantom Stock units not previously vested shall be forfeited, or (ii) unless the Grantee dies, in which case the Phantom Stock units subject to the provisions of this Section 2(b) shall vest in accordance with Section 2(c). The additional provisions of Section 1 of Schedule B hereto are incorporated herein if Schedule B is applicable to the Grantee.

(c) **Death or Disability.** If Grantee's employment with the Company, including Subsidiaries, terminates (i) as the result of Grantee's death or (ii) as the result of Grantee's "permanent and total disability," as defined in Section 1 of Schedule A hereto or Section 2 of Schedule B hereto, as applicable to the Grantee, 100% of the Phantom Stock units subject to this Award shall vest immediately.

(d) **Involuntary Termination Without Cause.** If Grantee's employment is terminated by the Company, or employing Subsidiary, other than for Cause, regardless of reason for termination or the party giving notice, (i) the number of Phantom Stock units and tandem Dividend Equivalents to which the Grantee shall have a right to payment hereunder shall be prorated to reflect the number of months of Active Employment during the Vesting Period, and shall vest immediately, and (ii) the remaining Phantom Stock units shall be forfeited. Solely for purposes of calculating the prorated payment in clause (i) of the preceding sentence, if the Grantee's Active Employment continued for at least one (1) day during a calendar month in the Vesting Period, Grantee's Active Employment shall be considered to have continued for the entire month, but in no event for more than thirty-six (36) months. The additional provisions of Section 3 of Schedule B hereto are incorporated herein if Schedule B is applicable to the Grantee.

(e) **Change in Control.** All Phantom Stock units and tandem Dividend Equivalents to which the Grantee has the right to payment hereunder shall become 100% vested to the extent not yet vested as provided for in Section 2 above, if, following the occurrence of a Change in Control and before the second anniversary of such occurrence, (A) the Grantee's employment is terminated involuntarily, and not for Cause, by the Company, or employing Subsidiary, or their successor; or (B) such employment is terminated by the Grantee for Good Reason.

For the purposes of this Agreement, "Good Reason" is defined as the occurrence (without the Grantee's express written consent) of any of the following, unless such act or failure to act is corrected, prior to the effective date of Grantee's termination of employment, as specified in Grantee's notice termination, as provided in the following paragraph: (A) a substantial adverse alteration in the nature or status of the Grantee's responsibilities; (B) a material reduction in the Grantee's annual base salary; (C) a material reduction in the Grantee's target annual bonus; (D) the elimination of any material employee benefit plan in which the Grantee is a participant or the material reduction of Grantee's benefits under such plan, unless the Company either (1) immediately replaces such employee benefit plan or unless the Grantee is permitted to immediately participate in other employee benefit plan(s) providing the Grantee with a substantially equivalent value of benefits in the aggregate to those eliminated or materially reduced, or (2) immediately provides the Grantee with other forms of compensation of comparable value to that being eliminated or reduced; (E) a relocation without the written consent of the Grantee that requires the Grantee to report to a work location more than thirty-five (35) miles from the work location to which the Grantee was assigned prior to the Change in Control.

Grantee is required to provide notice to the Company (or its successor) of the existence of any of the conditions set forth in the "Good Reason" definition in this Section 2(e) at least fifteen (15), but not more than sixty (60), days prior to the date of Grantee's termination of employment. Upon receipt of such notice, the Company (or its successor) may, prior to the effective date of Grantee's termination of employment, cure or remedy such condition. If Grantee terminates from employment after providing notice and after the Company (or its successor) has cured the condition within the time frame set

forth in this Section 2(e), then such termination of employment will be considered to be a voluntary termination of employment, and not a separation for Good Reason.

The Grantee's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason pursuant to the foregoing provisions of this Section 2(e).

Section 3. *Definition of "Cause*." For the purposes of this Agreement, "Cause" for termination by the Company or an employing Subsidiary of the Grantee's employment shall include: (i) a material failure by the Grantee to carry out, or malfeasance or gross insubordination in carrying out, reasonably assigned duties or instructions consistent with the Grantee's position, (ii) the final conviction of the Grantee of a (A) felony, (B) crime or criminal offense involving moral turpitude, or (C) criminal or summary conviction offense that is related to the Grantee's employment with the Company or an employing Subsidiary, (iii) an egregious act of dishonesty by the Grantee (including, without limitation, theft or embezzlement) in connection with employment, or a malicious action by the Grantee toward the customers or employees of the Company or any affiliate, (iv) a material breach by the Grantee of the Company's Code of Business Ethics, (v) the failure of the Grantee to cooperate fully with governmental investigations involving the Company or its affiliates, or (vi) the usual meaning of just cause under Canadian common law, if applicable; all as determined by the Company in its sole discretion.

Section 4. *Violation of Grantee Obligation*. In consideration of the continued vesting opportunity provided under Section 2 following the termination of Grantee's continuous employment by the Company, including Subsidiaries, if Grantee is considered "retired", Grantee agrees to the noncompetition and other restrictions set forth in Section 2 of Schedule A hereto or Section 4 of Schedule B hereto, as applicable to the Grantee. In the event that Grantee violates applicable noncompetition and other restrictions, the continued vesting opportunity provided under Section 2 shall terminate and be forfeited.

Section 5. *Forfeiture/Expiration*. Any Phantom Stock unit subject to this Award shall be forfeited upon notice of the termination of Grantee's continuous employment with the Company and its Subsidiaries, whether such notice is given by the Grantee or by the Company, including Subsidiaries, from the Date of Grant, except to the extent otherwise provided in Section 2, and, if not previously vested, deferred or forfeited, shall expire immediately before the third anniversary of the Date of Grant. Any Dividend Equivalent subject to this Award shall expire at the time the unit of Phantom Stock with respect to which the Dividend Equivalent is in tandem (i) is vested and paid, or, to the extent permitted by the laws of the applicable jurisdiction, deferred, (ii) is forfeited, or (iii) expires. The additional provisions of Section 5 of Schedule B hereto are incorporated herein if Schedule B is applicable to the Grantee.

Section 6. *Dividend Equivalent Payments*. Payment with respect to any Dividend Equivalent subject to this Award that is in tandem with a Phantom Stock unit that is vested and paid shall be paid in a single lump sum cash payment as soon as practicable following

the vesting and payment of the Phantom Stock unit, and in no event later than the end of the third calendar year following the year of the Date of Grant, except, if the vested Phantom Stock unit is deferred by the Grantee as provided in Section 7, payment with respect to the tandem Dividend Equivalent shall likewise be deferred. Payment under this Section 6 shall be made not later than thirty (30) days after payment hereunder of the related tandem Phantom Stock units. The Dividend Equivalent payment amount shall equal the aggregate cash dividends declared and paid with respect to one (1) share of Common Stock for the period beginning on the Date of Grant and ending on the date the vested, tandem Phantom Stock unit is paid or deferred and before the Dividend Equivalent expires. However, should the Grantee receive payment of Phantom Stock units under this Award without the right to receive a dividend and, because of the timing of the declaration of such dividend, the Grantee is not otherwise entitled to payment under the expiring Dividend Equivalent with respect to such dividend, the Grantee, nevertheless, shall be entitled to such payment. Dividend Equivalent payments shall be subject to withholding for taxes. Notwithstanding any other provision hereof, to the extent necessary for this Agreement not to be construed as a salary deferral arrangement under Canadian law, in no event will any Dividend Equivalent to which the Grantee may be entitled vest, or will the right to receive a payment in respect of any Dividend Equivalent arise, after December 30 of the calendar year which is three years following the end of the year in which any portion of the services to which the award of such Dividend Equivalent relates were performed by the Grantee, and in the event this would, apart from this provision, occur, notwithstanding any other provision hereof, the applicable Dividend Equivalent will vest and the Grantee will be entitled to receive payment of such Dividend Equivalent on December 30 (or the first date prior thereto that is not a Saturday, Sunday or holiday) in the first calendar year which is three years following the end of the year in which any portion of the services to which the award of such Dividend Equivalent relates were performed by the Grantee.

Section 7. *Payment of Phantom Stock Units*. Payment of Phantom Stock units subject to this Award shall be made to the Grantee in a single lump sum cash payment as soon as practicable following the time such units become vested in accordance with Section 2 prior to their expiration but in no event later than thirty (30) days following such vesting and in no event later than the end of the third calendar year following the year of the Date of Grant, except to the extent deferred by Grantee in accordance with such procedures as the Committee, or its delegatee, may prescribe consistent with the requirements of Code Section 409A or any Canadian law equivalent, as applicable. Any deferral of Phantom Stock units by the Grantee hereunder shall apply to both the shares of Common Stock and the related tandem Dividend Equivalents. Payment shall be subject to withholding for taxes. Payment shall be in the form of cash equal to the Fair Market Value of one (1) share of Common Stock for each full vested unit of Phantom Stock, and any fractional vested unit of Phantom Stock shall be rounded up to the next whole share for purposes of both vesting under Section 2 and payment under this Section 7.

Section 8. *No Employment Right*. Nothing in this Agreement or in the Plan shall confer upon the Grantee the right to continued employment by the Company or any

Subsidiary, or affect the right of the Company or any Subsidiary to terminate the employment or service of the Grantee at any time for any reason.

Section 9. *Nonalienation*. The Phantom Stock units and Dividend Equivalents subject to this Award are not assignable or transferable by the Grantee. Upon any attempt to transfer, assign, pledge, hypothecate, sell or otherwise dispose of any such Phantom Stock unit or Dividend Equivalent, or of any right or privilege conferred hereby, or upon the levy of any attachment or similar process upon such Phantom Stock unit or Dividend Equivalent, or upon such right or privilege, such Phantom Stock unit or Dividend Equivalent, or right or privilege, shall immediately become null and void.

Section 10. *Determinations*. Determinations by the Committee, or its delegatee, shall be final and conclusive with respect to the interpretation of the Plan and this Agreement.

Section 11. *Governing Law and Severability*. The validity and construction of this Agreement shall be governed by the laws of the state of Delaware applicable to transactions taking place entirely within that state. The invalidity of any provision of this Agreement shall not affect any other provision of this Agreement, which shall remain in full force and effect.

Section 12. *Code Section 409A*. Notwithstanding any provision of this Agreement to the contrary, for the purposes of this Agreement, the termination of Grantee's employment shall not result in the payment of any amount hereunder that is subject to, and not exempt from, Code Section 409A, unless such termination of employment constitutes a "separation from service" as defined under Code Section 409A. Further, notwithstanding any provision of this Agreement to the contrary, if any payment or other benefit provided herein would be subject to unfavorable tax consequences under Code Section 409A because the timing of such payment is not delayed as provided in Code Section 409A for a "specified employee" (within the meaning of Code Section 409A), then if the Grantee is a "specified employee," any such payment that the Grantee would otherwise be entitled to receive during the first six (6) months following Grantee's termination of employment from the Company, including Subsidiaries, shall be accumulated and paid, within thirty (30) days after the date that is six (6) months following the Grantee's date of termination of employment from the Company, including Subsidiaries, or such earlier date upon which such amount can be paid under Code Section 409A without being subject to such unfavorable tax consequences such as, for example, upon the Grantee's death.

Section 13. *Conflicts with Plan, Correction of Errors, Grantee's Consent, and Amendments*. In the event that any provision of this Agreement conflicts in any way with a provision of the Plan, such Plan provision shall be controlling and the applicable provision of this Agreement shall be without force and effect to the extent necessary to cause such Plan provision to be controlling. In the event that, due to administrative error, this Agreement does not accurately reflect a Phantom Stock Award properly granted to Grantee pursuant to the Plan, the Company, acting through its Executive Compensation Department,

reserves the right to cancel any erroneous document and, if appropriate, to replace the cancelled document with a corrected document. It is the intention of the Company and the Grantee that this Agreement either (i) comply with the salary deferral arrangement rules under Canadian law and Code Section 409A, as applicable, or (ii) not be construed as a salary deferral arrangement under Canadian law and be exempt from Code Section 409A, to the extent applicable. Accordingly, this Agreement shall be interpreted as necessary and to the extent legally permissible to comply with the requirements of, or exemption under, Canadian law and Code Section 409A, as applicable, as determined by the Committee or its delegatee. Grantee shall also be deemed to consent to any amendment of the Plan or the Agreement as the Committee may reasonably make in furtherance of such intention, and the Committee shall promptly provide, or make available to, the Grantee a copy of any such amendment. Finally, this Agreement may be amended or modified at any time and from time to time by action of the Committee.

Section 14. *Grantee Confidentiality Obligations*. In accepting this Phantom Stock Award, Grantee acknowledges that Grantee is obligated under Company policy, and under federal, state, provincial and other applicable law, to protect and safeguard the confidentiality of trade secrets and other proprietary and confidential information belonging to the Company and its affiliates that are acquired by Grantee during Grantee's employment with the Company and its affiliates, and that such obligations continue beyond the termination of such employment. Grantee agrees to notify any subsequent employer of such obligations and that the Company and its affiliates, in order to enforce such obligations, may pursue legal recourse not only against Grantee, but against a subsequent employer of Grantee. Grantee agrees that he shall not disclose the existence or terms of this Agreement to anyone other than his spouse, tax advisor(s) and/or attorney(s), provided that he first obtains the agreement of such persons to be bound by the confidentiality provisions of this paragraph. Grantee also agrees to immediately give the Company written notice in accordance with the provisions of this Agreement in the event he is legally required to disclose any of the confidential information covered by the provisions of this paragraph.

Section 15. *Nonsolicitation*. Grantee further agrees that he will not, either directly or indirectly, solicit, hire or employ, or cause any other person, company, or entity to solicit, hire or employ, any employee or contractor retained or employed by the Company or its affiliates during the period of Grantee's employment and for the period set forth in Section 3 of Schedule A hereto or Section 6 of Schedule B hereto, as applicable to the Grantee. The provisions of this paragraph shall not apply to contact initiated by an employee or contractor of the Company or its affiliates in response to a general solicitation of applications for employment. Grantee agrees that this Agreement is subject to the provisions of this paragraph.

Section 16. *Notices*. All notices under this Agreement shall be mailed or delivered by hand to the parties at their respective addresses set forth beneath their signatures below or at such other address as may be designated in writing by either party to the other party, or to their permitted transferees if applicable. Notices shall be effective upon receipt.

Section 17. *Payments Subject to Clawback*. To the extent that any payment under this Agreement is subject to clawback under Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as it may be amended from time to time, such amount will be clawed back in appropriate circumstances, as determined under the terms and conditions prescribed by such Act and the authority issued thereunder. Further, the Company will be entitled to the extent permitted or required by any other applicable law and/or Company policy as in effect from time to time (including, but not limited to, the Policy on Recovery of Executive Compensation) to recoup compensation of whatever kind paid by the Company or any of its affiliates at any time to the Grantee pursuant to this Agreement.

Section 18. *Equitable Remedies*. Grantee hereby acknowledges and agrees that a breach of Grantee's obligations under this Agreement would result in damages to the Company that could not be adequately compensated for by monetary award. Accordingly, in the event of any such breach by Grantee, in addition to all other remedies available to the Company at law or in equity, the Company will be entitled as a matter of right to apply to a court of competent jurisdiction for such relief by way of restraining order, injunction, decree or otherwise, as may be appropriate to ensure compliance with the provisions of this Agreement.

Section 19. *Arbitration Agreement*. The Grantee and the Company both agree that any dispute arising out of or related to this Agreement, which does not involve the Company seeking a court injunction or other relief as provided for in Section 18, shall be resolved by binding arbitration under the employment dispute resolution rules of the American Arbitration Association and that any proceeding under the provisions of this Section 19 shall be held in Houston, Texas. The parties both irrevocably WAIVE ANY AND ALL RIGHTS TO A JURY as to any and all claims and issues in any such dispute. By this provision, both the Grantee and the Company understand and agree that any and all claims and issues in such dispute shall be decided by such arbitration proceeding.

Notwithstanding the foregoing, this Award is subject to cancellation by the Company in its sole discretion unless the Grantee, by not later than _____ __, ____, has signed a duplicate of this Agreement, in the space provided below, and returned the signed duplicate to the Executive Compensation Department - Phantom Stock (WO 1O23), Spectra Energy Corp, P. O. Box 1642, Houston, TX 77251-1642, which, if, and to the extent, permitted by the Executive Compensation Department, may be accomplished by electronic means.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and granted in Houston, Texas, to be effective as of the Date of Grant.

ATTEST:	SPECTRA ENERGY CORP:
By: _____	By: _____
Corporate Secretary	Chair, President & CEO, Spectra Energy Corp

Address for Notices:

5400 Westheimer Court
Mail Drop 1O23
Houston, Texas 77056

Attention: Karen Gowder

Acceptance of Phantom Stock Award

IN WITNESS OF Grantee's acceptance of this Award and Grantee's agreement to be bound by the provisions of this Agreement and the Plan, Grantee has signed this Agreement this _____ day of _____, ____.

_____
Grantee's Signature

_____
(print name)

_____
(employee ID)

Address for Notices:

_____
(address)

_____
(address)

SCHEDULE A

This Schedule A and the provisions hereof shall apply to the Grantee if (and only if) the Grantee is on the payroll of one of the Company's directly or indirectly held or majority or greater-owned subsidiaries or affiliates that is a United States entity.

Section 1. For purposes of Section 2(c) of the Agreement, "permanent and total disability" shall have the meaning set forth in Code Section 22(e)(3).

Section 2. The following provisions shall apply for purposes of Section 4 of the Agreement:

Grantee agrees that during the period beginning with such termination of employment and ending with the third anniversary of the Date of Grant ("Restricted Period"), Grantee shall not (i) without the prior written consent of the Company, or its delegatee, become employed by, serve as a principal, partner, or member of the board of directors of, or in any similar capacity with, or otherwise provide service to, a competitor, to the detriment, of the Company or any Subsidiary or (ii) violate any of Grantee's other noncompetition obligations, or any of Grantee's nonsolicitation or nondisclosure obligations, to the Company or any Subsidiary. The noncompetition obligations of clause (i) of the preceding sentence shall be limited in scope and shall be effective only to competition with the Company or any Subsidiary in the businesses of: gathering, processing or transmission of natural gas, resale or arranging for the purchase or for the resale, brokering, marketing, or trading of natural gas or crude oil, electricity or derivatives thereof; energy management and the provision of energy solutions; gathering, compression, treating, processing, fractionation, transportation, trading, marketing of natural gas components, including natural gas liquids, or of crude oil; sales and marketing of electric power and natural gas, domestically and abroad; and any other business in which the Company, including Subsidiaries, is engaged at the termination of Grantee's continuous employment by the Company, including Subsidiaries; and within the following geographical areas (i) any country in the world where the Company has at least US$25 million in capital deployed as of termination of Grantee's continuous employment by Company, including Subsidiaries; (ii) the continent of North America; (iii) the United States of America and Canada; (iv) the states of (A) Virginia, (B) Georgia, (C) Florida, (D) Texas, (E) California, (F) Massachusetts, (G) Illinois, (H) Michigan, (I) New York, (J) Colorado, (K) Oklahoma, (L) Kentucky, (M) Ohio, (N) Louisiana, (O) Kansas, (P) Montana, (Q) Missouri, (R) Nebraska, and (S) Wyoming; and (v) any state or states or province or provinces in which was conducted a business of the Company, including Subsidiaries, which business constituted a substantial portion of Grantee's employment. The Company and Grantee intend the above restrictions on competition in geographical areas to be

entirely severable and independent, and any invalidity or enforceability of this provision with respect to any one or more of such restrictions, including geographical areas, shall not render this provision unenforceable as applied to any one or more of the other restrictions, including geographical areas. If any part of this provision is held to be unenforceable because of the duration, scope or area covered, the Company and Grantee agree to modify such part, or that the court making such holding shall have the power to modify such part, to reduce its duration, scope or area, including deletion of specific words and phrases, i.e., "blue penciling", and in its modified, reduced or blue pencil form, such part shall become enforceable and shall be enforced. Nothing herein shall be construed to prohibit Grantee being retained during the Restricted Period in a capacity as an attorney licensed to practice law, or to restrict Grantee providing advice and counsel in such capacity, in any jurisdiction where such prohibition or restriction is contrary to law.

Section 3. The nonsolicitation period for purposes of Section 15 of the Agreement is a period of three (3) years following Grantee's termination of employment with the Company and its affiliates.

SCHEDULE B

This Schedule B and the provisions hereof shall apply to the Grantee if (and only if) the Grantee is on the payroll of one of the Company's directly or indirectly held or majority or greater-owned subsidiaries or affiliates that is a Canadian entity.

Section 1. The following provisions shall be incorporated at the end of Section 2(b) of the Agreement:

The date of the termination of Grantee's continuous employment with the Company for the purposes of this Section 2(b) shall be deemed to be the date on which any notice of termination of employment provided to or by such Grantee is stated to be effective (or in the case of an alleged constructive dismissal, the date on which the alleged constructive dismissal is alleged to have occurred), and not during or as of the end of any period following such date during which the Grantee is in receipt of, or entitled to receive, statutory, contractual, or common law notice of termination or any compensation in lieu of such notice.

Section 2. For purposes of Section 2(c) of the Agreement, an individual shall be considered to have a "permanent and total disability" if the individual is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

Section 3. The following provisions shall be incorporated at the end of Section 2(d) of the Agreement:

The date that the Grantee's employment is terminated by the Company, including Subsidiaries, other than for Cause for the purposes of this Section 2(d) shall be deemed to be the date on which any notice of termination of employment provided to such Grantee is stated to be effective (or in the case of an alleged constructive dismissal, the date on which the alleged constructive dismissal is alleged to have occurred), and not during or as of the end of any period following such date during which the Grantee is in receipt of, or entitled to receive, statutory, contractual, or common law notice of termination or any compensation in lieu of such notice.

Section 4. The following provisions shall apply for purposes of Section 4 of the Agreement:

Grantee agrees that during the period beginning with such termination of employment and ending with the earlier of (1) the third anniversary of the Date of Grant or (2) the first anniversary of the date of such termination of employment ("Restricted Period"), Grantee shall not (i) without the prior

written consent of the Company, or its delegatee, become employed by, serve as a principal, partner, or member of the board of directors of, or in any similar capacity with, or otherwise provide service to, a competitor, to the detriment, of the Company or any Subsidiary or (ii) violate any of Grantee's other noncompetition obligations, or any of Grantee's nonsolicitation or nondisclosure obligations, to the Company or any Subsidiary. The noncompetition obligations of clause (i) of the preceding sentence shall be limited in scope and shall be effective only to competition with the Company or any Subsidiary in the businesses of: gathering, processing or transmission of natural gas or crude oil, resale or arranging for the purchase or for the resale, brokering, marketing, or trading of natural gas, electricity or derivatives thereof; energy management and the provision of energy solutions; gathering, compression, treating, processing, fractionation, transportation, trading, marketing of natural gas components, including natural gas liquids, or of crude oil; sales and marketing of electric power and natural gas, domestically and abroad; and any other business in which the Company, including Subsidiaries, is engaged at the termination of Grantee's continuous employment by the Company, including Subsidiaries; and within the geographical area of the province in which Grantee was employed at termination of employment from the Company and employing Subsidiaries. If any part of this provision is held to be unenforceable because of the duration, scope or area covered, the Company and Grantee agree to modify such part, or that the court making such holding shall have the power to modify such part, to reduce its duration, scope or area, including deletion of specific words and phrases, i.e., "blue penciling", and in its modified, reduced or blue pencil form, such part shall become enforceable and shall be enforced. Nothing herein shall be construed to prohibit Grantee being retained during the Restricted Period in a capacity as an attorney licensed to practice law, or to restrict Grantee providing advice and counsel in such capacity, in any jurisdiction where such prohibition or restriction is contrary to law.

Section 5. The following provisions shall be incorporated at the end of Section 5 of the Agreement:

The date of the termination of Grantee's continuous employment with the Company, including Subsidiaries, for the purposes of this Section 5 shall be deemed to be the date on which any notice of termination of employment provided to or by such Grantee is stated to be effective (or in the case of an alleged constructive dismissal, the date on which the alleged constructive dismissal is alleged to have occurred), and not during or as of the end of any period following such date during which the Grantee is in receipt of, or entitled to receive, statutory, contractual, or common law notice of termination or any compensation in lieu of such notice.

Section 6. The nonsolicitation period for purposes of Section 15 of the Agreement is a period of one (1) year following Grantee's termination of employment with the Company and its affiliates.

EXHIBIT 10.31

SPECTRA ENERGY CORP
PHANTOM STOCK AWARD AGREEMENT

This **Phantom Stock Award Agreement** (the "Agreement") has been made as of , (the "Date of Grant") between **Spectra Energy Corp**, a Delaware corporation, with its principal offices in Houston, Texas (the "Company"), and _____ (the "Grantee").

RECITALS

Under the amended and restated Spectra Energy Corp 2007 Long-Term Incentive Plan as it may, from time to time, be amended (the "Plan"), the Compensation Committee of the Board of Directors of the Company (the "Committee"), or its delegatee, has determined the form of this Agreement (which also includes Schedule A hereto or Schedule B hereto, as applicable to the Grantee) and selected the Grantee, as an Employee, to receive the award evidenced by this Agreement (the "Award") and the Phantom Stock units and tandem Dividend Equivalents that are subject hereto. The basis for the Award is to provide an incentive for the Employee to remain with the Company and to improve Employee retention. Awards are not intended for Employees who have given notice of resignation or who have been given notice of termination by the Company or an employing Subsidiary, and will not accrue to Employees once such notices are given. For clarity, Awards do not accrue for Employees who have received notice, given notice or have been determined to be entitled to a notice period by a court, and no damages suffered by an Employee due to lack of sufficient notice will include compensation for loss of vesting rights or accrual of an Award, notwithstanding any statutory, contractual, or common law period of notice of termination, or compensation in lieu of such notice, to which an employee may be entitled. The applicable provisions of the Plan are incorporated in this Agreement by reference, including the definitions of terms contained in the Plan (unless such terms are otherwise defined herein).

AWARD

In accordance with the Plan, the Company has made this Award, effective as of the Date of Grant and upon the following terms and conditions:

Section 1. *Number and Nature of Phantom Stock Units and Tandem Dividend Equivalents*. The number of Phantom Stock units and the number of tandem Dividend Equivalents subject to this Award are each _____ **(____)**. Each Phantom Stock unit, upon becoming vested before its expiration, represents a right to receive payment in the form of one (1) share of Common Stock. Each tandem Dividend Equivalent represents a right to receive cash payments equivalent to the amount of cash dividends declared and paid on one (1) share of Common Stock after the Date of Grant and before the Dividend

Equivalent expires. Phantom Stock units and Dividend Equivalents are used solely as units of measurement, and are not shares of Common Stock and the Grantee is not, and has no rights as, a shareholder of the Company by virtue of this Award. The Phantom Stock units and Dividend Equivalents subject to this Award have been awarded to the Grantee in respect of services to be performed by the Grantee exclusively in and after the year in which the Award is made.

Section 2. *Vesting of Phantom Stock Units*. The specified percentage of the Phantom Stock units subject to this Award, and not previously forfeited, shall vest, with such percentage considered satisfied to the extent such Phantom Stock units have previously vested, as follows:

(a) **Generally.** 100% upon Grantee continuously remaining an Employee of the Company, including Subsidiaries, through the third anniversary of the Date of Grant (the "Vesting Period").

(b) **Retirement.** If Grantee's employment with the Company, including Subsidiaries, terminates at a time when Grantee is eligible for an immediately payable early or normal retirement benefit under the Spectra Energy Retirement Cash Balance Plan or under another retirement plan of the Company or Subsidiary, which plan the Committee, or its delegatee, in its sole discretion, determines to be the functional equivalent of the Spectra Energy Retirement Cash Balance Plan, then the number of Phantom Stock units and tandem Dividend Equivalents to which the Grantee shall have a right to payment hereunder shall be prorated to reflect the number of months of the Vesting Period during which the Grantee's active employment with the Company, including Subsidiaries, ("Active Employment") continued, and the remaining Phantom Stock units not vested shall be forfeited. Solely for purposes of calculating the prorated payment in the preceding sentence, if the Grantee's Active Employment continued for at least one (1) day during a calendar month in the Vesting Period, Grantee's Active Employment shall be considered to have continued for the entirety of such month, but in no event for more than thirty-six (36) months. Grantee shall be considered to have "retired" but Grantee's employment shall be considered to continue, with continued vesting under Section 2(a) with respect to the prorated payment determined in accordance with the above, (i) unless the Committee or its delegatee, in its sole discretion, determines that (A) Grantee is in violation of any obligation identified in Section 4 or (B) the termination of Grantee's employment is for Cause, in which case all Phantom Stock units not previously vested shall be forfeited, or (ii) unless the Grantee dies, in which case the Phantom Stock units subject to the provisions of this Section 2(b) shall vest in accordance with Section 2(c). The additional provisions of Section 1 of Schedule B hereto are incorporated herein if Schedule B is applicable to the Grantee.

(c) **Death or Disability.** If Grantee's employment with the Company, including Subsidiaries, terminates (i) as the result of Grantee's death or (ii) as the result of Grantee's "permanent and total disability," as defined in Section 1 of Schedule A hereto or Section 2

of Schedule B hereto, as applicable to the Grantee, 100% of the Phantom Stock units subject to this Award shall vest immediately.

(d) **Involuntary Termination Without Cause.** If Grantee's employment is terminated by the Company, or employing Subsidiary, other than for Cause, regardless of reason for termination or the party giving notice, (i) the number of Phantom Stock units and tandem Dividend Equivalents to which the Grantee shall have a right to payment hereunder shall be prorated to reflect the number of months of Active Employment during the Vesting Period, and shall vest immediately, and (ii) the remaining Phantom Stock units shall be forfeited. Solely for purposes of calculating the prorated payment in clause (i) of the preceding sentence, if the Grantee's Active Employment continued for at least one (1) day during a calendar month in the Vesting Period, Grantee's Active Employment shall be considered to have continued for the entire month, but in no event for more than thirty-six (36) months. The additional provisions of Section 3 of Schedule B hereto are incorporated herein if Schedule B is applicable to the Grantee.

(e) **Change in Control.** All Phantom Stock units and tandem Dividend Equivalents to which the Grantee has the right to payment hereunder shall become 100% vested to the extent not yet vested as provided for in Section 2 above, if, following the occurrence of a Change in Control and before the second anniversary of such occurrence, (A) the Grantee's employment is terminated involuntarily, and not for Cause, by the Company, or employing Subsidiary, or their successor; or (B) such employment is terminated by the Grantee for Good Reason.

For the purposes of this Agreement, "Good Reason" is defined as the occurrence (without the Grantee's express written consent) of any of the following, unless such act or failure to act is corrected, prior to the effective date of Grantee's termination of employment, as specified in Grantee's notice termination, as provided in the following paragraph: (A) a substantial adverse alteration in the nature or status of the Grantee's responsibilities; (B) a material reduction in the Grantee's annual base salary; (C) a material reduction in the Grantee's target annual bonus; (D) the elimination of any material employee benefit plan in which the Grantee is a participant or the material reduction of Grantee's benefits under such plan, unless the Company either (1) immediately replaces such employee benefit plan or unless the Grantee is permitted to immediately participate in other employee benefit plan(s) providing the Grantee with a substantially equivalent value of benefits in the aggregate to those eliminated or materially reduced, or (2) immediately provides the Grantee with other forms of compensation of comparable value to that being eliminated or reduced; (E) a relocation without the written consent of the Grantee that requires the Grantee to report to a work location more than thirty-five (35) miles from the work location to which the Grantee was assigned prior to the Change in Control.

Grantee is required to provide notice to the Company (or its successor) of the existence of any of the conditions set forth in the "Good Reason" definition in this Section 2(e) at least fifteen (15), but not more than sixty (60), days prior to the date of Grantee's termination of employment. Upon receipt of such notice, the Company (or its

successor) may, prior to the effective date of Grantee's termination of employment, cure or remedy such condition. If Grantee terminates from employment after providing notice and after the Company (or its successor) has cured the condition within the time frame set forth in this Section 2(e), then such termination of employment will be considered to be a voluntary termination of employment, and not a separation for Good Reason.

The Grantee's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason pursuant to the foregoing provisions of this Section 2(e).

Section 3. *Definition of "Cause*." For the purposes of this Agreement, "Cause" for termination by the Company or an employing Subsidiary of the Grantee's employment shall include: (i) a material failure by the Grantee to carry out, or malfeasance or gross insubordination in carrying out, reasonably assigned duties or instructions consistent with the Grantee's position, (ii) the final conviction of the Grantee of a (A) felony, (B) crime or criminal offense involving moral turpitude, or (C) criminal or summary conviction offense that is related to the Grantee's employment with the Company or an employing Subsidiary, (iii) an egregious act of dishonesty by the Grantee (including, without limitation, theft or embezzlement) in connection with employment, or a malicious action by the Grantee toward the customers or employees of the Company or any affiliate, (iv) a material breach by the Grantee of the Company's Code of Business Ethics, (v) the failure of the Grantee to cooperate fully with governmental investigations involving the Company or its affiliates, or (vi) the usual meaning of just cause under Canadian common law, if applicable; all as determined by the Company in its sole discretion.

Section 4. *Violation of Grantee Obligation*. In consideration of the continued vesting opportunity provided under Section 2 following the termination of Grantee's continuous employment by the Company, including Subsidiaries, if Grantee is considered "retired", Grantee agrees to the noncompetition and other restrictions set forth in Section 2 of Schedule A hereto or Section 4 of Schedule B hereto, as applicable to the Grantee. In the event that Grantee violates applicable noncompetition and other restrictions, the continued vesting opportunity provided under Section 2 shall terminate and be forfeited.

Section 5. *Forfeiture/Expiration*. Any Phantom Stock unit subject to this Award shall be forfeited upon notice of the termination of Grantee's continuous employment with the Company and its Subsidiaries, whether such notice is given by the Grantee or by the Company, including Subsidiaries, from the Date of Grant, except to the extent otherwise provided in Section 2, and, if not previously vested, deferred or forfeited, shall expire immediately before the third anniversary of the Date of Grant. Any Dividend Equivalent subject to this Award shall expire at the time the unit of Phantom Stock with respect to which the Dividend Equivalent is in tandem (i) is vested and paid, or, to the extent permitted by the laws of the applicable jurisdiction, deferred, (ii) is forfeited, or (iii) expires. The additional provisions of Section 5 of Schedule B hereto are incorporated herein if Schedule B is applicable to the Grantee.

Section 6. *Dividend Equivalent Payments*. Payment with respect to any Dividend Equivalent subject to this Award that is in tandem with a Phantom Stock unit that is vested and paid shall be paid in a single lump sum cash payment as soon as practicable following the vesting and payment of the Phantom Stock unit, and in no event later than the end of the third calendar year following the year of the Date of Grant, except, if the vested Phantom Stock unit is deferred by the Grantee as provided in Section 7, payment with respect to the tandem Dividend Equivalent shall likewise be deferred. Payment under this Section 6 shall be made not later than thirty (30) days after payment hereunder of the related tandem Phantom Stock units. The Dividend Equivalent payment amount shall equal the aggregate cash dividends declared and paid with respect to one (1) share of Common Stock for the period beginning on the Date of Grant and ending on the date the vested, tandem Phantom Stock unit is paid or deferred and before the Dividend Equivalent expires. However, should the Grantee receive payment of Phantom Stock units under this Award without the right to receive a dividend and, because of the timing of the declaration of such dividend, the Grantee is not otherwise entitled to payment under the expiring Dividend Equivalent with respect to such dividend, the Grantee, nevertheless, shall be entitled to such payment. Dividend Equivalent payments shall be subject to withholding for taxes. Notwithstanding any other provision hereof, to the extent necessary for this Agreement not to be construed as a salary deferral arrangement under Canadian law, in no event will any Dividend Equivalent to which the Grantee may be entitled vest, or will the right to receive a payment in respect of any Dividend Equivalent arise, after December 30 of the calendar year which is three years following the end of the year in which any portion of the services to which the award of such Dividend Equivalent relates were performed by the Grantee, and in the event this would, apart from this provision, occur, notwithstanding any other provision hereof, the applicable Dividend Equivalent will vest and the Grantee will be entitled to receive payment of such Dividend Equivalent on December 30 (or the first date prior thereto that is not a Saturday, Sunday or holiday) in the first calendar year which is three years following the end of the year in which any portion of the services to which the award of such Dividend Equivalent relates were performed by the Grantee.

Section 7. *Payment of Phantom Stock Units*. Payment of Phantom Stock units subject to this Award shall be made to the Grantee in a single lump sum payment as soon as practicable following the time such units become vested in accordance with Section 2 prior to their expiration but in no event later than thirty (30) days following such vesting and in no event later than the end of the third calendar year following the year of the Date of Grant, except to the extent deferred by Grantee in accordance with such procedures as the Committee, or its delegatee, may prescribe consistent with the requirements of Code Section 409A or any Canadian law equivalent, as applicable. Any deferral of Phantom Stock units by the Grantee hereunder shall apply to both the shares of Common Stock and the related tandem Dividend Equivalents. Payment shall be subject to withholding for taxes. Payment shall be in the form of one (1) share of Common Stock for each full vested unit of Phantom Stock and any fractional vested unit of Phantom Stock shall not be payable unless and until subsequent vesting results in a full unit of Phantom Stock becoming vested. Notwithstanding the foregoing, the number of shares of Common Stock that would otherwise be paid (valued at Fair Market Value on the date the respective unit of Phantom

Stock became vested, or if later, payable) shall be reduced by the Committee, or its delegatee, in its sole discretion, to fully satisfy any tax required to be withheld, unless the Company, or employing Subsidiary, as applicable, and the Grantee agree that such tax obligations will instead be satisfied by Grantee timely tendering to the Company, or employing Subsidiary, as applicable, sufficient cash to satisfy such obligations and the Grantee does timely tender such cash. In the event that payment, after any such reduction in the number of shares of Common Stock to satisfy withholding for tax requirements, would be less than ten (10) shares of Common Stock, then, if so determined by the Committee, or its delegatee, in its sole discretion, payment, instead of being made in shares of Common Stock, shall be made in a cash amount equal in value to the shares of Common Stock that would otherwise be paid, valued at Fair Market Value on the date the respective Phantom Stock units became vested, or if later, payable.

Section 8. *No Employment Right*. Nothing in this Agreement or in the Plan shall confer upon the Grantee the right to continued employment by the Company or any Subsidiary, or affect the right of the Company or any Subsidiary to terminate the employment or service of the Grantee at any time for any reason.

Section 9. *Nonalienation*. The Phantom Stock units and Dividend Equivalents subject to this Award are not assignable or transferable by the Grantee. Upon any attempt to transfer, assign, pledge, hypothecate, sell or otherwise dispose of any such Phantom Stock unit or Dividend Equivalent, or of any right or privilege conferred hereby, or upon the levy of any attachment or similar process upon such Phantom Stock unit or Dividend Equivalent, or upon such right or privilege, such Phantom Stock unit or Dividend Equivalent, or right or privilege, shall immediately become null and void.

Section 10. *Determinations*. Determinations by the Committee, or its delegatee, shall be final and conclusive with respect to the interpretation of the Plan and this Agreement.

Section 11. *Governing Law and Severability*. The validity and construction of this Agreement shall be governed by the laws of the state of Delaware applicable to transactions taking place entirely within that state. The invalidity of any provision of this Agreement shall not affect any other provision of this Agreement, which shall remain in full force and effect.

Section 12. *Code Section 409A*. Notwithstanding any provision of this Agreement to the contrary, for the purposes of this Agreement, the termination of Grantee's employment shall not result in the payment of any amount hereunder that is subject to, and not exempt from, Code Section 409A, unless such termination of employment constitutes a "separation from service" as defined under Code Section 409A. Further, notwithstanding any provision of this Agreement to the contrary, if any payment or other benefit provided herein would be subject to unfavorable tax consequences under Code Section 409A because the timing of such payment is not delayed as provided in Code Section 409A for a "specified employee" (within the meaning of Code Section 409A), then if the Grantee is a "specified

employee," any such payment that the Grantee would otherwise be entitled to receive during the first six (6) months following Grantee's termination of employment from the Company, including Subsidiaries, shall be accumulated and paid, within thirty (30) days after the date that is six (6) months following the Grantee's date of termination of employment from the Company, including Subsidiaries, or such earlier date upon which such amount can be paid under Code Section 409A without being subject to such unfavorable tax consequences such as, for example, upon the Grantee's death.

Section 13. *Conflicts with Plan, Correction of Errors, Grantee's Consent, and Amendments*. In the event that any provision of this Agreement conflicts in any way with a provision of the Plan, such Plan provision shall be controlling and the applicable provision of this Agreement shall be without force and effect to the extent necessary to cause such Plan provision to be controlling. In the event that, due to administrative error, this Agreement does not accurately reflect a Phantom Stock Award properly granted to Grantee pursuant to the Plan, the Company, acting through its Executive Compensation Department, reserves the right to cancel any erroneous document and, if appropriate, to replace the cancelled document with a corrected document. It is the intention of the Company and the Grantee that this Agreement either (i) comply with the salary deferral arrangement rules under Canadian law and Code Section 409A, as applicable, or (ii) not be construed as a salary deferral arrangement under Canadian law and be exempt from Code Section 409A, to the extent applicable. Accordingly, this Agreement shall be interpreted as necessary and to the extent legally permissible to comply with the requirements of, or exemption under, Canadian law and Code Section 409A, as applicable, as determined by the Committee or its delegatee. Grantee shall also be deemed to consent to any amendment of the Plan or the Agreement as the Committee may reasonably make in furtherance of such intention, and the Committee shall promptly provide, or make available to, the Grantee a copy of any such amendment. Finally, this Agreement may be amended or modified at any time and from time to time by action of the Committee.

Section 14. *Grantee Confidentiality Obligations*. In accepting this Phantom Stock Award, Grantee acknowledges that Grantee is obligated under Company policy, and under federal, state, provincial and other applicable law, to protect and safeguard the confidentiality of trade secrets and other proprietary and confidential information belonging to the Company and its affiliates that are acquired by Grantee during Grantee's employment with the Company and its affiliates, and that such obligations continue beyond the termination of such employment. Grantee agrees to notify any subsequent employer of such obligations and that the Company and its affiliates, in order to enforce such obligations, may pursue legal recourse not only against Grantee, but against a subsequent employer of Grantee. Grantee agrees that he shall not disclose the existence or terms of this Agreement to anyone other than his spouse, tax advisor(s) and/or attorney(s), provided that he first obtains the agreement of such persons to be bound by the confidentiality provisions of this paragraph. Grantee also agrees to immediately give the Company written notice in accordance with the provisions of this Agreement in the event he is legally required to disclose any of the confidential information covered by the provisions of this paragraph.

Section 15. *Nonsolicitation*. Grantee further agrees that he will not, either directly or indirectly, solicit, hire or employ, or cause any other person, company, or entity to solicit, hire or employ, any employee or contractor retained or employed by the Company or its affiliates during the period of Grantee's employment and for the period set forth in Section 3 of Schedule A hereto or Section 6 of Schedule B hereto, as applicable to the Grantee. The provisions of this paragraph shall not apply to contact initiated by an employee or contractor of the Company or its affiliates in response to a general solicitation of applications for employment. Grantee agrees that this Agreement is subject to the provisions of this paragraph.

Section 16. *Notices*. All notices under this Agreement shall be mailed or delivered by hand to the parties at their respective addresses set forth beneath their signatures below or at such other address as may be designated in writing by either party to the other party, or to their permitted transferees if applicable. Notices shall be effective upon receipt.

Section 17. *Payments Subject to Clawback*. To the extent that any payment under this Agreement is subject to clawback under Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as it may be amended from time to time, such amount will be clawed back in appropriate circumstances, as determined under the terms and conditions prescribed by such Act and the authority issued thereunder. Further, the Company will be entitled to the extent permitted or required by any other applicable law and/or Company policy as in effect from time to time (including, but not limited to, the Policy on Recovery of Executive Compensation) to recoup compensation of whatever kind paid by the Company or any of its affiliates at any time to the Grantee pursuant to this Agreement.

Section 18. *Equitable Remedies*. Grantee hereby acknowledges and agrees that a breach of Grantee's obligations under this Agreement would result in damages to the Company that could not be adequately compensated for by monetary award. Accordingly, in the event of any such breach by Grantee, in addition to all other remedies available to the Company at law or in equity, the Company will be entitled as a matter of right to apply to a court of competent jurisdiction for such relief by way of restraining order, injunction, decree or otherwise, as may be appropriate to ensure compliance with the provisions of this Agreement.

Section 19. *Arbitration Agreement*. The Grantee and the Company both agree that any dispute arising out of or related to this Agreement, which does not involve the Company seeking a court injunction or other relief as provided for in Section 18, shall be resolved by binding arbitration under the employment dispute resolution rules of the American Arbitration Association and that any proceeding under the provisions of this Section 19 shall be held in Houston, Texas. The parties both irrevocably WAIVE ANY AND ALL RIGHTS TO A JURY as to any and all claims and issues in any such dispute. By this provision, both the Grantee and the Company understand and agree that any and all claims and issues in such dispute shall be decided by such arbitration proceeding.

Notwithstanding the foregoing, this Award is subject to cancellation by the Company in its sole discretion unless the Grantee, by not later than _____ __, ____, has signed a duplicate of this Agreement, in the space provided below, and returned the signed duplicate to the Executive Compensation Department - Phantom Stock (WO 1O23), Spectra Energy Corp, P. O. Box 1642, Houston, TX 77251-1642, which, if, and to the extent, permitted by the Executive Compensation Department, may be accomplished by electronic means.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and granted in Houston, Texas, to be effective as of the Date of Grant.

ATTEST:	SPECTRA ENERGY CORP:
By: _____	By: _____
Corporate Secretary	Chair, President & CEO, Spectra Energy Corp

Address for Notices:

5400 Westheimer Court
Mail Drop 1O23
Houston, Texas 77056

Attention: Karen Gowder

Acceptance of Phantom Stock Award

IN WITNESS OF Grantee's acceptance of this Award and Grantee's agreement to be bound by the provisions of this Agreement and the Plan, Grantee has signed this Agreement this _____ day of _____, ____.

_____
Grantee's Signature

_____
(print name)

_____
(employee ID)

Address for Notices:

_____
(address)

_____
(address)

SCHEDULE A

This Schedule A and the provisions hereof shall apply to the Grantee if (and only if) the Grantee is on the payroll of one of the Company's directly or indirectly held or majority or greater-owned subsidiaries or affiliates that is a United States entity.

Section 1. For purposes of Section 2(c) of the Agreement, "permanent and total disability" shall have the meaning set forth in Code Section 22(e)(3).

Section 2. The following provisions shall apply for purposes of Section 4 of the Agreement:

Grantee agrees that during the period beginning with such termination of employment and ending with the third anniversary of the Date of Grant ("Restricted Period"), Grantee shall not (i) without the prior written consent of the Company, or its delegatee, become employed by, serve as a principal, partner, or member of the board of directors of, or in any similar capacity with, or otherwise provide service to, a competitor, to the detriment, of the Company or any Subsidiary or (ii) violate any of Grantee's other noncompetition obligations, or any of Grantee's nonsolicitation or nondisclosure obligations, to the Company or any Subsidiary. The noncompetition obligations of clause (i) of the preceding sentence shall be limited in scope and shall be effective only to competition with the Company or any Subsidiary in the businesses of: gathering, processing or transmission of natural gas, resale or arranging for the purchase or for the resale, brokering, marketing, or trading of natural gas or crude oil, electricity or derivatives thereof; energy management and the provision of energy solutions; gathering, compression, treating, processing, fractionation, transportation, trading, marketing of natural gas components, including natural gas liquids, or of crude oil; sales and marketing of electric power and natural gas, domestically and abroad; and any other business in which the Company, including Subsidiaries, is engaged at the termination of Grantee's continuous employment by the Company, including Subsidiaries; and within the following geographical areas (i) any country in the world where the Company has at least US$25 million in capital deployed as of termination of Grantee's continuous employment by Company, including Subsidiaries; (ii) the continent of North America; (iii) the United States of America and Canada; (iv) the states of (A) Virginia, (B) Georgia, (C) Florida, (D) Texas, (E) California, (F) Massachusetts, (G) Illinois, (H) Michigan, (I) New York, (J) Colorado, (K) Oklahoma, (L) Kentucky, (M) Ohio, (N) Louisiana, (O) Kansas, (P) Montana, (Q) Missouri, (R) Nebraska, and (S) Wyoming; and (v) any state or states or province or provinces in which was conducted a business of the Company, including Subsidiaries, which business constituted a substantial portion of Grantee's employment. The Company and Grantee intend the above restrictions on competition in geographical areas to be

entirely severable and independent, and any invalidity or enforceability of this provision with respect to any one or more of such restrictions, including geographical areas, shall not render this provision unenforceable as applied to any one or more of the other restrictions, including geographical areas. If any part of this provision is held to be unenforceable because of the duration, scope or area covered, the Company and Grantee agree to modify such part, or that the court making such holding shall have the power to modify such part, to reduce its duration, scope or area, including deletion of specific words and phrases, i.e., "blue penciling", and in its modified, reduced or blue pencil form, such part shall become enforceable and shall be enforced. Nothing herein shall be construed to prohibit Grantee being retained during the Restricted Period in a capacity as an attorney licensed to practice law, or to restrict Grantee providing advice and counsel in such capacity, in any jurisdiction where such prohibition or restriction is contrary to law.

Section 3. The nonsolicitation period for purposes of Section 15 of the Agreement is a period of three (3) years following Grantee's termination of employment with the Company and its affiliates.

SCHEDULE B

This Schedule B and the provisions hereof shall apply to the Grantee if (and only if) the Grantee is on the payroll of one of the Company's directly or indirectly held or majority or greater-owned subsidiaries or affiliates that is a Canadian entity.

Section 1. The following provisions shall be incorporated at the end of Section 2(b) of the Agreement:

The date of the termination of Grantee's continuous employment with the Company for the purposes of this Section 2(b) shall be deemed to be the date on which any notice of termination of employment provided to or by such Grantee is stated to be effective (or in the case of an alleged constructive dismissal, the date on which the alleged constructive dismissal is alleged to have occurred), and not during or as of the end of any period following such date during which the Grantee is in receipt of, or entitled to receive, statutory, contractual, or common law notice of termination or any compensation in lieu of such notice.

Section 2. For purposes of Section 2(c) of the Agreement, an individual shall be considered to have a "permanent and total disability" if the individual is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

Section 3. The following provisions shall be incorporated at the end of Section 2(d) of the Agreement:

The date that the Grantee's employment is terminated by the Company, including Subsidiaries, other than for Cause for the purposes of this Section 2(d) shall be deemed to be the date on which any notice of termination of employment provided to such Grantee is stated to be effective (or in the case of an alleged constructive dismissal, the date on which the alleged constructive dismissal is alleged to have occurred), and not during or as of the end of any period following such date during which the Grantee is in receipt of, or entitled to receive, statutory, contractual, or common law notice of termination or any compensation in lieu of such notice.

Section 4. The following provisions shall apply for purposes of Section 4 of the Agreement:

Grantee agrees that during the period beginning with such termination of employment and ending with the earlier of (1) the third anniversary of the Date of Grant or (2) the first anniversary of the date of such termination of employment ("Restricted Period"), Grantee shall not (i) without the prior

written consent of the Company, or its delegatee, become employed by, serve as a principal, partner, or member of the board of directors of, or in any similar capacity with, or otherwise provide service to, a competitor, to the detriment, of the Company or any Subsidiary or (ii) violate any of Grantee's other noncompetition obligations, or any of Grantee's nonsolicitation or nondisclosure obligations, to the Company or any Subsidiary. The noncompetition obligations of clause (i) of the preceding sentence shall be limited in scope and shall be effective only to competition with the Company or any Subsidiary in the businesses of: gathering, processing or transmission of natural gas or crude oil, resale or arranging for the purchase or for the resale, brokering, marketing, or trading of natural gas, electricity or derivatives thereof; energy management and the provision of energy solutions; gathering, compression, treating, processing, fractionation, transportation, trading, marketing of natural gas components, including natural gas liquids, or of crude oil; sales and marketing of electric power and natural gas, domestically and abroad; and any other business in which the Company, including Subsidiaries, is engaged at the termination of Grantee's continuous employment by the Company, including Subsidiaries; and within the geographical area of the province in which Grantee was employed at termination of employment from the Company and employing Subsidiaries. If any part of this provision is held to be unenforceable because of the duration, scope or area covered, the Company and Grantee agree to modify such part, or that the court making such holding shall have the power to modify such part, to reduce its duration, scope or area, including deletion of specific words and phrases, i.e., "blue penciling", and in its modified, reduced or blue pencil form, such part shall become enforceable and shall be enforced. Nothing herein shall be construed to prohibit Grantee being retained during the Restricted Period in a capacity as an attorney licensed to practice law, or to restrict Grantee providing advice and counsel in such capacity, in any jurisdiction where such prohibition or restriction is contrary to law.

Section 5. The following provisions shall be incorporated at the end of Section 5 of the Agreement:

The date of the termination of Grantee's continuous employment with the Company, including Subsidiaries, for the purposes of this Section 5 shall be deemed to be the date on which any notice of termination of employment provided to or by such Grantee is stated to be effective (or in the case of an alleged constructive dismissal, the date on which the alleged constructive dismissal is alleged to have occurred), and not during or as of the end of any period following such date during which the Grantee is in receipt of, or entitled to receive, statutory, contractual, or common law notice of termination or any compensation in lieu of such notice.

Section 6. The nonsolicitation period for purposes of Section 15 of the Agreement is a period of one (1) year following Grantee's termination of employment with the Company and its affiliates.

SPECTRA ENERGY CORP
2007 LONG-TERM INCENTIVE PLAN
(as amended and restated)

1. PURPOSE OF THE PLAN

The purpose of the amended and restated Spectra Energy Corp 2007 Long-Term Incentive Plan is to promote the interests of the Corporation and its shareholders by strengthening the Corporation's ability to attract, motivate and retain key employees and directors of the Corporation upon whose judgment, initiative and efforts the financial success and growth of the business of the Corporation largely depend, and to provide an additional incentive for key employees and directors through stock ownership and other rights that promote and recognize the financial success and growth of the Corporation. The Plan was initially adopted and became effective immediately before the consummation of the separation transaction pursuant to which the Corporation became a separate publicly-held corporation for the first time, and was subsequently amended effective January 1, 2008, December 31, 2008, January 1, 2009, April 19, 2011 and June 20, 2014.

2. DEFINITIONS

Wherever the following capitalized terms are used in this Plan they shall have the meanings specified below:

(a) "Award" means an award of an Option, Restricted Stock, Stock Appreciation Right, Performance Award, Phantom Stock, Stock Bonus, Other Stock-Based Award, or Dividend Equivalent granted under the Plan.

(b) "Award Agreement" means an agreement entered into between the Corporation and a Participant setting forth the terms and conditions of an Award granted to a Participant.

(c) "Board" means the Board of Directors of the Corporation.

(d) "Change in Control" shall have the meaning specified in Section 13 hereof.

(e) "Code" means the Internal Revenue Code of 1986, as amended.

(f) "Committee" means the Compensation Committee of the Board, or such other committee or subcommittee of the Board or group of individuals appointed by the Board to administer the Plan from time to time.

(g) "Common Stock" means the common stock of the Corporation, or any security into which such Common Stock may be changed by reason of any transaction or event of the type described in Section 3.2.

(h) "Corporation" means Spectra Energy Corp, a Delaware corporation.

(i) "Deferred Compensation Plan" means any plan, agreement or arrangement maintained by the Corporation or a Subsidiary of the Corporation from time to time that provides opportunities for deferral of compensation.

(j) "Date of Grant" means the date on which an Award under the Plan is made by the Committee (which date shall not be earlier than the date on which the Committee takes action with respect thereto), or such later date as the Committee may specify that the Award becomes effective.

(k) "Dividend Equivalent" means an Award under Section 12 hereof entitling the Participant to receive payments with respect to dividends declared on the Common Stock.

(l) "Effective Date" means the Effective Date of this amended and restated Plan, as defined in Section 16.1 hereof.

(m) “Eligible Person” means any person who is an Employee, an Independent Contractor or an Independent Director.

(n) “Employee” means any person who is a key employee of the Corporation or any Subsidiary or who has agreed to serve in such capacity within 90 days after the Date of Grant; provided, however, that with respect to Incentive Stock Options, “Employee” means any person who is considered an employee of the Corporation or any Subsidiary for purposes of Treasury Regulation Section 1.421-1(h).

(o) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(p) “Fair Market Value” of a share of Common Stock as of a given date means the closing sales price of the Common Stock on the New York Stock Exchange as reflected on the composite index on the date as of which
Fair Market Value is to be determined or, in the absence of any reported sales of Common Stock on such date,
on the first preceding date on which any such sale shall have been reported. If Common Stock is not listed on the New York Stock Exchange on the date as of which Fair Market Value is to be determined, the Committee shall determine in good faith the Fair Market Value in whatever manner it considers appropriate (but in any event such amount shall not be less than fair market value within the meaning of section 409A of the Code, if applicable).

(q) “Incentive Stock Option” means an option to purchase Common Stock that is intended to qualify as an incentive stock option under section 422 of the Code and the Treasury Regulations thereunder.

(r) “Independent Contractor” means a person who provides services to the Corporation or any Subsidiary, other than as an Employee or Independent Director.

(s) “Independent Director” means a member of the Board who is not an employee of the Corporation or any Subsidiary.

(t) “Nonqualified Stock Option” means an option to purchase Common Stock that is not an Incentive Stock Option.

(u) “Option” means an Incentive Stock Option or a Nonqualified Stock Option granted under Section 6 hereof.

(v) “Other Stock-Based Award” means an Award granted to a Participant under Section 11.

(w) “Participant” means any Eligible Person who holds an outstanding Award under the Plan.

(x) “Performance Award” means an Award made under Section 9 hereof entitling a Participant to a payment based on the Fair Market Value of Common Stock (a “Performance Share”) or based on specified dollar units (a “Performance Unit”) at the end of a performance period if certain conditions established by the Committee are satisfied.

(y) “Phantom Stock” means an Award under Section 10 hereof entitling a Participant to a payment at the end of a vesting period of a unit value based on the Fair Market Value of a share of Common Stock.

(z) “Plan” means this 2007 Long-Term Incentive Plan as amended and restated and set forth herein, and as it may be further amended from time to time.

(aa) “Restricted Stock” means an Award under Section 8 hereof entitling a Participant to shares of Common Stock that are nontransferable and subject to forfeiture until specific conditions established by the Committee are satisfied.

(bb) “Section 162(m)” means section 162(m) of the Code and the Treasury Regulations thereunder.

(cc) “Section 162(m) Participant” means (1) except as otherwise determined by the Committee, each Participant who is an “officer” within the meaning of Rule 16a-1(f) of the Exchange Act, and (2) any Participant who, in the sole judgment of the Committee, could be treated as a “covered employee” under Section 162(m) at the time income may be recognized by such Participant in connection with an Award that is intended to qualify for exemption under Section 162(m).

(dd) “Separation From Service” means a Participants’ separation from service within the meaning of section 409A of the Code.

(ee) “Specified Employee” means a Participant who is a “specified employee” (as defined in Code Section 409A(2)(B)(i)) of the Corporation (or an entity which is considered to be a single employer with the Corporation under Code Section 414(b) or 414(c)), as determined under Code Section 409A at any time during the twelve (12) month period ending on December 31, but only if the Corporation has any stock that is publicly traded on an established securities market or otherwise. Notwithstanding the foregoing, a Participant will be deemed to be a Specified Employee for the period of April 1 through March 31 following such December 31, except as otherwise required under Code Section 409A.

(ff) “Stock Appreciation Right” or “SAR” means an Award under Section 7 hereof entitling a Participant to receive an amount, representing the difference between the base price per share of the right and the Fair Market Value of a share of Common Stock on the date of exercise.

(gg) “Stock Bonus” means an Award under Section 11 hereof entitling a Participant to receive an unrestricted share of Common Stock.

(hh) “Subsidiary” means an entity that is wholly owned, directly or indirectly, by the Corporation, or any other affiliate of the Corporation that is so designated, from time to time, by the Committee, provided, however, that with respect to Incentive Stock Options, the term “Subsidiary” shall not include any entity that does not qualify within the meaning of section 424(f) of the Code as a “subsidiary corporation” with respect to the Corporation.

3. SHARES OF COMMON STOCK SUBJECT TO THE PLAN

3.1. Number of Shares. Subject to the following provisions of this Section 3, the aggregate number of shares of Common Stock that may be issued pursuant to all Awards under the Plan is 52,500,000 shares of Common Stock. Shares of Common Stock that are issued in connection with Awards granted on and after April 19, 2011 will be counted against the 52,500,000 share limit described above as one share of Common Stock for every one share of Common Stock that is issued in connection with all Awards. No more than 20,000,000 shares of Common Stock may be issued pursuant to Incentive Stock Options. The shares of Common Stock to be delivered under the Plan will be made available from authorized but unissued shares of Common Stock or treasury stock.

Shares covered by an Award shall only be counted as used to the extent they are actually issued. Any Shares related to Awards that terminate by expiration, forfeiture, cancellation or otherwise without the issuance of such Shares, are settled in cash in lieu of Shares, or are exchanged with the Committee’s permission, prior to the issuance of Shares, for Awards not involving Shares, shall be available again for grant under the Plan. With respect to Awards that are settled on or after April 19, 2011, including without limitation Awards that were granted prior to and remained outstanding as of such date, if the exercise price of an Option or the tax withholding requirements with respect to any Award granted under the Plan are satisfied through the withholding by the Corporation of Shares otherwise then deliverable in respect of such Award or actual or constructive transfer to the Corporation of Shares already owned, a number of Shares equal to such withheld or transferred Shares will again be available for issuance or transfer under the Plan, or if an SAR is exercised, only the number of Shares issued, net of the Shares tendered, if any, will be deemed delivered for purposes of determining the maximum number of Shares available for delivery under the Plan.

To the extent permitted by applicable law or any exchange rule, Shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by the Corporation or any affiliate shall not be counted against Shares available for grant pursuant to the Plan.

3.2. Adjustments. If there shall occur any merger, consolidation, liquidation, issuance of rights or warrants to purchase securities, recapitalization, reclassification, stock dividend, spin-off, split-off, stock split, reverse stock split or other distribution with respect to the shares of Common Stock, or any similar corporate transaction or event in respect of the Common Stock, then the Committee shall, in the manner and to the extent that it deems appropriate and equitable to the Participants and consistent with the terms of this Plan, cause a proportionate adjustment to be made in (i) the maximum numbers and kind of shares provided in Section 3.1 hereof, (ii) the maximum numbers and kind of shares set forth in Sections 6.1, 7.1, 8.2 and 9.4 hereof, (iii) the number and kind of shares of Common Stock, share units, or other rights subject to the then-outstanding Awards, (iv) the price for each share or unit or other right subject to then outstanding Awards without change in the aggregate purchase price or value as to which such Awards remain exercisable or subject to restrictions, (v) the performance targets or goals appropriate to any outstanding Performance Awards (subject to such limitations as appropriate for Awards intended to qualify for exemption under Section 162(m)) or (vi) any other terms of an Award that are affected by the event. Moreover, in the event of any such transaction or event, the Committee, in its discretion, may provide in substitution for any or all outstanding awards under the Plan such alternative consideration (including cash) as it, in good faith, may determine to be equitable under the circumstances and may require in connection therewith the surrender of all awards so replaced. Notwithstanding the foregoing, any such adjustments shall be made in a manner consistent with the requirements of section 409A of the Code.

4. ADMINISTRATION OF THE PLAN

4.1. Committee Members. Except as provided in Section 4.4 hereof, the Plan will be administered by the Committee, which unless otherwise determined by the Board will consist solely of two or more persons who satisfy the requirements for a “nonemployee director” under Rule 16b-3 promulgated under the Exchange Act and/or the requirements for an “outside director” under Section 162(m). The Committee may exercise such powers and authority as may be necessary or

appropriate for the Committee to carry out its functions as described in the Plan. No member of the Committee will be liable for any action, omission or determination made by the Committee with respect to the Plan or any Award under it, and the Corporation shall indemnify and hold harmless each member of the Committee and each other director or employee of the Corporation or a Subsidiary to whom any duty or power relating to the administration or interpretation of the Plan has been delegated, against any cost or expense (including counsel fees) or liability (including any sum paid in settlement of a claim with the approval of the Committee) arising out of any action, omission or determination relating to the Plan or any Award under it unless, in either case, such action, omission or determination was taken or made by such member, director or employee in bad faith and without reasonable belief that it was in the best interests of the Corporation.

4.2. Discretionary Authority. Subject to the express limitations of the Plan, the Committee has authority in its discretion to determine the Eligible Persons to whom, and the time or times at which, Awards may be granted, the number of shares, units or other rights subject to each Award, the exercise, base or purchase price of an Award (if any), the time or times at which an Award will become vested, exercisable or payable, the performance criteria, performance goals and other conditions of an Award, and the duration of the Award. The Committee also has discretionary authority to interpret the Plan, to make all factual determinations under the Plan, and to determine the terms and provisions of the respective Award Agreements and to make all other determinations necessary or advisable for Plan administration. The Committee has authority to prescribe, amend, and rescind rules and regulations relating to the Plan. All interpretations, determinations, and actions by the Committee will be final, conclusive, and binding upon all parties.

4.3. Changes to Awards. The Committee shall have the authority to effect, at any time and from time to time, with the consent of the affected Participants, (i) the cancellation of any or all outstanding Awards and the grant in substitution therefor of new Awards covering the same or different numbers of shares of Common Stock and having an exercise or base price which may be the same as or different than the exercise or base price of the canceled Awards or (ii) the amendment of the terms of any and all outstanding Awards; provided, however, that the Committee shall not have the authority to reduce the exercise or base price of an Award by amendment or cancellation and substitution of an existing Award or to make a cash payment with respect to an outstanding Option or SAR that has an exercise or base price higher than the then Fair Market Value of a share of Common Stock without the approval of the Corporation's shareholders. The Committee may in its discretion accelerate the vesting or exercisability of an Award at any time or on the basis of any specified event.

4.4. Delegation of Authority. The Committee shall have the right, from time to time, to delegate to one or more officers or directors of the Corporation the authority of the Committee to grant and determine the terms and conditions of Awards under the Plan, subject to such limitations as the Committee shall determine; provided, however, that no such authority may be delegated with respect to Awards made to any member of the Board or any Section 162(m) Participant or to the extent the exercise of any such authority would be inconsistent with the applicable provisions of the Delaware General Corporation Law.

4.5. Awards to Independent Directors. An Award to an Independent Director under the Plan shall be approved by the Board. With respect to Awards to Independent Directors, all rights, powers and authorities vested in the Committee under the Plan shall instead be exercised by the Board, and all provisions of the Plan relating to the Committee shall be interpreted in a manner consistent with the foregoing by treating any such reference as a reference to the Board for such purpose.

5. ELIGIBILITY AND AWARDS

All Eligible Persons are eligible to be designated by the Committee to receive an Award under the Plan. The Committee has authority, in its sole discretion, to determine and designate from time to time those Eligible Persons who are to be granted Awards, the types of Awards to be granted and the number of shares or units subject to the Awards that are granted under the Plan. Each Award will be evidenced by an Award Agreement as described in Section 14 hereof between the Corporation and the Participant that shall include the terms and conditions consistent with the Plan as the Committee may determine.

6. STOCK OPTIONS

6.1. Grant of Option. An Option may be granted to any Eligible Person selected by the Committee; provided, however, that only Employees shall be eligible for Awards of Incentive Stock Options. Each Option shall be designated, at the discretion of the Committee, as an Incentive Stock Option or a Nonqualified Stock Option. The maximum number of shares of Common Stock that may be granted under Options to any one Participant during any one calendar year shall be limited to 3,750,000 shares (subject to adjustment as provided in Section 3.2 hereof).

6.2. Exercise Price. The exercise price of the Option shall be determined by the Committee; provided, however, that the exercise price per share of an Option shall not be less than 100 percent of the Fair Market Value per share of the Common Stock on the Date of Grant.

6.3. Vesting; Term of Option. The Committee, in its sole discretion, shall prescribe in the Award Agreement the time or times at which, or the conditions upon which, an Option or portion thereof shall become vested and exercisable, and may accelerate the exercisability of any Option at any time. An Option may become vested and exercisable upon a Participant's retirement, death, disability, Change in Control or other event, to the extent provided in an Award Agreement. The period during which a vested Option may be exercised shall be ten years from the Date of Grant, unless a shorter exercise period is specified by the Committee in an Award Agreement, and subject to such limitations as may apply under an Award Agreement relating to the termination of a Participant's employment or other service with the Corporation or any Subsidiary.

6.4. Option Exercise; Withholding. Subject to such terms and conditions as shall be specified in an Award Agreement, an Option may be exercised in whole or in part at any time during the term thereof by notice to the Corporation together with payment of the aggregate exercise price therefor. Payment of the exercise price shall be made (i) in cash or by cash equivalent, (ii) at the discretion of the Committee, in shares of Common Stock acceptable to the Committee, valued at the Fair Market Value of such shares on the date of exercise, (iii) at the discretion of the Committee, by a delivery of a notice that the Participant has placed a market sell order (or similar instruction) with a broker with respect to shares of Common Stock then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Corporation in satisfaction of the Option exercise price (conditioned upon the payment of such net proceeds), (iv) at the discretion of the Committee, by withholding from delivery shares of Common Stock for which the Option is otherwise exercised, (v) at the discretion of the Committee, by a combination of the methods described above or (vi) by such other method as may be approved by the Committee and set forth in the Award Agreement. In addition to and at the time of payment of the exercise price, the Participant shall pay to the Corporation the full amount of any and all applicable income tax and employment tax amounts required to be withheld in connection with such exercise, payable under one or more of the methods described above for the payment of the exercise price of the Options or as otherwise may be approved by the Committee.

6.5. Limited Transferability. Solely to the extent permitted by the Committee in an Award Agreement and subject to such terms and conditions as the Committee shall specify, a Nonqualified Stock Option (but not an Incentive Stock Option) may be transferred to members of the Participant's immediate family (as determined by the Committee) or to trusts, partnerships or corporations whose beneficiaries, members or owners are members of the Participant's immediate family, and/or to such other persons or entities as may be approved by the Committee in advance and set forth in an Award Agreement, in each case subject to the condition that the Committee be satisfied that such transfer is being made for estate or tax planning purposes or for gratuitous or donative purposes, without consideration (other than nominal consideration) being received therefor. Except to the extent permitted by the Committee in accordance with the foregoing, an Option shall be nontransferable otherwise than by will or by the laws of descent and distribution, and shall be exercisable during the lifetime of a Participant only by such Participant.

6.6. Additional Rules for Incentive Stock Options.

(a) Annual Limits. No Incentive Stock Option shall be granted to a Participant as a result of which the aggregate fair market value (determined as of the Date of Grant) of the stock with respect to which Incentive Stock Options are exercisable for the first time in any calendar year under the Plan, and any other stock option plans of the Corporation, any Subsidiary or any parent corporation, would exceed $100,000 (or such other amount provided under section 422(d) of the Code), determined in accordance with section 422(d) of the Code and Treasury Regulations thereunder. This limitation shall be applied by taking options into account in the order in which granted.

(b) Termination of Employment. An Award Agreement for an Incentive Stock Option may provide that such Option may be exercised not later than 3 months following termination of employment of the Participant with the Corporation and all Subsidiaries, subject to special rules relating to death and disability, as and to the extent determined by the Committee to be appropriate with regard to the requirements of section 422 of the Code and Treasury Regulations thereunder.

(c) Other Terms and Conditions; Nontransferability. Any Incentive Stock Option granted hereunder shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as are deemed necessary or desirable by the Committee, which terms, together with the terms of this Plan, shall be intended and interpreted to cause such Incentive Stock Option to qualify as an "incentive stock option" under section 422 of the Code and Treasury Regulations thereunder. Such terms shall include, if applicable, limitations on Incentive Stock Options granted to ten-percent owners of the Corporation. An Award Agreement for an Incentive Stock Option may provide that such Option shall be treated as a Nonqualified Stock Option to the extent that certain requirements applicable to "incentive stock options" under the Code shall not be satisfied. An Incentive Stock Option shall by its terms be nontransferable other

than by will or by the laws of descent and distribution, and shall be exercisable during the lifetime of a Participant only by such Participant.

(d) Disqualifying Dispositions. If shares of Common Stock acquired by exercise of an Incentive Stock Option are disposed of within two years following the Date of Grant or one year following the transfer of such shares to the Participant upon exercise, the Participant shall, promptly following such disposition, notify the Corporation in writing of the date and terms of such disposition and provide such other information regarding the disposition as the Committee may reasonably require.

7. STOCK APPRECIATION RIGHTS

7.1. Grant of SARs. A Stock Appreciation Right granted to a Participant is an Award in the form of a right to receive, upon surrender of the right, but without other payment, an amount based on appreciation in the Fair Market Value of the Common Stock over a base price established for the Award, exercisable at such time or times and upon conditions as may be approved by the Committee. The maximum number of shares of Common Stock that may be subject to SARs granted to any one Participant during any one calendar year shall be limited to 3,750,000 shares (subject to adjustment as provided in Section 3.2 hereof).

7.2. Tandem SARs. A Stock Appreciation Right may be granted in connection with an Option, either at the time of grant or at any time thereafter during the term of the Option. An SAR granted in connection with an Option will entitle the holder, upon exercise, to surrender such Option or any portion thereof to the extent unexercised, with respect to the number of shares as to which such SAR is exercised, and to receive payment of an amount computed as described in Section 7.4 hereof. Such Option will, to the extent and when surrendered, cease to be exercisable. An SAR granted in connection with an Option hereunder will have a base price per share equal to the per share exercise price of the Option, will be exercisable at such time or times, and only to the extent, that a related Option is exercisable, and will expire no later than the related Option expires.

7.3. Freestanding SARs. A Stock Appreciation Right may be granted without relationship to an Option and, in such case, will be exercisable as determined by the Committee, but in no event after 10 years from the Date of Grant. The base price of an SAR granted without relationship to an Option shall be determined by the Committee in its sole discretion; provided, however, that the base price per share of a freestanding SAR shall not be less than 100 percent of the Fair Market Value of the Common Stock on the Date of Grant.

7.4. Payment of SARs. An SAR will entitle the holder, upon exercise of the SAR, to receive payment of an amount determined by multiplying: (i) the excess of the Fair Market Value of a share of Common Stock on the date of exercise of the SAR over the base price of such SAR, by (ii) the number of shares as to which such SAR will have been exercised. Payment of the amount determined under the previous sentence may be made, in the discretion of the Committee as set forth in the Award Agreement, in a lump sum (i) in cash, (ii) in shares of Common Stock valued at their Fair Market Value on the date of exercise, or (iii) in a combination of cash and shares of Common Stock, and paid not later than sixty (60) days following the date of exercise of the SAR.

8. RESTRICTED STOCK

8.1. Grants of Restricted Stock. An Award of Restricted Stock to a Participant represents shares of Common Stock that are issued subject to such restrictions on transfer and other incidents of ownership and such forfeiture conditions as the Committee may determine. The Committee may, in connection with an Award of Restricted Stock, require the payment of a specified purchase price. The Committee may grant Awards of Restricted Stock that are intended to qualify for exemption under Section 162(m), as well as Awards of Restricted Stock that are not intended to so qualify.

8.2. Vesting Requirements. The restrictions imposed on an Award of Restricted Stock shall lapse in accordance with the vesting requirements specified by the Committee in the Award Agreement. Such vesting requirements may be based on the continued employment or service of the Participant with the Corporation or its Subsidiaries for a specified time period or periods, provided that any such restriction shall not be scheduled to lapse in its entirety earlier than the first anniversary of the Date of Grant. Such vesting requirements may also be based on the attainment of specified business goals or measures established by the Committee in its sole discretion. In the case of any Award of Restricted Stock that is intended to qualify for exemption under Section 162(m), the vesting requirements shall be limited to the performance criteria identified in Section 9.3 below, and the terms of the Award shall otherwise comply with the Section 162(m) requirements described in Section 9.4 hereof. The maximum number of shares of Common Stock that may be subject to an Award of Restricted Stock granted to any one Participant during any one calendar year shall be separately limited to 750,000 shares (subject to adjustment as provided in Section 3.2 hereof).

8.3. Restrictions. Shares of Restricted Stock may not be transferred, assigned or subject to any encumbrance, pledge or charge until all applicable restrictions are removed or expire or unless otherwise allowed by the Committee. The Committee may require the Participant to enter into an escrow agreement providing that the certificates representing Restricted Stock granted or sold pursuant to the Plan will remain in the physical custody of an escrow holder until all restrictions are removed or expire. Failure to satisfy any applicable restrictions shall result in the subject shares of Restricted Stock being forfeited and returned to the Corporation, with any purchase price paid by the Participant to be refunded, unless otherwise provided by the Committee. The Committee may require that certificates representing Restricted Stock granted under the Plan bear a legend making appropriate reference to the restrictions imposed.

8.4. Rights as Shareholder. Subject to the foregoing provisions of this Section 8 and the applicable Award Agreement, the Participant will have all rights of a shareholder with respect to shares of Restricted Stock granted to him, including the right to vote the shares and receive all dividends and other distributions paid or made with respect thereto, unless the Committee determines otherwise at the time the Restricted Stock is granted, as set forth in the Award Agreement. For the avoidance of doubt, the Committee may provide that any dividends or other distributions to be paid or made with respect to outstanding, unvested shares of Restricted Stock will be subject to vesting or other restrictions as the Committee may determine from time to time.

8.5. Section 83(b) Election. The Committee may provide in an Award Agreement that the Award of Restricted Stock is conditioned upon the Participant refraining from making an election with respect to the Award under section 83(b) of the Code. Irrespective of whether an Award is so conditioned, if a Participant makes an election pursuant to section 83(b) of the Code with respect to an Award of Restricted Stock, the Participant shall be required to promptly file a copy of such election with the Corporation.

9. PERFORMANCE AWARDS

9.1. Grant of Performance Awards. The Committee may grant Performance Awards under the Plan, which shall be represented by units denominated on the Date of Grant either in shares of Common Stock (Performance Shares) or in specified dollar amounts (Performance Units). The Committee may grant Performance Awards that are intended to qualify for exemption under Section 162(m), as well as Performance Awards that are not intended to so qualify. At the time a Performance Award is granted, the Committee shall determine, in its sole discretion, one or more performance periods and performance goals to be achieved during the applicable performance periods, as well as such other restrictions and conditions as the Committee deems appropriate. In the case of Performance Units, the Committee shall also determine a target unit value or a range of unit values for each Award. No performance period shall exceed ten years from the Date of Grant. The performance goals applicable to a Performance Award grant may be subject to such later revisions as the Committee shall deem appropriate to reflect significant unforeseen events such as changes in law, accounting practices or unusual or nonrecurring items or occurrences or to satisfy regulatory requirements. Any such adjustments shall be subject to such limitations as the Committee deems appropriate in the case of a Performance Award granted to a Section 162(m) Participant that is intended to qualify for exemption under Section 162(m).

9.2. Payment of Performance Awards. At the end of the performance period, the Committee shall determine the extent to which performance goals have been attained or a degree of achievement between minimum and maximum levels in order to establish the level of payment to be made, if any, and shall determine if payment is to be made in the form of cash or shares of Common Stock (valued at their Fair Market Value at the time of payment) or a combination of cash and shares of Common Stock. Payment of Performance Awards shall be made not later than sixty (60) days following the end of the performance period, unless the applicable Performance Award provides otherwise.

9.3. Performance Criteria. The performance criteria upon which the payment or vesting of a Performance Award intended to qualify for exemption under Section 162(m) may be based shall be limited to the following business measures, which may be applied with respect to the Corporation, any Subsidiary or any business unit, or, if applicable, any Participant, and which may be measured on an absolute or relative to a peer-group or other market measure basis: total shareholder return; stock price; stock price increase; return on equity; return on capital; return on capital employed; earnings per share; debt/equity; interest coverage; coverage ratios; cash coverage ratio; distribution coverage ratio; dividend coverage ratio; EBIT (earnings before interest and taxes); EBITDA (earnings before interest, taxes, depreciation and amortization); debt to EBITDA; debt to capital; ongoing earnings; cash flow (including distributable cash flow, operating cash flow, free cash flow, discounted cash flow return on investment, and cash flow in excess of costs of capital); EVA (economic value added); economic profit (net operating profit after tax, less a cost of capital charge); SVA (shareholder value added); revenues; net income; operating income; pre-tax profit margin; performance against business plan; customer service; corporate governance quotient or rating; market share; employee satisfaction; safety record; employee engagement; supplier diversity; workforce diversity; operating margins; credit rating; dividend payments or other distributions; expenses; retained earnings; completion of acquisitions, divestitures and corporate restructurings; operation and maintenance expense; environmental, health, safety and/or operational measures; and individual goals based on objective business

criteria underlying the goals listed above and which pertain to individual effort as to achievement of those goals or to one or more business criteria in the areas of litigation, human resources, information services, production, inventory, support services, site development, plant development, building development, facility development, government relations, safety, product market share or management. At the time the Committee determines the terms of the performance target(s), the Committee may also specify any exclusion(s) for charges related to any event(s) or occurrence(s) which the Committee determines should appropriately be excluded, as applicable, for purposes of measuring performance against the applicable performance targets provided that such excluded items are objectively determinable by reference to the Corporation's financial statements, notes to the Corporation's financial statements and/or management's discussion and analysis of financial condition and results of operations, appearing in the Corporation's Annual Report on Form 10-K for the applicable year. If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Corporation, or the manner in which it conducts its business, or other events or circumstances, render previously established performance targets unsuitable, the Committee may in its discretion modify such performance targets, in whole or in part, as the Committee deems appropriate and equitable; provided that, unless the Committee determines otherwise, no such action shall be taken if and to the extent it would result in the loss of an otherwise available exemption of the Award under Section 162(m). In the case of Performance Awards that are not intended to qualify for exemption under Section 162(m), the Committee shall designate performance criteria from among the foregoing or such other business criteria as it shall determine in its sole discretion.

9.4. Section 162(m) Requirements. In the case of a Performance Award granted to a Section 162(m) Participant that is intended to comply with the requirements for exemption under Section 162(m), the Committee shall make all determinations necessary to establish a Performance Award within 90 days of the beginning of the performance period (or such other time period required under Section 162(m)), including, without limitation, the designation of the Section 162(m) Participants to whom Performance Awards are made, the performance criteria or criterion applicable to the Award and the performance goals that relate to such criteria, and the dollar amounts or number of shares of Common Stock payable upon achieving the applicable performance goals. As and to the extent required by Section 162(m), the terms of a Performance Award granted to a Section 162(m) Participant must state, in terms of an objective formula or standard, the method of computing the amount of compensation payable to the Section 162(m) Participant, and must preclude discretion to increase the amount of compensation payable that would otherwise be due under the terms of the Award, and, prior to the payment of such compensation, the Committee shall have certified in writing that the applicable performance goal has been satisfied. The maximum amount of compensation that may be payable under Performance Units granted to any one Participant during any one calendar year shall not exceed $9,000,000. The maximum number of Common Stock units that may be subject to a Performance Share Award granted to any one Participant during any one calendar year shall be 900,000 share units (subject to adjustment as provided in Section 3.2 hereof).

10. PHANTOM STOCK

10.1. Grant of Phantom Stock. Phantom Stock is an Award to a Participant of a number of hypothetical share units with respect to shares of Common Stock, with an initial value based on the Fair Market Value of the Common Stock on the Date of Grant. Phantom Stock shall be subject to such restrictions and conditions as the Committee shall determine. On the Date of Grant, the Committee shall determine, in its sole discretion, the installment or other vesting period of the Phantom Stock and the maximum value of the Phantom Stock, if any. No vesting period shall exceed 10 years from the Date of Grant.

10.2. Payment of Phantom Stock. Upon the vesting date or dates applicable to Phantom Stock granted to a Participant, an amount equal to the Fair Market Value of one share of Common Stock upon such vesting dates (subject to any applicable maximum value) shall be paid with respect to such Phantom Stock unit granted to the Participant. Payment may be made, at the discretion of the Committee, in cash or in shares of Common Stock valued at their Fair Market Value on the applicable vesting dates, or in a combination thereof. Payment of Phantom Stock shall be made not later than sixty (60) days following the vesting date, unless the applicable Phantom Stock Award provides otherwise.

11. STOCK BONUS/OTHER STOCK-BASED AWARDS

11.1. Grant of Stock Bonus. An Award of a Stock Bonus to a Participant represents a specified number of shares of Common Stock that are issued without restrictions on transfer or forfeiture conditions. The Committee may, in connection with an Award of a Stock Bonus, require the payment of a specified purchase price.

11.2. Payment of Stock Bonus. In the event that the Committee grants a Stock Bonus, a certificate for (or book entry representing) the shares of Common Stock constituting such Stock Bonus shall be issued in the name of the Participant to whom such grant was made as soon as practicable after the date on which such Stock Bonus is payable, but not later than sixty (60) days following such date.

11.3 Other Stock-Based Awards. The Committee may from time to time grant equity-based or equity-related awards not otherwise described herein in such amounts and on such terms as it shall determine, subject to the terms and conditions set forth in the Plan. Without limiting the generality of the preceding sentence, each such Other Stock-Based Award may (a) involve the transfer of actual shares of Common Stock to Participants, either at the time of grant, thereafter or on a deferred basis, or payment in cash or otherwise of amounts based on the value of shares of Common Stock, (b) but need not involve the payment of a specified purchase price or provision of services by the Participant (including pursuant to another plan, program, policy, agreement or arrangement covering the Participant), (c) be subject to performance-based and/or service-based conditions, (d) be designed to comply with applicable laws of a jurisdiction or jurisdictions other than the United States, and (e) be designed to qualify as "performance-based compensation" within the meaning of Section 162(m).

12. DIVIDEND EQUIVALENTS

12.1. Grant of Dividend Equivalents. A Dividend Equivalent granted to a Participant is an Award in the form of a right to receive cash payments determined by reference to dividends declared on the Common Stock from time to time during the term of the Award, which shall not exceed 10 years from the Date of Grant. Dividend Equivalents may be granted on a stand-alone basis or in tandem with other Awards. Dividend Equivalents granted on a tandem basis shall expire at the time the underlying Award is exercised or otherwise becomes payable to the Participant, or expires or is forfeited.

12.2. Payment of Dividend Equivalents. Dividend Equivalent Awards shall be payable in cash or in shares of Common Stock, valued at their Fair Market Value on either the date the related dividends are declared or the Dividend Equivalents are paid to a Participant, as determined by the Committee. Dividend Equivalents shall be payable to a Participant as soon as practicable following the date dividends are declared and paid with respect to Common Stock, but not later than sixty (60) days following such date, or at such later date as the Committee shall specify in the Award Agreement. Dividend Equivalents granted with respect to Options shall be payable, in accordance with the terms and in compliance with section 409A of the Code, regardless of whether the Option is exercised.

13. CHANGE IN CONTROL

13.1. Effect of Change in Control. The Committee may, in an Award Agreement or at any time thereafter, provide for the effect of a Change in Control on an Award. Such provisions may include any one or more of the following, which need not be uniform and may vary among Participants and Awards: (i) the acceleration or extension of time periods for purposes of exercising, vesting in, or realizing gain from any Award, (ii) the waiver or modification of performance or other conditions related to the payment or other rights under an Award; (iii) provision for the cash settlement of an Award for an equivalent cash value, as determined by the Committee, (iv) the assumption of any such Award by an acquirer or successor or (v) such other modification or adjustment to an Award as the Committee deems appropriate to maintain and protect the rights and interests of Participants upon or following a Change in Control.

13.2. Definition of Change in Control. Except as otherwise provided by the Committee in an Award Agreement, for purposes hereof, a "Change in Control" means:

(1) Any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (A) the then-outstanding shares of common stock of the Corporation (the "Outstanding Company Common Stock") or (B) the combined voting power of the then-outstanding voting securities of the Corporation entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); *provided*, *however*, that, for purposes of this definition, the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Corporation, (ii) any acquisition by the Corporation, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any company controlled by, controlling or under common control with the Corporation or (iv) any acquisition pursuant to a transaction that complies with Sections (3)(A), (3)(B) and (3)(C) of this definition;

(2) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; *provided*, *however*, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Corporation's shareholders was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(3) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Corporation or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Corporation, or the acquisition of assets or securities of another entity by the Corporation or any of its subsidiaries (each, a "Business Combination"), in each case unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Corporation or all or substantially all of the Corporation's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any parent or other entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Corporation or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 30% or more of, respectively, the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(4) Approval by the shareholders of the Corporation of a complete liquidation or dissolution of the Corporation;

Notwithstanding anything in the foregoing to the contrary, with respect to an Award (i) that is subject to Code Section 409A and (ii) for which a Change in Control would accelerate the timing of payment thereunder, the term "Change in Control" shall mean a change in the ownership or effective control of the Corporation, or in the ownership of a substantial portion of the assets of the Corporation, as defined in Code Section 409A and authoritative guidance thereunder, but only to the extent inconsistent with the above definition and as necessary to comply with Code Section 409A as determined by the Committee.

14. AWARD AGREEMENTS

14.1. Form of Agreement. Each Award under this Plan shall be evidenced by an Award Agreement in a form approved by the Committee setting forth the number of shares of Common Stock, units or other rights (as applicable) subject to the Award, the exercise, base or purchase price (if any) of the Award, the time or times at which an Award will become vested, exercisable or payable, the duration of the Award and, in the case of Performance Awards, the applicable performance criteria and goals. The Award Agreement shall also set forth other material terms and conditions applicable to the Award as determined by the Committee consistent with the limitations of this Plan. Award Agreements evidencing Awards intended to qualify for exemption under Section 162(m) shall contain such terms and conditions as may be necessary to meet the applicable requirements of Section 162(m). Award Agreements evidencing Incentive Stock Options shall contain such terms and conditions as may be necessary to meet the applicable provisions of section 422 of the Code.

14.2. Termination of Service. The Award Agreements may include provisions describing the treatment of an Award in the event of the retirement, disability, death or Separation From Service, such as provisions relating to the vesting, exercisability, acceleration, forfeiture or cancellation of the Award in these circumstances, including any such provisions as may be appropriate for Incentive Stock Options as described in Section 6.6(b) hereof.

14.3. Forfeiture Events. The Committee may specify in an Award Agreement that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events shall include, but shall not be limited to, Separation From Service for cause, violation of material Corporation or Subsidiary policies, breach of noncompetition, confidentiality or other restrictive covenants that may apply to the Participant, or other conduct by the Participant that is detrimental to the business or reputation of the Corporation or any Subsidiary.

14.4. Contract Rights; Amendment. Any obligation of the Corporation to any Participant with respect to an Award shall be based solely upon contractual obligations created by an Award Agreement. No Award shall be enforceable until the Award Agreement has been signed on behalf of the Corporation (electronically or otherwise) by its authorized representative and acknowledged by the Participant (electronically or otherwise) and returned to the Corporation. By executing the Award Agreement, a Participant shall be deemed to have accepted and consented to the terms of this Plan and any action taken

in good faith under this Plan by and within the discretion of the Committee, the Board or their delegates. Award Agreements covering outstanding Awards may be amended or modified by the Committee in any manner that may be permitted for the grant of Awards under the Plan, subject to the consent of the Participant to the extent provided in the Award Agreement. In accordance with such procedures as the Corporation may prescribe, a Participant may sign or otherwise execute an Award Agreement and may consent to amendments of modifications of Award Agreements covering outstanding Awards by electronic means.

15. GENERAL PROVISIONS

15.1. No Assignment or Transfer; Beneficiaries. Except as provided in Section 6.5 hereof, Awards under the Plan shall not be assignable or transferable, except by will or by the laws of descent and distribution, and during the lifetime of a Participant the Award shall be exercised only by such Participant or by his guardian or legal representative. Notwithstanding the foregoing, the Committee may provide in the terms of an Award Agreement that the Participant shall have the right to designate a beneficiary or beneficiaries who shall be entitled to any rights, payments or other specified benefits under an Award following the Participant's death.

15.2. Deferrals of Payment. At the discretion of the Committee, a Participant may elect in writing to defer, under a Deferred Compensation Plan, the receipt of payment of cash or delivery of shares of Common Stock that would otherwise be due to the Participant by virtue of the exercise of a right or the satisfaction of vesting or other conditions with respect to an Award; provided, however, that any such deferral must be made in accordance with the terms of the applicable Deferred Compensation Plan, including any such terms relating to the timing of such deferral and payment of any amounts related thereto. This Section 15.2 shall not apply to an Option or a Stock Appreciation Right issued under the Plan.

15.3. Rights as Shareholder. A Participant shall have no rights as a holder of Common Stock with respect to any unissued securities covered by an Award until the date the Participant becomes the holder of record of those securities. Except as provided in Section 3.2 or Section 8.4 hereof, no adjustment or other provision shall be made for dividends or other shareholder rights, except to the extent that the Award Agreement provides for Dividend Equivalents, dividend payments or similar economic benefits.

15.4. Employment or Service. Nothing in the Plan, in the grant of any Award or in any Award Agreement shall confer upon any Eligible Person the right to continue in the capacity in which he is employed by or otherwise serves the Corporation or any Subsidiary.

15.5. Securities Laws. No shares of Common Stock will be issued or transferred pursuant to an Award unless and until all then applicable requirements imposed by federal and state securities and other laws, rules and regulations and by any regulatory agencies having jurisdiction, and by any stock exchanges upon which the Common Stock may be listed, have been fully met. As a condition precedent to the issuance of shares pursuant to the grant or exercise of an Award, the Corporation may require the Participant to take any reasonable action to meet such requirements. The Committee may impose such conditions on any shares of Common Stock issuable under the Plan as it may deem advisable, including, without limitation, restrictions under the Securities Act of 1933, as amended, under the requirements of any stock exchange upon which such shares of the same class are then listed, and under any blue sky or other securities laws applicable to such shares.

15.6. Tax Withholding. The Participant shall be responsible for payment of any taxes or similar charges required by law to be withheld from an Award or an amount paid in satisfaction of an Award, which shall be paid by the Participant on or prior to the payment or other event that results in taxable income in respect of an Award. The Award Agreement shall specify the manner in which the withholding obligation shall be satisfied with respect to the particular type of Award, provided that, if shares of Common Stock are withheld from delivery upon exercise of an Option or a Stock Appreciation Right, the Fair Market Value of the shares withheld shall not exceed, as of the time the withholding occurs, the minimum amount of tax for which withholding is required.

15.7. Unfunded Plan. The adoption of this Plan and any setting aside of cash amounts or shares of Common Stock by the Corporation with which to discharge its obligations hereunder shall not be deemed to create a trust or other funded arrangement. The benefits provided under this Plan shall be a general, unsecured obligation of the Corporation payable solely from the general assets of the Corporation, and neither a Participant nor the Participant's permitted transferees or estate shall have any interest in any assets of the Corporation by virtue of this Plan, except as a general unsecured creditor of the Corporation. Notwithstanding the foregoing, the Corporation shall have the right to implement or set aside funds in a grantor trust subject to the claims of the Corporation's creditors to discharge its obligations under the Plan.

15.8. Other Compensation and Benefit Plans. The adoption of the Plan shall not affect any other stock incentive or other compensation plans in effect for the Corporation or any Subsidiary, nor shall the Plan preclude the Corporation from establishing any other forms of stock incentive or other compensation for employees of the Corporation or any Subsidiary.

The amount of any compensation deemed to be received by a Participant pursuant to an Award shall not constitute compensation with respect to which any other employee benefits of such Participant are determined, including, without limitation, benefits under any bonus, pension, profit sharing, life insurance or salary continuation plan, except as otherwise specifically provided by the terms of such plan.

15.9. Plan Binding on Successors. The Plan shall be binding upon the Corporation, its successors and assigns, and the Participant, his executor, administrator and permitted transferees and beneficiaries.

15.10. Construction and Interpretation. Whenever used herein, nouns in the singular shall include the plural, and the masculine pronoun shall include the feminine gender. Headings of Articles and Sections hereof are inserted for convenience and reference and constitute no part of the Plan.

15.11. Severability. If any provision of the Plan or any Award Agreement shall be determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions hereof and thereof shall be severable and enforceable in accordance with their terms, and all provisions shall remain enforceable in any other jurisdiction.

15.12. Governing Law. The validity and construction of this Plan and of the Award Agreements shall be governed by the laws of the State of Delaware.

15.13. Non-U.S. Employees. In order to facilitate the making of any grant or combination of grants under this Plan, the Committee may provide for such special terms for awards to Participants who are foreign nationals, who are employed by the Corporation or any Subsidiary outside of the United States of America or who provide services to the Corporation under an agreement with a foreign nation or agency, as the Committee may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Committee may approve such supplements to, or amendments, restatements or alternative versions of, this Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of this Plan as in effect for any other purpose, and the Secretary or other appropriate officer of the Corporation may certify any such document as having been approved and adopted in the same manner as this Plan. No such special terms, supplements, amendments or restatements shall include any provisions that are inconsistent with the terms of this Plan as then in effect unless this Plan could have been amended to eliminate such inconsistency without further approval by the shareholders of the Corporation.

15.14. Compliance with Section 409A of the Code. This Plan is intended to comply and shall be administered in a manner that is intended to comply with section 409A of the Code and shall be construed and interpreted in accordance with such intent. To the extent that an Award, issuance and/or payment is subject to section 409A of the Code, it shall be awarded and/or issued or paid in a manner that will comply with section 409A of the Code, including proposed, temporary or final regulations or any other guidance issued by the Secretary of the Treasury and the Internal Revenue Service with respect thereto. To the extent any terms of the Plan or Award Agreements are ambiguous, such terms shall be interpreted as necessary to comply with section 409A of the Code.

15.15. Six Month Delay. Notwithstanding any provision in this Plan to the contrary, if the payment of any benefit herein would be subject to additional taxes and interest under Code Section 409A because the timing of such payment is not delayed as required under Section 409A for a Specified Employee, then any such payment that the Participant would otherwise be entitled to receive during the first six months following the date of Participant's Separation From Service shall be accumulated and paid within fifteen (15) business days after the date that is six months following the date of the Participant's Separation From Service, or such earlier date upon which such amount can be paid under Code Section 409A without being subject to such additional taxes and interest.

15.16. Clawback. Notwithstanding anything in the Plan to the contrary, the Corporation will be entitled to the extent permitted or required by applicable law or Company policy as in effect from time to time to recoup compensation of whatever kind paid by the Corporation or any of its affiliates at any time to a Participant under this Plan.

16. EFFECTIVE DATE, TERMINATION AND AMENDMENT

16.1. Effective Date. The Effective Date of the amended and restated Plan shall be the date of approval by the Corporation's shareholders.

16.2. Termination. The Plan shall terminate on the date immediately preceding the tenth anniversary of the Effective Date. The Board may, in its sole discretion and at any earlier date, terminate the Plan. Notwithstanding the foregoing, no termination of the Plan shall in any manner affect any Award theretofore granted without the consent of the Participant or the permitted transferee of the Award.

16.3. Amendment. The Board may at any time and from time to time and in any respect, amend or modify the Plan; provided, however, that no amendment or modification of the Plan shall be effective without the consent of the Corporation's shareholders that would (i) change the class of Eligible Persons under the Plan, (ii) increase the number of

shares of Common Stock reserved for issuance under the Plan or for certain types of Awards under Section 3.1 hereof, or (iii) allow the grant of SARs or Options at an exercise price below Fair Market Value, or allow the repricing of SARs or Options without shareholder approval. In addition, the Board may seek the approval of any amendment or modification by the Corporation's shareholders to the extent it deems necessary or advisable in its sole discretion for purposes of compliance with Section 162(m) or section 422 of the Code, the listing requirements of the New York Stock Exchange or for any other purpose. No amendment or modification of the Plan shall materially adversely affect any Award theretofore granted without the consent of the Participant or the permitted transferee of the Award.

IN WITNESS OF its amendment and restatement by the Board on February 16, 2016, this Plan is executed on behalf of the Corporation this 11th day of March, 2016.

SPECTRA
ENERGY
CORP

By: _____
Chief
Administrative
Officer

SPECTRA ENERGY CORP
EXECUTIVE SHORT-TERM INCENTIVE PLAN
(as amended and restated)

ARTICLE I — GENERAL

SECTION 1.1 *Purpose.* The purpose of the amended and restated Spectra Energy Corp Executive Short-Term Incentive Plan, (the "Plan") is to benefit and advance the interests of Spectra Energy Corp, a Delaware corporation (the "Corporation" or the "Company"), by rewarding selected senior executives of the Corporation and its subsidiaries for their contributions to the Corporation's financial success and thereby motivate them to continue to make such contributions in the future by granting annual performance-based awards (individually, "Award").

SECTION 1.2 *Administration of the Plan.* The Plan shall be administered by a committee ("Committee") which shall adopt such rules as it may deem appropriate in order to carry out the purpose of the Plan. The Committee shall be the Compensation Committee of the Corporation's Board of Directors ("Board") (or such subcommittee as may be appointed by the Board) except that (i) the number of directors on the Committee shall not be less than two (2) and (ii) each member of the Committee shall be an "outside director" within the meaning of Section 162(m)(4) of the Internal Revenue Code of 1986, as amended (the "Code"). All questions of interpretation, administration, and application of the Plan shall be determined by a majority of the members of the Committee, except that the Committee may authorize any one or more of its members, or any officer of the Corporation, to execute and deliver documents on behalf of the Committee to the extent consistent with the provisions of Section 162(m) of the Code. The determination of such majority shall be final and binding in all matters relating to the Plan. The Committee shall have authority and discretion to determine the terms and conditions of the Awards granted to eligible persons specified in Section 1.3 below ("Participants").

No member of the Committee will be liable for any action, omission or determination made by the Committee with respect to the Plan or any Award under it and the Corporation shall indemnify and hold harmless each member of the Committee and each other director or employee of the Corporation to whom any duty or power relating to the administration or interpretation of the Plan has been delegated, against any cost or expense (including counsel fees) or liability (including any sum paid in settlement of a claim with the approval of the Committee) arising out of any action, omission or determination relating to the Plan or any Award under it unless, in either case, such action, omission or determination was taken or made by such member, director or employee in bad faith and without reasonable belief that it was in the best interests of the Corporation.

SECTION 1.3 *Eligible Persons.* Eligibility to participate in the Plan will be limited to (1) those individuals who are "officers" within the meaning of Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended, and (2) any other employee of the Corporation who, in the sole judgment of the Committee, could be treated as a "covered employee" under Section 162(m) at the time income may be recognized by such Participant in connection with an Award granted under the Plan.

SECTION 1.4 *Partial Year Participation.* An executive officer who becomes eligible after the beginning of a Performance Period may participate in the Plan for that Performance Period on terms and conditions determined by the Committee, it being understood that if an executive officer becomes eligible more than 90 days after the beginning of the Performance Period, the Committee may either use the established Performance Targets (as defined below) for such Participant based on performance during the remainder of the Performance Period or establish different Performance Targets and/or a different performance period for such Participant provided such Performance Targets and/or performance period satisfy the requirements of Treasury Regulation Section 1.162-27(e)(2).

ARTICLE II — AWARDS

SECTION 2.1 *Awards.* The Committee may grant Awards to eligible employees with respect to each fiscal year of the Corporation, or such other performance period determined by the Committee, subject to the terms and conditions set forth in the Plan.

SECTION 2.2 *Terms of Awards.* No later than 90 days after the commencement of each fiscal year of the Corporation, or within the period required to qualify for the "performance-based compensation" exception to Code Section 162(m) with respect to other performance periods, the Committee shall establish (i) performance targets ("Performance Targets") for the Corporation for such fiscal year or other period (any such period, a "Performance Period") and (ii) target awards ("Target Awards") that correspond to the Performance Targets, for each Participant to whom an Award for the Performance Period is granted. The Committee may establish Performance Targets for Awards that are intended to qualify as performance-based compensation under Section 162(m) of the Code in terms of specified levels of any of the following business measures, which may be applied with respect to the Corporation, or any of its subsidiaries or business units, and which may be measured on an absolute or relative to peer-group basis: total shareholder return; stock price; stock price increase; return on equity; return on capital; return on capital employed; earnings per share; debt/equity; interest coverage; coverage ratios; cash coverage ratio; distribution coverage ratio; dividend coverage ratio; EBIT (earnings before interest and taxes); EBITDA (earnings before interest, taxes, depreciation and amortization); debt to EBITDA; debt to capital; ongoing earnings; cash flow (including distributable cash flow, operating cash flow, free cash flow, discounted cash flow return on investment, and cash flow in excess of costs of capital); EVA (economic value added); economic profit (net operating profit after tax, less a cost of capital charge); SVA (shareholder value added); revenues; net income; operating income; pre-tax profit margin; performance against business plan; customer service; corporate governance quotient or rating; market share; employee satisfaction; safety record; employee engagement; supplier diversity; workforce diversity; operating margins; credit rating; dividend payments or other distributions; expenses; retained earnings; completion of acquisitions, divestitures and corporate restructurings; operation and maintenance expense; environmental, health, safety and/or operational measures; and individual goals based on objective business criteria underlying the goals listed above and which pertain to individual effort as to achievement of those goals or to one or more business criteria in the areas of litigation, human resources, information services, production, inventory, support services, site development, plant development, building development, facility development, government relations, safety, product market share or management. At the time the Committee determines the terms of the Performance Target(s), the Committee may also specify any exclusion(s) for charges related to any event(s) or occurrence(s) which the Committee determines should appropriately be excluded, as applicable, for purposes of measuring performance against the applicable Performance Targets provided that such excluded items are objectively determinable by reference to the Corporation's financial statements, notes to the Corporation's financial statements and/or management's discussion and analysis of financial condition and results of operations, appearing in the Corporation's Annual Report on Form 10-K for the applicable year. If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Corporation, or the manner in which it conducts its business, or other events or circumstances, render previously established Performance Targets unsuitable, the Committee may modify such Performance Targets, in whole or in part, as the Committee deems appropriate and equitable; provided that, unless the Committee determines otherwise, no such action shall be taken if and to the extent it would result in the loss of an otherwise available exemption of the Award under Section 162(m). In addition, a performance measure used to determine a Performance Target may be subject to such later revisions as the Committee shall deem appropriate to reflect significant unforeseen events such as changes in law, accounting practices or unusual or nonrecurring items or occurrences or to satisfy applicable regulatory requirements. Any such adjustments shall be subject to such limitations as the Committee deems appropriate in the case of an Award that is intended to qualify for exemption under Section 162(m). Alternatively, the Committee may establish Performance Targets in terms of such strategic objectives as it may from time to time specify for Awards that are not intended to qualify as performance-based compensation under Section 162(m) of the Code.

SECTION 2.3 *Limitation on Awards.* The aggregate amount of all Awards payable to any Participant during any one calendar year shall not exceed Five Million Dollars ($5,000,000.00).

SECTION 2.4 *Determination of Award.* The Committee shall, promptly after the date on which the necessary financial or other information for a particular Performance Period becomes available, certify in writing whether any Performance Target has been achieved, and, if so, the highest Performance Target that has been achieved, all in the manner required by Section 162(m) of the Code. If any Performance Target has been achieved, the Awards, determined for each Participant with reference to the Target Award that corresponds to the highest Performance Target achieved, for such Performance Period shall have been earned except that the Committee may reduce the amount of any Award to reflect the Committee's assessment of the Participant's individual performance, to reflect the failure of the Participant to remain in the continuous employ of the Corporation or its subsidiaries throughout the applicable Performance Period, or for any other reason. Such awards shall become payable in cash as promptly as practicable thereafter, but in no event more than

two and one-half months following the end of the year in which the Performance Period ends. Notwithstanding the foregoing, the Committee may permit a Participant to elect to defer payment of all or any portion of the Award the Participant might earn for a Performance Period, by making a deferral election on such terms and conditions as the Committee or a delegate thereof may establish from time to time, or in accordance with the terms and conditions of a deferral plan sponsored by the Company or one of its affiliates.

ARTICLE III — MISCELLANEOUS

SECTION 3.1 *No Rights to Awards or Continued Employment.* No employee shall have any claim or right to receive Awards under the Plan. Neither the Plan nor any action taken hereunder shall be construed as giving an employee any right to be retained by the Corporation or any of its subsidiaries.

SECTION 3.2 *Clawback.* Notwithstanding anything in the Plan to the contrary, the Corporation will be entitled to the extent permitted or required by applicable law or Company policy as in effect from time to time to recoup compensation of whatever kind paid by the Corporation or any of its affiliates at any time to a Participant under the Plan.

SECTION 3.3 *Restriction on Transfer, Beneficiary.* Awards (or interests therein) to a Participant or amounts payable with respect to a Participant under the Plan are not subject to assignment or alienation, whether voluntary or involuntary. Notwithstanding the foregoing, the Committee may, in its discretion, permit Participants to designate a beneficiary or beneficiaries to receive, in the event of the Participant's death, any amounts remaining to be paid with respect to the Participant under the Plan. In such event, the Participant shall have the right to revoke any such designation and to redesignate a beneficiary or beneficiaries and, to be effective, any such designation, revocation, or redesignation must be in such written form as the Corporation may prescribe and must be received by the Corporation prior to the Participant's death. If beneficiary designations are not permitted, a Participant dies without effectively designating a beneficiary or if all designated beneficiaries predecease the Participant, any amounts remaining to be paid with respect to the Participant under the Plan, shall be paid to the Participant's estate.

SECTION 3.4 *Tax Withholding.* The Corporation or a subsidiary thereof, as appropriate, shall have the right to deduct from all payments made under the Plan to a Participant or to a Participant's beneficiary or beneficiaries federal, state, local or other taxes with respect to such payments.

SECTION 3.5 *No Restriction on Right of Corporation to Effect Changes; No Restriction on Other Compensation.* The Plan shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any recapitalization, reorganization, merger, acquisition, divestiture, consolidation, spin off, combination, liquidation, dissolution, sale of assets, or other similar corporate transaction or event involving the Corporation or a subsidiary or division thereof or any other event or series of events, whether of a similar character or otherwise.

Nothing in the Plan shall preclude or limit the ability of the Corporation to pay any compensation to a Participant under the Corporation's other compensation and benefit plans and programs, including without limitation any equity or bonus plan program or arrangement.

SECTION 3.6 *Source of Payments.* The Corporation shall not have any obligation to establish any separate fund or trust or other segregation of assets to provide for payments under the Plan. To the extent any person acquires any rights to receive payments hereunder from the Corporation, such rights shall be no greater than those of an unsecured creditor.

SECTION 3.7 *Termination and Amendment.* The Plan shall continue in effect until terminated by the Board. The Committee may at any time amend or otherwise modify the Plan in such respects as it deems advisable; provided, however, no such amendment or modification may be effective without Board approval or Corporation shareholder approval if such approval is necessary to comply with the requirements for qualified performance-based compensation under Section 162(m) of the Code.

SECTION 3.8 *Governmental Regulations.* The Plan, and all Awards hereunder, shall be subject to all applicable rules and regulations of governmental or other authorities.

SECTION 3.9 *Headings.* The headings of sections and subsections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of the Plan.

SECTION 3.10 *Governing Law.* The Plan and all rights and Awards hereunder shall be construed in accordance with and governed by the laws of the state of Texas.

SECTION 3.11 *Effective Date.* The Effective Date of the amended and restated Plan shall be the date of approval by the Corporation's shareholders. Payment of any Awards under this Plan shall be contingent upon the affirmative vote of the shareholders of at least a majority of the votes cast (including abstentions) approving the Plan. Unless and until such shareholder approval is obtained, no Award shall be paid or payable pursuant to this Plan. To the extent necessary for purposes of Code Section 162(m), this Plan shall be resubmitted to shareholders for their re-approval with respect to Awards payable for the taxable years of the Corporation commencing on and after the five year anniversary of initial shareholder approval.

IN WITNESS OF its amendment and restatement by the Board on February 16, 2016, this Plan is executed on behalf of the Corporation this 11th day of March, 2016.

SPECTRA
ENERGY
CORP

By: _____
Chief
Administrative
Officer

EXHIBIT 10.34

SPECTRA ENERGY CORP
PHANTOM STOCK AWARD AGREEMENT

This **Phantom Stock Award Agreement** (the "Agreement") has been made as of , (the "Date of Grant") between **Spectra Energy Corp**, a Delaware corporation, with its principal offices in Houston, Texas (the "Company"), and _____ (the "Grantee").

RECITALS

Under the amended and restated Spectra Energy Corp 2007 Long-Term Incentive Plan as it may, from time to time, be amended (the "Plan"), the Compensation Committee of the Board of Directors of the Company (the "Committee"), or its delegatee, has determined the form of this Agreement (which also includes Schedule A hereto or Schedule B hereto, as applicable to the Grantee) and selected the Grantee, as an Employee, to receive the award evidenced by this Agreement (the "Award") and the Phantom Stock units and tandem Dividend Equivalents that are subject hereto. The basis for the Award is to provide an incentive for the Employee to remain with the Company and to improve Employee retention. Awards are not intended for Employees who have given notice of resignation or who have been given notice of termination by the Company or an employing Subsidiary, and will not accrue to Employees once such notices are given. For clarity, Awards do not accrue for Employees who have received notice, given notice or have been determined to be entitled to a notice period by a court, and no damages suffered by an Employee due to lack of sufficient notice will include compensation for loss of vesting rights or accrual of an Award, notwithstanding any statutory, contractual, or common law period of notice of termination, or compensation in lieu of such notice, to which an employee may be entitled. The applicable provisions of the Plan are incorporated in this Agreement by reference, including the definitions of terms contained in the Plan (unless such terms are otherwise defined herein).

AWARD

In accordance with the Plan, the Company has made this Award, effective as of the Date of Grant and upon the following terms and conditions:

Section 1. *Number and Nature of Phantom Stock Units and Tandem Dividend Equivalents*. The number of Phantom Stock units and the number of tandem Dividend Equivalents subject to this Award are each _____ **(____)**. Each Phantom Stock unit, upon becoming vested before its expiration, represents a right to receive payment in the form of cash equal to the Fair Market Value of one (1) share of Common Stock. Each tandem Dividend Equivalent represents a right to receive cash payments equivalent to the amount of cash dividends declared and paid on one (1) share of Common Stock after the

Date of Grant and before the Dividend Equivalent expires. Phantom Stock units and Dividend Equivalents are used solely as units of measurement, and are not shares of Common Stock and the Grantee is not, and has no rights as, a shareholder of the Company by virtue of this Award. The Phantom Stock units and Dividend Equivalents subject to this Award have been awarded to the Grantee in respect of services to be performed by the Grantee exclusively in and after the year in which the Award is made.

Section 2. *Vesting of Phantom Stock Units*. The specified percentage of the Phantom Stock units subject to this Award, and not previously forfeited, shall vest, with such percentage considered satisfied to the extent such Phantom Stock units have previously vested, as follows:

(a) **Generally.** 100% upon Grantee continuously remaining an Employee of the Company, including Subsidiaries, through the third anniversary of the Date of Grant (the "Vesting Period").

(b) **Retirement.** If Grantee's employment with the Company, including Subsidiaries, terminates at a time when Grantee is eligible for an immediately payable early or normal retirement benefit under the Spectra Energy Retirement Cash Balance Plan or under another retirement plan of the Company or Subsidiary, which plan the Committee, or its delegatee, in its sole discretion, determines to be the functional equivalent of the Spectra Energy Retirement Cash Balance Plan, then the number of Phantom Stock units and tandem Dividend Equivalents to which the Grantee shall have a right to payment hereunder shall be prorated to reflect the number of months of the Vesting Period during which the Grantee's active employment with the Company, including Subsidiaries, ("Active Employment") continued, and the remaining Phantom Stock units not vested shall be forfeited. Solely for purposes of calculating the prorated payment in the preceding sentence, if the Grantee's Active Employment continued for at least one (1) day during a calendar month in the Vesting Period, Grantee's Active Employment shall be considered to have continued for the entirety of such month, but in no event for more than thirty-six (36) months. Grantee shall be considered to have "retired" but Grantee's employment shall be considered to continue, with continued vesting under Section 2(a) with respect to the prorated payment determined in accordance with the above, (i) unless the Committee or its delegatee, in its sole discretion, determines that (A) Grantee is in violation of any obligation identified in Section 4 or (B) the termination of Grantee's employment is for Cause, in which case all Phantom Stock units not previously vested shall be forfeited, or (ii) unless the Grantee dies, in which case the Phantom Stock units subject to the provisions of this Section 2(b) shall vest in accordance with Section 2(c). The additional provisions of Section 1 of Schedule B hereto are incorporated herein if Schedule B is applicable to the Grantee.

(c) **Death or Disability.** If Grantee's employment with the Company, including Subsidiaries, terminates (i) as the result of Grantee's death or (ii) as the result of Grantee's "permanent and total disability," as defined in Section 1 of Schedule A hereto or Section 2

of Schedule B hereto, as applicable to the Grantee, 100% of the Phantom Stock units subject to this Award shall vest immediately.

(d) **Involuntary Termination Without Cause.** If Grantee's employment is terminated by the Company, or employing Subsidiary, other than for Cause, regardless of reason for termination or the party giving notice, (i) the number of Phantom Stock units and tandem Dividend Equivalents to which the Grantee shall have a right to payment hereunder shall be prorated to reflect the number of months of Active Employment during the Vesting Period, and shall vest immediately, and (ii) the remaining Phantom Stock units shall be forfeited. Solely for purposes of calculating the prorated payment in clause (i) of the preceding sentence, if the Grantee's Active Employment continued for at least one (1) day during a calendar month in the Vesting Period, Grantee's Active Employment shall be considered to have continued for the entire month, but in no event for more than thirty-six (36) months. The additional provisions of Section 3 of Schedule B hereto are incorporated herein if Schedule B is applicable to the Grantee.

(e) **Change in Control.** All Phantom Stock units and tandem Dividend Equivalents to which the Grantee has the right to payment hereunder shall become 100% vested to the extent not yet vested as provided for in Section 2 above, if, following the occurrence of a Change in Control and before the second anniversary of such occurrence, (A) the Grantee's employment is terminated involuntarily, and not for Cause, by the Company, or employing Subsidiary, or their successor; or (B) such employment is terminated by the Grantee for Good Reason.

For the purposes of this Agreement, "Good Reason" is defined as the occurrence (without the Grantee's express written consent) of any of the following, unless such act or failure to act is corrected, prior to the effective date of Grantee's termination of employment, as specified in Grantee's notice termination, as provided in the following paragraph: (A) a substantial adverse alteration in the nature or status of the Grantee's responsibilities; (B) a material reduction in the Grantee's annual base salary; (C) a material reduction in the Grantee's target annual bonus; (D) the elimination of any material employee benefit plan in which the Grantee is a participant or the material reduction of Grantee's benefits under such plan, unless the Company either (1) immediately replaces such employee benefit plan or unless the Grantee is permitted to immediately participate in other employee benefit plan(s) providing the Grantee with a substantially equivalent value of benefits in the aggregate to those eliminated or materially reduced, or (2) immediately provides the Grantee with other forms of compensation of comparable value to that being eliminated or reduced; (E) a relocation without the written consent of the Grantee that requires the Grantee to report to a work location more than thirty-five (35) miles from the work location to which the Grantee was assigned prior to the Change in Control.

Grantee is required to provide notice to the Company (or its successor) of the existence of any of the conditions set forth in the "Good Reason" definition in this Section 2(e) at least fifteen (15), but not more than sixty (60), days prior to the date of Grantee's termination of employment. Upon receipt of such notice, the Company (or its

successor) may, prior to the effective date of Grantee's termination of employment, cure or remedy such condition. If Grantee terminates from employment after providing notice and after the Company (or its successor) has cured the condition within the time frame set forth in this Section 2(e), then such termination of employment will be considered to be a voluntary termination of employment, and not a separation for Good Reason.

The Grantee's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason pursuant to the foregoing provisions of this Section 2(e).

Section 3. *Definition of "Cause*." For the purposes of this Agreement, "Cause" for termination by the Company or an employing Subsidiary of the Grantee's employment shall include: (i) a material failure by the Grantee to carry out, or malfeasance or gross insubordination in carrying out, reasonably assigned duties or instructions consistent with the Grantee's position, (ii) the final conviction of the Grantee of a (A) felony, (B) crime or criminal offense involving moral turpitude, or (C) criminal or summary conviction offense that is related to the Grantee's employment with the Company or an employing Subsidiary, (iii) an egregious act of dishonesty by the Grantee (including, without limitation, theft or embezzlement) in connection with employment, or a malicious action by the Grantee toward the customers or employees of the Company or any affiliate, (iv) a material breach by the Grantee of the Company's Code of Business Ethics, (v) the failure of the Grantee to cooperate fully with governmental investigations involving the Company or its affiliates, or (vi) the usual meaning of just cause under Canadian common law, if applicable; all as determined by the Company in its sole discretion.

Section 4. *Violation of Grantee Obligation*. In consideration of the continued vesting opportunity provided under Section 2 following the termination of Grantee's continuous employment by the Company, including Subsidiaries, if Grantee is considered "retired", Grantee agrees to the noncompetition and other restrictions set forth in Section 2 of Schedule A hereto or Section 4 of Schedule B hereto, as applicable to the Grantee. In the event that Grantee violates applicable noncompetition and other restrictions, the continued vesting opportunity provided under Section 2 shall terminate and be forfeited.

Section 5. *Forfeiture/Expiration*. Any Phantom Stock unit subject to this Award shall be forfeited upon notice of the termination of Grantee's continuous employment with the Company and its Subsidiaries, whether such notice is given by the Grantee or by the Company, including Subsidiaries, from the Date of Grant, except to the extent otherwise provided in Section 2, and, if not previously vested, deferred or forfeited, shall expire immediately before the third anniversary of the Date of Grant. Any Dividend Equivalent subject to this Award shall expire at the time the unit of Phantom Stock with respect to which the Dividend Equivalent is in tandem (i) is vested and paid, or, to the extent permitted by the laws of the applicable jurisdiction, deferred, (ii) is forfeited, or (iii) expires. The additional provisions of Section 5 of Schedule B hereto are incorporated herein if Schedule B is applicable to the Grantee.

Section 6. *Dividend Equivalent Payments*. Payment with respect to any Dividend Equivalent subject to this Award that is in tandem with a Phantom Stock unit that is vested and paid shall be paid in a single lump sum cash payment as soon as practicable following the vesting and payment of the Phantom Stock unit, and in no event later than the end of the third calendar year following the year of the Date of Grant, except, if the vested Phantom Stock unit is deferred by the Grantee as provided in Section 7, payment with respect to the tandem Dividend Equivalent shall likewise be deferred. Payment under this Section 6 shall be made not later than thirty (30) days after payment hereunder of the related tandem Phantom Stock units. The Dividend Equivalent payment amount shall equal the aggregate cash dividends declared and paid with respect to one (1) share of Common Stock for the period beginning on the Date of Grant and ending on the date the vested, tandem Phantom Stock unit is paid or deferred and before the Dividend Equivalent expires. However, should the Grantee receive payment of Phantom Stock units under this Award without the right to receive a dividend and, because of the timing of the declaration of such dividend, the Grantee is not otherwise entitled to payment under the expiring Dividend Equivalent with respect to such dividend, the Grantee, nevertheless, shall be entitled to such payment. Dividend Equivalent payments shall be subject to withholding for taxes. Notwithstanding any other provision hereof, to the extent necessary for this Agreement not to be construed as a salary deferral arrangement under Canadian law, in no event will any Dividend Equivalent to which the Grantee may be entitled vest, or will the right to receive a payment in respect of any Dividend Equivalent arise, after December 30 of the calendar year which is three years following the end of the year in which any portion of the services to which the award of such Dividend Equivalent relates were performed by the Grantee, and in the event this would, apart from this provision, occur, notwithstanding any other provision hereof, the applicable Dividend Equivalent will vest and the Grantee will be entitled to receive payment of such Dividend Equivalent on December 30 (or the first date prior thereto that is not a Saturday, Sunday or holiday) in the first calendar year which is three years following the end of the year in which any portion of the services to which the award of such Dividend Equivalent relates were performed by the Grantee.

Section 7. *Payment of Phantom Stock Units*. Payment of Phantom Stock units subject to this Award shall be made to the Grantee in a single lump sum cash payment as soon as practicable following the time such units become vested in accordance with Section 2 prior to their expiration but in no event later than thirty (30) days following such vesting and in no event later than the end of the third calendar year following the year of the Date of Grant, except to the extent deferred by Grantee in accordance with such procedures as the Committee, or its delegatee, may prescribe consistent with the requirements of Code Section 409A or any Canadian law equivalent, as applicable. Any deferral of Phantom Stock units by the Grantee hereunder shall apply to both the shares of Common Stock and the related tandem Dividend Equivalents. Payment shall be subject to withholding for taxes. Payment shall be in the form of cash equal to the Fair Market Value of one (1) share of Common Stock for each full vested unit of Phantom Stock, and any fractional vested unit of Phantom Stock shall be rounded up to the next whole share for purposes of both vesting under Section 2 and payment under this Section 7.

Section 8. *No Employment Right*. Nothing in this Agreement or in the Plan shall confer upon the Grantee the right to continued employment by the Company or any Subsidiary, or affect the right of the Company or any Subsidiary to terminate the employment or service of the Grantee at any time for any reason.

Section 9. *Nonalienation*. The Phantom Stock units and Dividend Equivalents subject to this Award are not assignable or transferable by the Grantee. Upon any attempt to transfer, assign, pledge, hypothecate, sell or otherwise dispose of any such Phantom Stock unit or Dividend Equivalent, or of any right or privilege conferred hereby, or upon the levy of any attachment or similar process upon such Phantom Stock unit or Dividend Equivalent, or upon such right or privilege, such Phantom Stock unit or Dividend Equivalent, or right or privilege, shall immediately become null and void.

Section 10. *Determinations*. Determinations by the Committee, or its delegatee, shall be final and conclusive with respect to the interpretation of the Plan and this Agreement.

Section 11. *Governing Law and Severability*. The validity and construction of this Agreement shall be governed by the laws of the state of Delaware applicable to transactions taking place entirely within that state. The invalidity of any provision of this Agreement shall not affect any other provision of this Agreement, which shall remain in full force and effect.

Section 12. *Code Section 409A*. Notwithstanding any provision of this Agreement to the contrary, for the purposes of this Agreement, the termination of Grantee's employment shall not result in the payment of any amount hereunder that is subject to, and not exempt from, Code Section 409A, unless such termination of employment constitutes a "separation from service" as defined under Code Section 409A. Further, notwithstanding any provision of this Agreement to the contrary, if any payment or other benefit provided herein would be subject to unfavorable tax consequences under Code Section 409A because the timing of such payment is not delayed as provided in Code Section 409A for a "specified employee" (within the meaning of Code Section 409A), then if the Grantee is a "specified employee," any such payment that the Grantee would otherwise be entitled to receive during the first six (6) months following Grantee's termination of employment from the Company, including Subsidiaries, shall be accumulated and paid, within thirty (30) days after the date that is six (6) months following the Grantee's date of termination of employment from the Company, including Subsidiaries, or such earlier date upon which such amount can be paid under Code Section 409A without being subject to such unfavorable tax consequences such as, for example, upon the Grantee's death.

Section 13. *Conflicts with Plan, Correction of Errors, Grantee's Consent, and Amendments*. In the event that any provision of this Agreement conflicts in any way with a provision of the Plan, such Plan provision shall be controlling and the applicable provision of this Agreement shall be without force and effect to the extent necessary to cause such Plan provision to be controlling. In the event that, due to administrative error, this Agreement

does not accurately reflect a Phantom Stock Award properly granted to Grantee pursuant to the Plan, the Company, acting through its Executive Compensation Department, reserves the right to cancel any erroneous document and, if appropriate, to replace the cancelled document with a corrected document. It is the intention of the Company and the Grantee that this Agreement either (i) comply with the salary deferral arrangement rules under Canadian law and Code Section 409A, as applicable, or (ii) not be construed as a salary deferral arrangement under Canadian law and be exempt from Code Section 409A, to the extent applicable. Accordingly, this Agreement shall be interpreted as necessary and to the extent legally permissible to comply with the requirements of, or exemption under, Canadian law and Code Section 409A, as applicable, as determined by the Committee or its delegatee. Grantee shall also be deemed to consent to any amendment of the Plan or the Agreement as the Committee may reasonably make in furtherance of such intention, and the Committee shall promptly provide, or make available to, the Grantee a copy of any such amendment. Finally, this Agreement may be amended or modified at any time and from time to time by action of the Committee.

Section 14. *Grantee Confidentiality Obligations*. In accepting this Phantom Stock Award, Grantee acknowledges that Grantee is obligated under Company policy, and under federal, state, provincial and other applicable law, to protect and safeguard the confidentiality of trade secrets and other proprietary and confidential information belonging to the Company and its affiliates that are acquired by Grantee during Grantee's employment with the Company and its affiliates, and that such obligations continue beyond the termination of such employment. Grantee agrees to notify any subsequent employer of such obligations and that the Company and its affiliates, in order to enforce such obligations, may pursue legal recourse not only against Grantee, but against a subsequent employer of Grantee. Grantee agrees that he shall not disclose the existence or terms of this Agreement to anyone other than his spouse, tax advisor(s) and/or attorney(s), provided that he first obtains the agreement of such persons to be bound by the confidentiality provisions of this paragraph. Grantee also agrees to immediately give the Company written notice in accordance with the provisions of this Agreement in the event he is legally required to disclose any of the confidential information covered by the provisions of this paragraph. The additional provisions of Section 3 of Schedule A hereto are incorporated herein if Schedule A is applicable to the Grantee.

Section 15. *Nonsolicitation*. Grantee further agrees that he will not, either directly or indirectly, solicit, hire or employ, or cause any other person, company, or entity to solicit, hire or employ, any employee or contractor retained or employed by the Company or its affiliates during the period of Grantee's employment and for the period set forth in Section 4 of Schedule A hereto or Section 6 of Schedule B hereto, as applicable to the Grantee. The provisions of this paragraph shall not apply to contact initiated by an employee or contractor of the Company or its affiliates in response to a general solicitation of applications for employment. Grantee agrees that this Agreement is subject to the provisions of this paragraph.

Section 16. *Notices*. All notices under this Agreement shall be mailed or delivered by hand to the parties at their respective addresses set forth beneath their signatures below or at such other address as may be designated in writing by either party to the other party, or to their permitted transferees if applicable. Notices shall be effective upon receipt.

Section 17. *Payments Subject to Clawback*. To the extent that any payment under this Agreement is subject to clawback under Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as it may be amended from time to time, such amount will be clawed back in appropriate circumstances, as determined under the terms and conditions prescribed by such Act and the authority issued thereunder. Further, the Company will be entitled to the extent permitted or required by any other applicable law and/or Company policy as in effect from time to time (including, but not limited to, the Policy on Recovery of Executive Compensation) to recoup compensation of whatever kind paid by the Company or any of its affiliates at any time to the Grantee pursuant to this Agreement.

Section 18. *Equitable Remedies*. Grantee hereby acknowledges and agrees that a breach of Grantee's obligations under this Agreement would result in damages to the Company that could not be adequately compensated for by monetary award. Accordingly, in the event of any such breach by Grantee, in addition to all other remedies available to the Company at law or in equity, the Company will be entitled as a matter of right to apply to a court of competent jurisdiction for such relief by way of restraining order, injunction, decree or otherwise, as may be appropriate to ensure compliance with the provisions of this Agreement.

Section 19. *Arbitration Agreement*. The Grantee and the Company both agree that any dispute arising out of or related to this Agreement, which does not involve the Company seeking a court injunction or other relief as provided for in Section 18, shall be resolved by binding arbitration under the employment dispute resolution rules of the American Arbitration Association and that any proceeding under the provisions of this Section 19 shall be held in Houston, Texas. The parties both irrevocably WAIVE ANY AND ALL RIGHTS TO A JURY as to any and all claims and issues in any such dispute. By this provision, both the Grantee and the Company understand and agree that any and all claims and issues in such dispute shall be decided by such arbitration proceeding.

Notwithstanding the foregoing, this Award is subject to cancellation by the Company in its sole discretion unless the Grantee, by not later than _____ __, ____, has signed a duplicate of this Agreement, in the space provided below, and returned the signed duplicate to the Executive Compensation Department - Phantom Stock (WO 1O23), Spectra Energy Corp, P. O. Box 1642, Houston, TX 77251-1642, which, if, and to the extent, permitted by the Executive Compensation Department, may be accomplished by electronic means.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and granted in Houston, Texas, to be effective as of the Date of Grant.

SPECTRA ENERGY CORP:
By: _____

Chair, President & CEO, Spectra Energy Corp

Address for Notices:

5400 Westheimer Court
Mail Drop 1O23
Houston, Texas 77056

Attention: Karen Gowder

Acceptance of Phantom Stock Award

IN WITNESS OF Grantee's acceptance of this Award and Grantee's agreement to be bound by the provisions of this Agreement and the Plan, Grantee has signed this Agreement this _____ day of _____, ____.

_____
Grantee's Signature

_____
(print name)

_____
(employee ID)

Address for Notices:

_____
(address)

_____
(address)

SCHEDULE A

This Schedule A and the provisions hereof shall apply to the Grantee if (and only if) the Grantee is on the payroll of one of the Company's directly or indirectly held or majority or greater-owned subsidiaries or affiliates that is a United States entity.

Section 1. For purposes of Section 2(c) of the Agreement, "permanent and total disability" shall have the meaning set forth in Code Section 22(e)(3).

Section 2. The following provisions shall apply for purposes of Section 4 of the Agreement:

Grantee agrees that during the period beginning with such termination of employment and ending with the third anniversary of the Date of Grant ("Restricted Period"), Grantee shall not (i) without the prior written consent of the Company, or its delegatee, become employed by, serve as a principal, partner, or member of the board of directors of, or in any similar capacity with, or otherwise provide service to, a competitor, to the detriment, of the Company or any Subsidiary or (ii) violate any of Grantee's other noncompetition obligations, or any of Grantee's nonsolicitation or nondisclosure obligations, to the Company or any Subsidiary. The noncompetition obligations of clause (i) of the preceding sentence shall be limited in scope and shall be effective only to competition with the Company or any Subsidiary in the businesses of: gathering, processing or transmission of natural gas, resale or arranging for the purchase or for the resale, brokering, marketing, or trading of natural gas or crude oil, electricity or derivatives thereof; energy management and the provision of energy solutions; gathering, compression, treating, processing, fractionation, transportation, trading, marketing of natural gas components, including natural gas liquids, or of crude oil; sales and marketing of electric power and natural gas, domestically and abroad; and any other business in which the Company, including Subsidiaries, is engaged at the termination of Grantee's continuous employment by the Company, including Subsidiaries; and within the following geographical areas (i) any country in the world where the Company has at least US$25 million in capital deployed as of termination of Grantee's continuous employment by Company, including Subsidiaries; (ii) the continent of North America; (iii) the United States of America and Canada; (iv) the states of (A) Virginia, (B) Georgia, (C) Florida, (D) Texas, (E) California, (F) Massachusetts, (G) Illinois, (H) Michigan, (I) New York, (J) Colorado, (K) Oklahoma, (L) Kentucky, (M) Ohio, (N) Louisiana, (O) Kansas, (P) Montana, (Q) Missouri, (R) Nebraska, and (S) Wyoming; and (v) any state or states or province or provinces in which was conducted a business of the Company, including Subsidiaries, which business constituted a substantial portion of Grantee's employment. The Company and Grantee intend the above restrictions on competition in geographical areas to be

entirely severable and independent, and any invalidity or enforceability of this provision with respect to any one or more of such restrictions, including geographical areas, shall not render this provision unenforceable as applied to any one or more of the other restrictions, including geographical areas. If any part of this provision is held to be unenforceable because of the duration, scope or area covered, the Company and Grantee agree to modify such part, or that the court making such holding shall have the power to modify such part, to reduce its duration, scope or area, including deletion of specific words and phrases, i.e., "blue penciling", and in its modified, reduced or blue pencil form, such part shall become enforceable and shall be enforced. Nothing herein shall be construed to prohibit Grantee being retained during the Restricted Period in a capacity as an attorney licensed to practice law, or to restrict Grantee providing advice and counsel in such capacity, in any jurisdiction where such prohibition or restriction is contrary to law.

Section 3. The following provision shall be incorporated at the end of Section 14 of the Agreement:

Notwithstanding the other provisions of this Agreement, pursuant to the federal Defend Trade Secrets Act of 2016, Grantee shall not be held criminally or civilly liable under federal or state trade secret law for the disclosure of a trade secret that: (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made to Grantee's attorney in relation to a lawsuit for retaliation against Grantee for reporting a suspected violation of law; or (iii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Section 4. The nonsolicitation period for purposes of Section 15 of the Agreement is a period of three (3) years following Grantee's termination of employment with the Company and its affiliates.

SCHEDULE B

This Schedule B and the provisions hereof shall apply to the Grantee if (and only if) the Grantee is on the payroll of one of the Company's directly or indirectly held or majority or greater-owned subsidiaries or affiliates that is a Canadian entity.

Section 1. The following provisions shall be incorporated at the end of Section 2(b) of the Agreement:

The date of the termination of Grantee's continuous employment with the Company for the purposes of this Section 2(b) shall be deemed to be the date on which any notice of termination of employment provided to or by such Grantee is stated to be effective (or in the case of an alleged constructive dismissal, the date on which the alleged constructive dismissal is alleged to have occurred), and not during or as of the end of any period following such date during which the Grantee is in receipt of, or entitled to receive, statutory, contractual, or common law notice of termination or any compensation in lieu of such notice.

Section 2. For purposes of Section 2(c) of the Agreement, an individual shall be considered to have a "permanent and total disability" if the individual is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

Section 3. The following provisions shall be incorporated at the end of Section 2(d) of the Agreement:

The date that the Grantee's employment is terminated by the Company, including Subsidiaries, other than for Cause for the purposes of this Section 2(d) shall be deemed to be the date on which any notice of termination of employment provided to such Grantee is stated to be effective (or in the case of an alleged constructive dismissal, the date on which the alleged constructive dismissal is alleged to have occurred), and not during or as of the end of any period following such date during which the Grantee is in receipt of, or entitled to receive, statutory, contractual, or common law notice of termination or any compensation in lieu of such notice.

Section 4. The following provisions shall apply for purposes of Section 4 of the Agreement:

Grantee agrees that during the period beginning with such termination of employment and ending with the earlier of (1) the third anniversary of the Date of Grant or (2) the first anniversary of the date of such termination of employment ("Restricted Period"), Grantee shall not (i) without the prior

written consent of the Company, or its delegatee, become employed by, serve as a principal, partner, or member of the board of directors of, or in any similar capacity with, or otherwise provide service to, a competitor, to the detriment, of the Company or any Subsidiary or (ii) violate any of Grantee's other noncompetition obligations, or any of Grantee's nonsolicitation or nondisclosure obligations, to the Company or any Subsidiary. The noncompetition obligations of clause (i) of the preceding sentence shall be limited in scope and shall be effective only to competition with the Company or any Subsidiary in the businesses of: gathering, processing or transmission of natural gas or crude oil, resale or arranging for the purchase or for the resale, brokering, marketing, or trading of natural gas, electricity or derivatives thereof; energy management and the provision of energy solutions; gathering, compression, treating, processing, fractionation, transportation, trading, marketing of natural gas components, including natural gas liquids, or of crude oil; sales and marketing of electric power and natural gas, domestically and abroad; and any other business in which the Company, including Subsidiaries, is engaged at the termination of Grantee's continuous employment by the Company, including Subsidiaries; and within the geographical area of the province in which Grantee was employed at termination of employment from the Company and employing Subsidiaries. If any part of this provision is held to be unenforceable because of the duration, scope or area covered, the Company and Grantee agree to modify such part, or that the court making such holding shall have the power to modify such part, to reduce its duration, scope or area, including deletion of specific words and phrases, i.e., "blue penciling", and in its modified, reduced or blue pencil form, such part shall become enforceable and shall be enforced. Nothing herein shall be construed to prohibit Grantee being retained during the Restricted Period in a capacity as an attorney licensed to practice law, or to restrict Grantee providing advice and counsel in such capacity, in any jurisdiction where such prohibition or restriction is contrary to law.

Section 5. The following provisions shall be incorporated at the end of Section 5 of the Agreement:

The date of the termination of Grantee's continuous employment with the Company, including Subsidiaries, for the purposes of this Section 5 shall be deemed to be the date on which any notice of termination of employment provided to or by such Grantee is stated to be effective (or in the case of an alleged constructive dismissal, the date on which the alleged constructive dismissal is alleged to have occurred), and not during or as of the end of any period following such date during which the Grantee is in receipt of, or entitled to receive, statutory, contractual, or common law notice of termination or any compensation in lieu of such notice.

Section 6. The nonsolicitation period for purposes of Section 15 of the Agreement is a period of one (1) year following Grantee's termination of employment with the Company and its affiliates.

EXHIBIT 10.35

SPECTRA ENERGY CORP
PHANTOM STOCK AWARD AGREEMENT

This **Phantom Stock Award Agreement** (the "Agreement") has been made as of , (the "Date of Grant") between **Spectra Energy Corp**, a Delaware corporation, with its principal offices in Houston, Texas (the "Company"), and _____ (the "Grantee").

RECITALS

Under the amended and restated Spectra Energy Corp 2007 Long-Term Incentive Plan as it may, from time to time, be amended (the "Plan"), the Compensation Committee of the Board of Directors of the Company (the "Committee"), or its delegatee, has determined the form of this Agreement (which also includes Schedule A hereto or Schedule B hereto, as applicable to the Grantee) and selected the Grantee, as an Employee, to receive the award evidenced by this Agreement (the "Award") and the Phantom Stock units and tandem Dividend Equivalents that are subject hereto. The basis for the Award is to provide an incentive for the Employee to remain with the Company and to improve Employee retention. Awards are not intended for Employees who have given notice of resignation or who have been given notice of termination by the Company or an employing Subsidiary, and will not accrue to Employees once such notices are given. For clarity, Awards do not accrue for Employees who have received notice, given notice or have been determined to be entitled to a notice period by a court, and no damages suffered by an Employee due to lack of sufficient notice will include compensation for loss of vesting rights or accrual of an Award, notwithstanding any statutory, contractual, or common law period of notice of termination, or compensation in lieu of such notice, to which an employee may be entitled. The applicable provisions of the Plan are incorporated in this Agreement by reference, including the definitions of terms contained in the Plan (unless such terms are otherwise defined herein).

AWARD

In accordance with the Plan, the Company has made this Award, effective as of the Date of Grant and upon the following terms and conditions:

Section 1. *Number and Nature of Phantom Stock Units and Tandem Dividend Equivalents*. The number of Phantom Stock units and the number of tandem Dividend Equivalents subject to this Award are each _____ **(____)**. Each Phantom Stock unit, upon becoming vested before its expiration, represents a right to receive payment in the form of one (1) share of Common Stock. Each tandem Dividend Equivalent represents a right to receive cash payments equivalent to the amount of cash dividends declared and paid on one (1) share of Common Stock after the Date of Grant and before the Dividend

Equivalent expires. Phantom Stock units and Dividend Equivalents are used solely as units of measurement, and are not shares of Common Stock and the Grantee is not, and has no rights as, a shareholder of the Company by virtue of this Award. The Phantom Stock units and Dividend Equivalents subject to this Award have been awarded to the Grantee in respect of services to be performed by the Grantee exclusively in and after the year in which the Award is made.

Section 2. *Vesting of Phantom Stock Units*. The specified percentage of the Phantom Stock units subject to this Award, and not previously forfeited, shall vest, with such percentage considered satisfied to the extent such Phantom Stock units have previously vested, as follows:

(a) **Generally.** 100% upon Grantee continuously remaining an Employee of the Company, including Subsidiaries, through the third anniversary of the Date of Grant (the "Vesting Period").

(b) **Retirement.** If Grantee's employment with the Company, including Subsidiaries, terminates at a time when Grantee is eligible for an immediately payable early or normal retirement benefit under the Spectra Energy Retirement Cash Balance Plan or under another retirement plan of the Company or Subsidiary, which plan the Committee, or its delegatee, in its sole discretion, determines to be the functional equivalent of the Spectra Energy Retirement Cash Balance Plan, then the number of Phantom Stock units and tandem Dividend Equivalents to which the Grantee shall have a right to payment hereunder shall be prorated to reflect the number of months of the Vesting Period during which the Grantee's active employment with the Company, including Subsidiaries, ("Active Employment") continued, and the remaining Phantom Stock units not vested shall be forfeited. Solely for purposes of calculating the prorated payment in the preceding sentence, if the Grantee's Active Employment continued for at least one (1) day during a calendar month in the Vesting Period, Grantee's Active Employment shall be considered to have continued for the entirety of such month, but in no event for more than thirty-six (36) months. Grantee shall be considered to have "retired" but Grantee's employment shall be considered to continue, with continued vesting under Section 2(a) with respect to the prorated payment determined in accordance with the above, (i) unless the Committee or its delegatee, in its sole discretion, determines that (A) Grantee is in violation of any obligation identified in Section 4 or (B) the termination of Grantee's employment is for Cause, in which case all Phantom Stock units not previously vested shall be forfeited, or (ii) unless the Grantee dies, in which case the Phantom Stock units subject to the provisions of this Section 2(b) shall vest in accordance with Section 2(c). The additional provisions of Section 1 of Schedule B hereto are incorporated herein if Schedule B is applicable to the Grantee.

(c) **Death or Disability.** If Grantee's employment with the Company, including Subsidiaries, terminates (i) as the result of Grantee's death or (ii) as the result of Grantee's "permanent and total disability," as defined in Section 1 of Schedule A hereto or Section 2

of Schedule B hereto, as applicable to the Grantee, 100% of the Phantom Stock units subject to this Award shall vest immediately.

(d) **Involuntary Termination Without Cause.** If Grantee's employment is terminated by the Company, or employing Subsidiary, other than for Cause, regardless of reason for termination or the party giving notice, (i) the number of Phantom Stock units and tandem Dividend Equivalents to which the Grantee shall have a right to payment hereunder shall be prorated to reflect the number of months of Active Employment during the Vesting Period, and shall vest immediately, and (ii) the remaining Phantom Stock units shall be forfeited. Solely for purposes of calculating the prorated payment in clause (i) of the preceding sentence, if the Grantee's Active Employment continued for at least one (1) day during a calendar month in the Vesting Period, Grantee's Active Employment shall be considered to have continued for the entire month, but in no event for more than thirty-six (36) months. The additional provisions of Section 3 of Schedule B hereto are incorporated herein if Schedule B is applicable to the Grantee.

(e) **Change in Control.** All Phantom Stock units and tandem Dividend Equivalents to which the Grantee has the right to payment hereunder shall become 100% vested to the extent not yet vested as provided for in Section 2 above, if, following the occurrence of a Change in Control and before the second anniversary of such occurrence, (A) the Grantee's employment is terminated involuntarily, and not for Cause, by the Company, or employing Subsidiary, or their successor; or (B) such employment is terminated by the Grantee for Good Reason.

For the purposes of this Agreement, "Good Reason" is defined as the occurrence (without the Grantee's express written consent) of any of the following, unless such act or failure to act is corrected, prior to the effective date of Grantee's termination of employment, as specified in Grantee's notice termination, as provided in the following paragraph: (A) a substantial adverse alteration in the nature or status of the Grantee's responsibilities; (B) a material reduction in the Grantee's annual base salary; (C) a material reduction in the Grantee's target annual bonus; (D) the elimination of any material employee benefit plan in which the Grantee is a participant or the material reduction of Grantee's benefits under such plan, unless the Company either (1) immediately replaces such employee benefit plan or unless the Grantee is permitted to immediately participate in other employee benefit plan(s) providing the Grantee with a substantially equivalent value of benefits in the aggregate to those eliminated or materially reduced, or (2) immediately provides the Grantee with other forms of compensation of comparable value to that being eliminated or reduced; (E) a relocation without the written consent of the Grantee that requires the Grantee to report to a work location more than thirty-five (35) miles from the work location to which the Grantee was assigned prior to the Change in Control.

Grantee is required to provide notice to the Company (or its successor) of the existence of any of the conditions set forth in the "Good Reason" definition in this Section 2(e) at least fifteen (15), but not more than sixty (60), days prior to the date of Grantee's termination of employment. Upon receipt of such notice, the Company (or its

successor) may, prior to the effective date of Grantee's termination of employment, cure or remedy such condition. If Grantee terminates from employment after providing notice and after the Company (or its successor) has cured the condition within the time frame set forth in this Section 2(e), then such termination of employment will be considered to be a voluntary termination of employment, and not a separation for Good Reason.

The Grantee's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason pursuant to the foregoing provisions of this Section 2(e).

Section 3. *Definition of "Cause*." For the purposes of this Agreement, "Cause" for termination by the Company or an employing Subsidiary of the Grantee's employment shall include: (i) a material failure by the Grantee to carry out, or malfeasance or gross insubordination in carrying out, reasonably assigned duties or instructions consistent with the Grantee's position, (ii) the final conviction of the Grantee of a (A) felony, (B) crime or criminal offense involving moral turpitude, or (C) criminal or summary conviction offense that is related to the Grantee's employment with the Company or an employing Subsidiary, (iii) an egregious act of dishonesty by the Grantee (including, without limitation, theft or embezzlement) in connection with employment, or a malicious action by the Grantee toward the customers or employees of the Company or any affiliate, (iv) a material breach by the Grantee of the Company's Code of Business Ethics, (v) the failure of the Grantee to cooperate fully with governmental investigations involving the Company or its affiliates, or (vi) the usual meaning of just cause under Canadian common law, if applicable; all as determined by the Company in its sole discretion.

Section 4. *Violation of Grantee Obligation*. In consideration of the continued vesting opportunity provided under Section 2 following the termination of Grantee's continuous employment by the Company, including Subsidiaries, if Grantee is considered "retired", Grantee agrees to the noncompetition and other restrictions set forth in Section 2 of Schedule A hereto or Section 4 of Schedule B hereto, as applicable to the Grantee. In the event that Grantee violates applicable noncompetition and other restrictions, the continued vesting opportunity provided under Section 2 shall terminate and be forfeited.

Section 5. *Forfeiture/Expiration*. Any Phantom Stock unit subject to this Award shall be forfeited upon notice of the termination of Grantee's continuous employment with the Company and its Subsidiaries, whether such notice is given by the Grantee or by the Company, including Subsidiaries, from the Date of Grant, except to the extent otherwise provided in Section 2, and, if not previously vested, deferred or forfeited, shall expire immediately before the third anniversary of the Date of Grant. Any Dividend Equivalent subject to this Award shall expire at the time the unit of Phantom Stock with respect to which the Dividend Equivalent is in tandem (i) is vested and paid, or, to the extent permitted by the laws of the applicable jurisdiction, deferred, (ii) is forfeited, or (iii) expires. The additional provisions of Section 5 of Schedule B hereto are incorporated herein if Schedule B is applicable to the Grantee.

Section 6. *Dividend Equivalent Payments*. Payment with respect to any Dividend Equivalent subject to this Award that is in tandem with a Phantom Stock unit that is vested and paid shall be paid in a single lump sum cash payment as soon as practicable following the vesting and payment of the Phantom Stock unit, and in no event later than the end of the third calendar year following the year of the Date of Grant, except, if the vested Phantom Stock unit is deferred by the Grantee as provided in Section 7, payment with respect to the tandem Dividend Equivalent shall likewise be deferred. Payment under this Section 6 shall be made not later than thirty (30) days after payment hereunder of the related tandem Phantom Stock units. The Dividend Equivalent payment amount shall equal the aggregate cash dividends declared and paid with respect to one (1) share of Common Stock for the period beginning on the Date of Grant and ending on the date the vested, tandem Phantom Stock unit is paid or deferred and before the Dividend Equivalent expires. However, should the Grantee receive payment of Phantom Stock units under this Award without the right to receive a dividend and, because of the timing of the declaration of such dividend, the Grantee is not otherwise entitled to payment under the expiring Dividend Equivalent with respect to such dividend, the Grantee, nevertheless, shall be entitled to such payment. Dividend Equivalent payments shall be subject to withholding for taxes. Notwithstanding any other provision hereof, to the extent necessary for this Agreement not to be construed as a salary deferral arrangement under Canadian law, in no event will any Dividend Equivalent to which the Grantee may be entitled vest, or will the right to receive a payment in respect of any Dividend Equivalent arise, after December 30 of the calendar year which is three years following the end of the year in which any portion of the services to which the award of such Dividend Equivalent relates were performed by the Grantee, and in the event this would, apart from this provision, occur, notwithstanding any other provision hereof, the applicable Dividend Equivalent will vest and the Grantee will be entitled to receive payment of such Dividend Equivalent on December 30 (or the first date prior thereto that is not a Saturday, Sunday or holiday) in the first calendar year which is three years following the end of the year in which any portion of the services to which the award of such Dividend Equivalent relates were performed by the Grantee.

Section 7. *Payment of Phantom Stock Units*. Payment of Phantom Stock units subject to this Award shall be made to the Grantee in a single lump sum payment as soon as practicable following the time such units become vested in accordance with Section 2 prior to their expiration but in no event later than thirty (30) days following such vesting and in no event later than the end of the third calendar year following the year of the Date of Grant, except to the extent deferred by Grantee in accordance with such procedures as the Committee, or its delegatee, may prescribe consistent with the requirements of Code Section 409A or any Canadian law equivalent, as applicable. Any deferral of Phantom Stock units by the Grantee hereunder shall apply to both the shares of Common Stock and the related tandem Dividend Equivalents. Payment shall be subject to withholding for taxes. Payment shall be in the form of one (1) share of Common Stock for each full vested unit of Phantom Stock and any fractional vested unit of Phantom Stock shall not be payable unless and until subsequent vesting results in a full unit of Phantom Stock becoming vested. Notwithstanding the foregoing, the number of shares of Common Stock that would otherwise be paid (valued at Fair Market Value on the date the respective unit of Phantom

Stock became vested, or if later, payable) shall be reduced by the Committee, or its delegatee, in its sole discretion, to fully satisfy any tax required to be withheld, unless the Company, or employing Subsidiary, as applicable, and the Grantee agree that such tax obligations will instead be satisfied by Grantee timely tendering to the Company, or employing Subsidiary, as applicable, sufficient cash to satisfy such obligations and the Grantee does timely tender such cash. In the event that payment, after any such reduction in the number of shares of Common Stock to satisfy withholding for tax requirements, would be less than ten (10) shares of Common Stock, then, if so determined by the Committee, or its delegatee, in its sole discretion, payment, instead of being made in shares of Common Stock, shall be made in a cash amount equal in value to the shares of Common Stock that would otherwise be paid, valued at Fair Market Value on the date the respective Phantom Stock units became vested, or if later, payable.

Section 8. *No Employment Right*. Nothing in this Agreement or in the Plan shall confer upon the Grantee the right to continued employment by the Company or any Subsidiary, or affect the right of the Company or any Subsidiary to terminate the employment or service of the Grantee at any time for any reason.

Section 9. *Nonalienation*. The Phantom Stock units and Dividend Equivalents subject to this Award are not assignable or transferable by the Grantee. Upon any attempt to transfer, assign, pledge, hypothecate, sell or otherwise dispose of any such Phantom Stock unit or Dividend Equivalent, or of any right or privilege conferred hereby, or upon the levy of any attachment or similar process upon such Phantom Stock unit or Dividend Equivalent, or upon such right or privilege, such Phantom Stock unit or Dividend Equivalent, or right or privilege, shall immediately become null and void.

Section 10. *Determinations*. Determinations by the Committee, or its delegatee, shall be final and conclusive with respect to the interpretation of the Plan and this Agreement.

Section 11. *Governing Law and Severability*. The validity and construction of this Agreement shall be governed by the laws of the state of Delaware applicable to transactions taking place entirely within that state. The invalidity of any provision of this Agreement shall not affect any other provision of this Agreement, which shall remain in full force and effect.

Section 12. *Code Section 409A*. Notwithstanding any provision of this Agreement to the contrary, for the purposes of this Agreement, the termination of Grantee's employment shall not result in the payment of any amount hereunder that is subject to, and not exempt from, Code Section 409A, unless such termination of employment constitutes a "separation from service" as defined under Code Section 409A. Further, notwithstanding any provision of this Agreement to the contrary, if any payment or other benefit provided herein would be subject to unfavorable tax consequences under Code Section 409A because the timing of such payment is not delayed as provided in Code Section 409A for a "specified employee" (within the meaning of Code Section 409A), then if the Grantee is a "specified

employee," any such payment that the Grantee would otherwise be entitled to receive during the first six (6) months following Grantee's termination of employment from the Company, including Subsidiaries, shall be accumulated and paid, within thirty (30) days after the date that is six (6) months following the Grantee's date of termination of employment from the Company, including Subsidiaries, or such earlier date upon which such amount can be paid under Code Section 409A without being subject to such unfavorable tax consequences such as, for example, upon the Grantee's death.

Section 13. *Conflicts with Plan, Correction of Errors, Grantee's Consent, and Amendments*. In the event that any provision of this Agreement conflicts in any way with a provision of the Plan, such Plan provision shall be controlling and the applicable provision of this Agreement shall be without force and effect to the extent necessary to cause such Plan provision to be controlling. In the event that, due to administrative error, this Agreement does not accurately reflect a Phantom Stock Award properly granted to Grantee pursuant to the Plan, the Company, acting through its Executive Compensation Department, reserves the right to cancel any erroneous document and, if appropriate, to replace the cancelled document with a corrected document. It is the intention of the Company and the Grantee that this Agreement either (i) comply with the salary deferral arrangement rules under Canadian law and Code Section 409A, as applicable, or (ii) not be construed as a salary deferral arrangement under Canadian law and be exempt from Code Section 409A, to the extent applicable. Accordingly, this Agreement shall be interpreted as necessary and to the extent legally permissible to comply with the requirements of, or exemption under, Canadian law and Code Section 409A, as applicable, as determined by the Committee or its delegatee. Grantee shall also be deemed to consent to any amendment of the Plan or the Agreement as the Committee may reasonably make in furtherance of such intention, and the Committee shall promptly provide, or make available to, the Grantee a copy of any such amendment. Finally, this Agreement may be amended or modified at any time and from time to time by action of the Committee.

Section 14. *Grantee Confidentiality Obligations*. In accepting this Phantom Stock Award, Grantee acknowledges that Grantee is obligated under Company policy, and under federal, state, provincial and other applicable law, to protect and safeguard the confidentiality of trade secrets and other proprietary and confidential information belonging to the Company and its affiliates that are acquired by Grantee during Grantee's employment with the Company and its affiliates, and that such obligations continue beyond the termination of such employment. Grantee agrees to notify any subsequent employer of such obligations and that the Company and its affiliates, in order to enforce such obligations, may pursue legal recourse not only against Grantee, but against a subsequent employer of Grantee. Grantee agrees that he shall not disclose the existence or terms of this Agreement to anyone other than his spouse, tax advisor(s) and/or attorney(s), provided that he first obtains the agreement of such persons to be bound by the confidentiality provisions of this paragraph. Grantee also agrees to immediately give the Company written notice in accordance with the provisions of this Agreement in the event he is legally required to disclose any of the confidential information covered by the provisions of this paragraph.

The additional provisions of Section 3 of Schedule A hereto are incorporated herein if Schedule A is applicable to the Grantee.

Section 15. *Nonsolicitation*. Grantee further agrees that he will not, either directly or indirectly, solicit, hire or employ, or cause any other person, company, or entity to solicit, hire or employ, any employee or contractor retained or employed by the Company or its affiliates during the period of Grantee's employment and for the period set forth in Section 4 of Schedule A hereto or Section 6 of Schedule B hereto, as applicable to the Grantee. The provisions of this paragraph shall not apply to contact initiated by an employee or contractor of the Company or its affiliates in response to a general solicitation of applications for employment. Grantee agrees that this Agreement is subject to the provisions of this paragraph.

Section 16. *Notices*. All notices under this Agreement shall be mailed or delivered by hand to the parties at their respective addresses set forth beneath their signatures below or at such other address as may be designated in writing by either party to the other party, or to their permitted transferees if applicable. Notices shall be effective upon receipt.

Section 17. *Payments Subject to Clawback*. To the extent that any payment under this Agreement is subject to clawback under Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as it may be amended from time to time, such amount will be clawed back in appropriate circumstances, as determined under the terms and conditions prescribed by such Act and the authority issued thereunder. Further, the Company will be entitled to the extent permitted or required by any other applicable law and/or Company policy as in effect from time to time (including, but not limited to, the Policy on Recovery of Executive Compensation) to recoup compensation of whatever kind paid by the Company or any of its affiliates at any time to the Grantee pursuant to this Agreement.

Section 18. *Equitable Remedies*. Grantee hereby acknowledges and agrees that a breach of Grantee's obligations under this Agreement would result in damages to the Company that could not be adequately compensated for by monetary award. Accordingly, in the event of any such breach by Grantee, in addition to all other remedies available to the Company at law or in equity, the Company will be entitled as a matter of right to apply to a court of competent jurisdiction for such relief by way of restraining order, injunction, decree or otherwise, as may be appropriate to ensure compliance with the provisions of this Agreement.

Section 19. *Arbitration Agreement*. The Grantee and the Company both agree that any dispute arising out of or related to this Agreement, which does not involve the Company seeking a court injunction or other relief as provided for in Section 18, shall be resolved by binding arbitration under the employment dispute resolution rules of the American Arbitration Association and that any proceeding under the provisions of this Section 19 shall be held in Houston, Texas. The parties both irrevocably WAIVE ANY AND ALL RIGHTS TO A JURY as to any and all claims and issues in any such dispute. By this

provision, both the Grantee and the Company understand and agree that any and all claims and issues in such dispute shall be decided by such arbitration proceeding.

Notwithstanding the foregoing, this Award is subject to cancellation by the Company in its sole discretion unless the Grantee, by not later than _____ __, ____, has signed a duplicate of this Agreement, in the space provided below, and returned the signed duplicate to the Executive Compensation Department - Phantom Stock (WO 1O23), Spectra Energy Corp, P. O. Box 1642, Houston, TX 77251-1642, which, if, and to the extent, permitted by the Executive Compensation Department, may be accomplished by electronic means.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and granted in Houston, Texas, to be effective as of the Date of Grant.

SPECTRA ENERGY CORP
By:

_____
Chair, President & CEO, Spectra Energy Corp

Address for Notices:

5400 Westheimer Court
Mail Drop 1O23
Houston, Texas 77056

Attention: Karen Gowder

Acceptance of Phantom Stock Award

IN WITNESS OF Grantee's acceptance of this Award and Grantee's agreement to be bound by the provisions of this Agreement and the Plan, Grantee has signed this Agreement this _____ day of _____, ____.

_____
Grantee's Signature

_____
(print name)

_____
(employee ID)

Address for Notices:

_____
(address)

_____
(address)

SCHEDULE A

This Schedule A and the provisions hereof shall apply to the Grantee if (and only if) the Grantee is on the payroll of one of the Company's directly or indirectly held or majority or greater-owned subsidiaries or affiliates that is a United States entity.

Section 1. For purposes of Section 2(c) of the Agreement, "permanent and total disability" shall have the meaning set forth in Code Section 22(e)(3).

Section 2. The following provisions shall apply for purposes of Section 4 of the Agreement:

Grantee agrees that during the period beginning with such termination of employment and ending with the third anniversary of the Date of Grant ("Restricted Period"), Grantee shall not (i) without the prior written consent of the Company, or its delegatee, become employed by, serve as a principal, partner, or member of the board of directors of, or in any similar capacity with, or otherwise provide service to, a competitor, to the detriment, of the Company or any Subsidiary or (ii) violate any of Grantee's other noncompetition obligations, or any of Grantee's nonsolicitation or nondisclosure obligations, to the Company or any Subsidiary. The noncompetition obligations of clause (i) of the preceding sentence shall be limited in scope and shall be effective only to competition with the Company or any Subsidiary in the businesses of: gathering, processing or transmission of natural gas, resale or arranging for the purchase or for the resale, brokering, marketing, or trading of natural gas or crude oil, electricity or derivatives thereof; energy management and the provision of energy solutions; gathering, compression, treating, processing, fractionation, transportation, trading, marketing of natural gas components, including natural gas liquids, or of crude oil; sales and marketing of electric power and natural gas, domestically and abroad; and any other business in which the Company, including Subsidiaries, is engaged at the termination of Grantee's continuous employment by the Company, including Subsidiaries; and within the following geographical areas (i) any country in the world where the Company has at least US$25 million in capital deployed as of termination of Grantee's continuous employment by Company, including Subsidiaries; (ii) the continent of North America; (iii) the United States of America and Canada; (iv) the states of (A) Virginia, (B) Georgia, (C) Florida, (D) Texas, (E) California, (F) Massachusetts, (G) Illinois, (H) Michigan, (I) New York, (J) Colorado, (K) Oklahoma, (L) Kentucky, (M) Ohio, (N) Louisiana, (O) Kansas, (P) Montana, (Q) Missouri, (R) Nebraska, and (S) Wyoming; and (v) any state or states or province or provinces in which was conducted a business of the Company, including Subsidiaries, which business constituted a substantial portion of Grantee's employment. The Company and Grantee intend the above restrictions on competition in geographical areas to be

entirely severable and independent, and any invalidity or enforceability of this provision with respect to any one or more of such restrictions, including geographical areas, shall not render this provision unenforceable as applied to any one or more of the other restrictions, including geographical areas. If any part of this provision is held to be unenforceable because of the duration, scope or area covered, the Company and Grantee agree to modify such part, or that the court making such holding shall have the power to modify such part, to reduce its duration, scope or area, including deletion of specific words and phrases, i.e., "blue penciling", and in its modified, reduced or blue pencil form, such part shall become enforceable and shall be enforced. Nothing herein shall be construed to prohibit Grantee being retained during the Restricted Period in a capacity as an attorney licensed to practice law, or to restrict Grantee providing advice and counsel in such capacity, in any jurisdiction where such prohibition or restriction is contrary to law.

Section 3. The following provision shall be incorporated at the end of Section 14 of the Agreement:

Notwithstanding the other provisions of this Agreement, pursuant to the federal Defend Trade Secrets Act of 2016, Grantee shall not be held criminally or civilly liable under federal or state trade secret law for the disclosure of a trade secret that: (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made to Grantee's attorney in relation to a lawsuit for retaliation against Grantee for reporting a suspected violation of law; or (iii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Section 4. The nonsolicitation period for purposes of Section 15 of the Agreement is a period of three (3) years following Grantee's termination of employment with the Company and its affiliates.

SCHEDULE B

This Schedule B and the provisions hereof shall apply to the Grantee if (and only if) the Grantee is on the payroll of one of the Company's directly or indirectly held or majority or greater-owned subsidiaries or affiliates that is a Canadian entity.

Section 1. The following provisions shall be incorporated at the end of Section 2(b) of the Agreement:

The date of the termination of Grantee's continuous employment with the Company for the purposes of this Section 2(b) shall be deemed to be the date on which any notice of termination of employment provided to or by such Grantee is stated to be effective (or in the case of an alleged constructive dismissal, the date on which the alleged constructive dismissal is alleged to have occurred), and not during or as of the end of any period following such date during which the Grantee is in receipt of, or entitled to receive, statutory, contractual, or common law notice of termination or any compensation in lieu of such notice.

Section 2. For purposes of Section 2(c) of the Agreement, an individual shall be considered to have a "permanent and total disability" if the individual is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

Section 3. The following provisions shall be incorporated at the end of Section 2(d) of the Agreement:

The date that the Grantee's employment is terminated by the Company, including Subsidiaries, other than for Cause for the purposes of this Section 2(d) shall be deemed to be the date on which any notice of termination of employment provided to such Grantee is stated to be effective (or in the case of an alleged constructive dismissal, the date on which the alleged constructive dismissal is alleged to have occurred), and not during or as of the end of any period following such date during which the Grantee is in receipt of, or entitled to receive, statutory, contractual, or common law notice of termination or any compensation in lieu of such notice.

Section 4. The following provisions shall apply for purposes of Section 4 of the Agreement:

Grantee agrees that during the period beginning with such termination of employment and ending with the earlier of (1) the third anniversary of the Date of Grant or (2) the first anniversary of the date of such termination of employment ("Restricted Period"), Grantee shall not (i) without the prior

written consent of the Company, or its delegatee, become employed by, serve as a principal, partner, or member of the board of directors of, or in any similar capacity with, or otherwise provide service to, a competitor, to the detriment, of the Company or any Subsidiary or (ii) violate any of Grantee's other noncompetition obligations, or any of Grantee's nonsolicitation or nondisclosure obligations, to the Company or any Subsidiary. The noncompetition obligations of clause (i) of the preceding sentence shall be limited in scope and shall be effective only to competition with the Company or any Subsidiary in the businesses of: gathering, processing or transmission of natural gas or crude oil, resale or arranging for the purchase or for the resale, brokering, marketing, or trading of natural gas, electricity or derivatives thereof; energy management and the provision of energy solutions; gathering, compression, treating, processing, fractionation, transportation, trading, marketing of natural gas components, including natural gas liquids, or of crude oil; sales and marketing of electric power and natural gas, domestically and abroad; and any other business in which the Company, including Subsidiaries, is engaged at the termination of Grantee's continuous employment by the Company, including Subsidiaries; and within the geographical area of the province in which Grantee was employed at termination of employment from the Company and employing Subsidiaries. If any part of this provision is held to be unenforceable because of the duration, scope or area covered, the Company and Grantee agree to modify such part, or that the court making such holding shall have the power to modify such part, to reduce its duration, scope or area, including deletion of specific words and phrases, i.e., "blue penciling", and in its modified, reduced or blue pencil form, such part shall become enforceable and shall be enforced. Nothing herein shall be construed to prohibit Grantee being retained during the Restricted Period in a capacity as an attorney licensed to practice law, or to restrict Grantee providing advice and counsel in such capacity, in any jurisdiction where such prohibition or restriction is contrary to law.

Section 5. The following provisions shall be incorporated at the end of Section 5 of the Agreement:

The date of the termination of Grantee's continuous employment with the Company, including Subsidiaries, for the purposes of this Section 5 shall be deemed to be the date on which any notice of termination of employment provided to or by such Grantee is stated to be effective (or in the case of an alleged constructive dismissal, the date on which the alleged constructive dismissal is alleged to have occurred), and not during or as of the end of any period following such date during which the Grantee is in receipt of, or entitled to receive, statutory, contractual, or common law notice of termination or any compensation in lieu of such notice.

Section 6. The nonsolicitation period for purposes of Section 15 of the Agreement is a period of one (1) year following Grantee's termination of employment with the Company and its affiliates.

EXECUTION VERSION

EXHIBIT 10.36

SECOND AMENDMENT
TO THE
SPECTRA ENERGY CORP EXECUTIVE SAVINGS PLAN
(AS AMENDED AND RESTATED EFFECTIVE MAY 1, 2012)

THIS SECOND AMENDMENT ("AMENDMENT") is made this 26th day of February, 2017, by Spectra Energy Corp, a Delaware corporation (the "***Company***"), to amend the Spectra Energy Corp Executive Savings Plan (as Amended and Restated as of May 1, 2012) in order to revise the definition of "Committee."

Section 2.10 of the Plan is deleted, in its entirety, and replaced with the following new Section 2.10:

"Committee" shall mean the Compensation Committee of the Board or its delegate; provided, however, in the event that a Change in Control occurs and Spectra Energy Corp is not the surviving ultimate parent company on or after the Change in Control, then the "Committee" shall mean the compensation committee (or, if none, a comparable committee) of the board of directors (or, if none, comparable governing body) of the ultimate parent company or the delegate thereof.

As amended hereby, the Plan is hereby ratified and confirmed and shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has adopted and executed this Second Amendment on the date specified below to be effective as of February 26, 2017.

SPECTRA ENERGY CORP

By: _____

Name: Dorothy M. Ables

Title: Chief Administrative Office

Date: February 26, 2017

EXECUTION VERSION

EXHIBIT 10.37

SECOND AMENDMENT
TO THE
SPECTRA ENERGY CORP EXECUTIVE CASH BALANCE PLAN
(AS AMENDED AND RESTATED EFFECTIVE MAY 1, 2012)

THIS SECOND AMENDMENT ("AMENDMENT") is made this 26th day of February, 2017, by Spectra Energy Corp, a Delaware corporation (the "***Company***"), to amend the Spectra Energy Corp Executive Cash Balance Plan (as Amended and Restated as of May 1, 2012) in order to revise the definition of "Committee."

Section 2.6 of the Plan is deleted, in its entirety, and replaced with the following new Section 2.6:

"Committee" means the Compensation Committee of the Board of Directors or its delegate; provided, however, in the event that a Change in Control occurs and Spectra Energy Corp is not the surviving ultimate parent company on or after the Change in Control, then the "Committee" shall mean the compensation committee (or, if none, a comparable committee) of the board of directors (or, if none, comparable governing body) of the ultimate parent company or the delegate thereof.

As amended hereby, the Plan is hereby ratified and confirmed and shall remain in full force and effect.

IN WITNESS WHEREOF, the Company has adopted and executed this Second Amendment on the date specified below to be effective as of February 26, 2017.

SPECTRA ENERGY CORP

By: _____
Name: Dorothy M. Ables
Title: Chief Administrative Officer
Date: February 26, 2017

EXHIBIT 12.1

ENBRIDGE INC.
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	For the Year Ended December 31,				
	2017	**2016**	**2015**	**2014**	**2013**
	(dollars in millions, except ratio amounts)				
Earnings/(loss)	$ 3,266	$ 2,309	$ (159)	$ 1,562	$ 490
Add: Income tax (recovery)/expense	(2,697)	142	170	611	123
Less: Income from equity investments	(1,102)	(428)	(475)	(368)	(330)
Earnings/(loss) from continuing operations before income taxes and noncontrolling interests	(533)	2,023	(464)	1,805	283
Add: Fixed Charges	3,121	2,057	2,120	1,597	1,243
Distributed income of equity investees	1,264	827	727	565	701
Less: Interest capitalized	(391)	(321)	(353)	(416)	(250)
Preferred dividend requirements of consolidated subsidiaries	(35)	(2)	(2)	(2)	(2)
Total earnings as adjusted	$ 3,426	$ 4,584	$ 2,028	$ 3,549	$ 1,975
Fixed Charges					
Interest expense - net	$ 2,556	$ 1,590	$ 1,624	$ 1,129	$ 947
Estimated interest portion of rental expense	174	146	143	52	46
Interest capitalized	391	321	353	416	250
Fixed Charges	$ 3,121	$ 2,057	$ 2,120	$ 1,597	$ 1,243
Preferred dividend pre-tax income requirements	58	313	(20)	357	266
Combined fixed charges and preferred dividends	3,179	2,370	2,100	1,954	1,509
Ratio of earnings to fixed charges[1]	1.1	2.2	1.0	2.2	1.6
Ratio of earnings to fixed charges and preferred dividends	1.1	1.9	1.0	1.8	1.3

[1] The ratio coverage in 2015 was less than 1:1. We would have needed to generate additional earnings of $92 million to achieve a coverage ratio of 1:1 in 2015.

EXHIBIT 21.1

ENBRIDGE INC.
Subsidiaries of the Registrant

Company Name	Jurisdiction
1111560 Alberta Ltd.	Alberta
1329165 Alberta Ltd.	Alberta
1682399 Ontario Corp.	Ontario
2099634 Ontario Limited	Ontario
2193914 Canada Limited	Canada
2562961 Ontario Ltd.	Ontario
4296559 Canada Inc.	Canada
5679 Cherry Lane, LLC W	Wisconsin
626952 Alberta Ltd.	Alberta
627149 Saskatchewan Inc.	Saskatchewan
7243341 Canada Inc.	Canada
7735057 Canada Inc.	Canada
8056587 Canada Inc.	Canada
912176 Ontario Limited	Ontario
Alberta Saline Aquifer Project Inc.	Alberta
Algonquin Gas Transmission, LLC	Delaware
Alliance Canada Marketing L.P.	Alberta
Alliance Canada Marketing Ltd.	Alberta
Alliance Pipeline Limited Partnership	Alberta
Alliance Pipeline Ltd.	Canada
Aux Sable Canada LP	Alberta
Aux Sable Canada Ltd.	Alberta
Azul Insurance Company Limited	Arizona
B.C. Unlimited Liability Company	British Columbia
Bakken Pipeline Company LLC	Delaware
Bakken Pipeline Company LP	Delaware
Big Sandy Pipeline, LLC	Delaware
Brazoria Interconnector Gas Pipeline LLC	Delaware
CCPS Transportation, LLC	Delaware
Cedar Point Wind, LLC	Delaware
Chapman Ranch Wind I, LLC	Delaware
Chicap Pipe Line Company	Delaware
Copiah Storage, LLC	Delaware
Cruickshank Wind Farm Ltd.	Ontario
Dutch Energy Projects C.V.	Netherlands
East Tennessee Natural Gas, LLC	Tennessee
Eddystone Rail Company, LLC	Delaware
EFL Services (France) SAS	France
Egan Hub Storage, LLC	Delaware
EIF US Holdings Inc.	Delaware
EIH S.a r.l.	Luxembourg
ELTM, L.P.	Delaware
EMDO	France
Enbridge (Colombia) S.A.S.	Colombia
Enbridge (Gateway) Holdings Inc.	Canada
Enbridge (Lux) Holdings Inc.	Alberta
Enbridge (Maritimes) Incorporated	Alberta
Enbridge (Rabaska) Holdings Inc.	Canada
Enbridge (Saskatchewan) Operating Services Inc.	Saskatchewan
Enbridge (U.S.) Inc.	Delaware
Enbridge Atlantic (Holdings) Inc.	Canada
Enbridge Aux Sable Holdings Inc.	Saskatchewan
Enbridge Aux Sable Products, Inc.	Delaware

Enbridge Bakken Pipeline Company Inc.	Canada
Enbridge Bakken Pipeline Limited Partnership	Alberta
Enbridge Blackspring Ridge I Wind Project GP Inc.	Alberta
Enbridge Blackspring Ridge I Wind Project Limited Partnership	Alberta
Enbridge Capital ApS	Denmark
Enbridge Commercial Services Inc.	Canada
Enbridge Commercial Trust	Alberta
Enbridge Emerging Technology Inc.	Canada
Enbridge Employee Services Canada Inc.	Canada
Enbridge Employee Services, Inc.	Delaware
Enbridge Energy Company, Inc.	Delaware
Enbridge Energy Distribution Inc.	Canada
Enbridge Energy Management, L.L.C.	Delaware
Enbridge Energy Marketing, L.L.C.	Delaware
Enbridge Energy Partners, L.P.	Delaware
Enbridge Energy, Limited Partnership	Delaware
Enbridge Finance Company AG	Switzerland
Enbridge Finance Company Inc.	Canada
Enbridge Finance Luxembourg SA	Luxembourg
Enbridge G & P (East Texas) L.P.	Texas
Enbridge G & P (Oklahoma) L.P.	Texas
Enbridge G and P Canada Inc.	Canada
Enbridge G and P Canada Limited Partnership	Alberta
Enbridge G and P Canada Pipelines Inc.	Canada
Enbridge G and P Canada Pipelines Limited Partnership	Alberta
Enbridge G and P Holdings Inc.	Canada
Enbridge G & P (North Texas) L.P.	Texas
Enbridge Gas Distribution Inc.	Ontario
Enbridge Gas New Brunswick Inc.	Canada
Enbridge Gas New Brunswick Limited Partnership	New Brunswick
Enbridge Gas Storage Inc.	Ontario
Enbridge Gathering (North Texas) L.P.	Texas
Enbridge Goreway Inc.	Ontario
Enbridge Hardisty Storage Inc.	Alberta
Enbridge Holdings (Aux Sable Liquid Products) L.L.C.	Delaware
Enbridge Holdings (Aux Sable Midstream) L.L.C.	Delaware
Enbridge Holdings (Chapman Ranch) L.L.C.	Delaware
Enbridge Holdings (DakTex) L.L.C.	Delaware
Enbridge Holdings (Frontier) Inc.	Delaware
Enbridge Holdings (Green Energy) L.L.C.	Delaware
Enbridge Holdings (IDR) L.L.C.	Delaware
Enbridge Holdings (LNG) L.L.C.	Delaware
Enbridge Holdings (Mississippi) L.L.C.	Delaware
Enbridge Holdings (Mustang) Inc.	Delaware
Enbridge Holdings (New Creek) L.L.C.	Delaware
Enbridge Holdings (Offshore) L.L.C.	Delaware
Enbridge Holdings (Olympic) L.L.C.	Delaware
Enbridge Holdings (Power) L.L.C.	Delaware
Enbridge Holdings (Seaway) L.L.C.	Delaware
Enbridge Holdings (Texas Systems) L.L.C.	Delaware
Enbridge Holdings (Trunkline) L.L.C.	Delaware
Enbridge Holdings (U.S.) L.L.C.	Delaware
Enbridge Hydropower Holdings Inc.	Canada
Enbridge Income Fund	Alberta
Enbridge Income Fund Holdings Inc.	Alberta
Enbridge Income Partners GP Inc.	Canada
Enbridge Income Partners Holdings Inc.	Saskatchewan
Enbridge Income Partners LP	Alberta
Enbridge Insurance (Barbados QIC) Limited	Barbados

Enbridge International Inc.	Canada
Enbridge Investment (Chapman Ranch) L.L.C.	Delaware
Enbridge Investment (New Creek) L.L.C.	Delaware
Enbridge Lac Alfred Wind Project GP Inc.	Canada
Enbridge Lac Alfred Wind Project Limited Partnership	Quebec
Enbridge Liquids Marketing (North Texas) L.P.	Delaware
Enbridge Luxembourg S.a r.l.	Luxembourg
Enbridge Management Services Inc.	Canada
Enbridge Marketing (North Texas) L.P.	Delaware
Enbridge Marketing (U.S.) L.L.C.	Delaware
Enbridge Marketing (U.S.) L.P.	Texas
Enbridge Massif du Sud Wind Project GP Inc.	Canada
Enbridge Massif du Sud Wind Project Limited Partnership	Quebec
Enbridge Midstream Inc.	Alberta
Enbridge Offshore (Destin) L.L.C.	Delaware
Enbridge Offshore (Gas Gathering) L.L.C.	Delaware
Enbridge Offshore (Gas Transmission) L.L.C. Del	Delaware
Enbridge Offshore (Neptune Holdings) Inc.	Delaware
Enbridge Offshore Facilities, LLC	Delaware
Enbridge Offshore Pipelines, L.L.C.	Delaware
Enbridge Operating Services, L.L.C.	Delaware
Enbridge Operational Services Inc.	Canada
Enbridge Partners Risk Management, L.P.	Delaware
Enbridge Pipelines (Alberta Clipper) L.L.C.	Delaware
Enbridge Pipelines (Athabasca) Inc.	Alberta
Enbridge Pipelines (Beaver Lodge) L.L.C.	Delaware
Enbridge Pipelines (East Texas) L.P.	Texas
Enbridge Pipelines (Eastern Access) L.L.C.	Delaware
Enbridge Pipelines (FSP) L.L.C.	Delaware
Enbridge Pipelines (L3R) L.L.C.	Delaware
Enbridge Pipelines (LaCrosse) L.L.C.	Delaware
Enbridge Pipelines (Lakehead) L.L.C.	Delaware
Enbridge Pipelines (Mainline Expansion) L.L.C.	Delaware
Enbridge Pipelines (North Texas) L.P.	Texas
Enbridge Pipelines (NW) Inc.	Canada
Enbridge Pipelines (Oklahoma Transmission) L.L.C.	Delaware
Enbridge Pipelines (Ozark) L.L.C.	Delaware
Enbridge Pipelines (Southern Lights) L.L.C.	Delaware
Enbridge Pipelines (Texas Gathering) L.P.	Delaware
Enbridge Pipelines (Texas Intrastate) L.P.	Texas
Enbridge Pipelines (Texas Liquids) L.P.	Texas
Enbridge Pipelines (Toledo) Inc.	Delaware
Enbridge Pipelines (Wisconsin) Inc.	Wisconsin
Enbridge Pipelines (Woodland) Inc.	Alberta
Enbridge Pipelines Inc.	Canada
Enbridge Quebec LNG Inc./Enbridge Quebec GNL Inc.	Canada
Enbridge Rail (Flanagan) L.L.C.	Delaware
Enbridge Rail (North Dakota) L.P.	Delaware
Enbridge Rail (Philadelphia) L.L.C.	Delaware
Enbridge Rampion UK Ltd.	England & Wales
Enbridge Receivables (U.S.) L.L.C.	Delaware
Enbridge Renewable Energy Infrastructure Canada Inc.	Canada
Enbridge Renewable Energy Infrastructure Limited Partnership	Ontario
Enbridge Risk Management (U.S.) L.L.C.	Delaware
Enbridge Risk Management Inc.	Canada
Enbridge Saint Robert Bellarmin Wind Project GP Inc.	Canada
Enbridge Saint Robert Bellarmin Wind Project Limited Partnership	Quebec
Enbridge Services (CMO) L.L.C.	Delaware
Enbridge SL Holdings LP	Alberta

Enbridge Southdown Inc.	Ontario
Enbridge Southern Lights GP Inc.	Canada
Enbridge Southern Lights LP	Alberta
Enbridge Storage (Cushing) L.L.C.	Delaware
Enbridge Storage (North Dakota) L.L.C.	Delaware
Enbridge Storage (Patoka) L.L.C.	Delaware
Enbridge Technology Inc.	Canada
Enbridge Thermal Energy Holdings Inc.	Canada
Enbridge Transmission Holdings (U.S.) L.L.C.	Delaware
Enbridge Transmission Holdings Inc.	Canada
Enbridge Transportation (IL-OK) L.L.C.	Delaware
Enbridge UK Holdings Ltd.	England & Wales
Enbridge US Holdings Inc.	Canada
Enbridge Water Pipeline (Permian) L.L.C.	Delaware
Enbridge Western Access Inc.	Canada
Enbridge Wild Valley Holdings LLC	Delaware
Enbridge Wind Energy Inc.	Canada
Enbridge Wind Power General Partnership	Alberta
Enbridge Wind Power Inc.	Saskatchewan
EnBW Albatros GmbH & Co. KG	Germany
EnBW Hohe See GmbH & Co. KG	Germany
Eolien Maritime France SAS	France
Eoliennes Offshore de Calvados SAS	France
Eoliennes Offshore des Hautes Falsises SAS	France
Express Holdings (Canada) Limited Partnership	Manitoba
Express Holdings (USA), LLC	Delaware
Express Pipeline Limited Partnership	Alberta
Express Pipeline LLC	Delaware
Express Pipeline Ltd.	Canada
Garden Banks Gas Pipeline, LLC	Delaware
Gazifere Inc.	Quebec
Genalta Power Inc.	British Columbia
GLB Energy Management Inc.	Canada
Great Lakes Basin Energy L.P.	Ontario
Greenwich Windfarm GP Inc.	New Brunswick
Greenwich Windfarm, LP	Ontario
H&W Pipeline, L.L.C.	Alabama
Hardisty Caverns Limited Partnership	Alberta
Hardisty Caverns Ltd.	Alberta
Hi-Fi Engineering Inc.	Alberta
Highland Pipeline Leasing, LLC	Delaware
IntelliView Technologies Inc.	Alberta
IPL AP Holdings (U.S.A.) Inc.	Delaware
IPL AP NGL Holdings (U.S.A.) Inc.	Delaware
IPL Energy (Atlantic) Incorporated	Alberta
IPL Energy (Colombia) Ltd.	Alberta
IPL Enterprises S.a.r.l.	Luxembourg
IPL Insurance (Barbados) Limited	Barbados
IPL System Inc.	Alberta
IPL Vector (U.S.A.) Inc.	Delaware
Keechi Holdings L.L.C.	Delaware
Keechi Wind, LLC	Delaware
M&N Management Company, LLC	Delaware
M&N Operating Company, LLC	Delaware
Manta Ray Offshore Gathering Company, L.L.C.	Delaware
Maritimes & Northeast Pipeline Limited Partnership	New Brunswick
Maritimes & Northeast Pipeline Management Ltd.	Canada
Maritimes & Northeast Pipeline, L.L.C.	Delaware
Market Hub Partners Canada L.P.	Ontario

Market Hub Partners Holding, LLC	Delaware
Market Hub Partners Management Inc.	Canada
MATL LLP	Montana
McMahon Power Holdings Inc.	British Columbia
McMahon Power Holdings Limited Partnership	British Columbia
Midcoast Canada Operating Corporation	Alberta
Midcoast Energy Partners, L.P.	Delaware
Midcoast Holdings, L.L.C.	Delaware
Midcoast OLP GP, L.L.C.	Delaware
Midcoast Operating, L.P.	Texas
Mississippi Canyon Gas Pipeline, LLC	Delaware
MJ Asphalt Holdings Inc.	Saskatchewan
MJA Operations Ltd.	Saskatchewan
Montana Alberta Tie LP Inc.	Montana
Montana Alberta Tie Ltd.	Canada
Montana Alberta Tie US Holdings GP Inc.	Montana
Morgan Solar Inc.	Canada
Moss Bluff Hub, LLC	Delaware
Nautilus Pipeline Company, L.L.C.	Delaware
Neptune Pipeline Company, L.L.C.	Delaware
New Creek Wind LLC	Delaware
NextBridge Infrastructure LP	Ontario
NEXUS Capacity Services, ULC	British Columbia
Niagara Gas Transmission Limited	Ontario
North Dakota Pipeline Company LLC	Delaware
Northern Gateway Pipelines Inc.	Canada
Northern Gateway Pipelines Limited Partnership	Alberta
Nova Scotia Company	Nova Scotia
Noverco Inc.	Canada
NRGreen Power Limited Partnership	Canada
NRGreen Power Ltd.	Canada
N-Solv Corporation	Alberta
N-Solv Heavy Oil Corporation	Alberta
Oleoducto Al Pacifico SAS	Colombia
Ontario Sustainable Farms Inc.	Alberta
Ozark Gas Gathering, L.L.C.	Oklahoma
Ozark Gas Transmission, L.L.C.	Oklahoma
PanEnergy Services, Limited Partnership	Louisiana
Parc du Banc de Guerande SAS	France
Pesh Facilities Holding Partnership	British Columbia
Platte Pipe Line Company, LLC	Delaware
Pomelo Connector, LLC	Delaware
Port Barre Investments, LLC	Delaware
Project AMBG2 Inc.	Ontario
Project AMBG2 LP	Ontario
Rabaska Inc.	Quebec
Rabaska Limited Partnership	Quebec
Rampion Offshore Wind Limited	England & Wales
Renewable Power Netherlands B.V.	Netherlands
S.L.G. Communications Corp.	New York
Sabal Trail Management, LLC	Delaware
Saltville Gas Storage Company L.L.C.	Virginia
Seaway Crude Pipeline Company LLC	Delaware
SEHLP Management Inc.	Canada
Silver State Solar Power North, LLC	Delaware
Southern Lights Holdings, L.L.C.	Delaware
Spectra Algonquin Holdings, LLC	Delaware
Spectra Algonquin Management, LLC	Delaware
Spectra Energy Administrative Services, LLC	Delaware

Spectra Energy Aerial Patrol, LLC	Delaware
Spectra Energy Canada Call Co.	Nova Scotia
Spectra Energy Canada Exchangeco Inc.	Canada
Spectra Energy Canada Investments GP, ULC.	British Columbia
Spectra Energy Canada Investments L.P.	Alberta
Spectra Energy Capital Funding, Inc.	Delaware
Spectra Energy Capital, LLC	Delaware
Spectra Energy CCS Services Limited Partnership	British Columbia
Spectra Energy CCS Services, Inc.	Canada
Spectra Energy Corp	Delaware
Spectra Energy County Line, LLC	Delaware
Spectra Energy Cross Border, LLC	Delaware
Spectra Energy DEFS Holding II, LLC	Delaware
Spectra Energy DEFS Holding, LLC	Delaware
Spectra Energy Empress Holding Limited Partnership	British Columbia
Spectra Energy Empress Management Holding ULC	British Columbia
Spectra Energy Express (Canada) Holding, ULC	Nova Scotia
Spectra Energy Express (US) Restructure Co. ULC	Nova Scotia
Spectra Energy Express JV Holdings, ULC	Nova Scotia
Spectra Energy Field Services Canada Holdings, LLC	Delaware
Spectra Energy Finance Corporation	Delaware
Spectra Energy Holdings Co.	Nova Scotia
Spectra Energy Islander East Pipeline Company, L.L.C.	Delaware
Spectra Energy Liquids Projects GP, Inc.	Canada
Spectra Energy Liquids Projects Limited Partnership	British Columbia
Spectra Energy LNG Sales, LLC	Delaware
Spectra Energy Midstream	Alberta
Spectra Energy Midstream Canada L.P.	Alberta
Spectra Energy Midstream Canada Partner Corporation	Nova Scotia
Spectra Energy Midstream Corporation	Nova Scotia
Spectra Energy Midstream Holdco Management Partnership	Alberta
Spectra Energy Midstream Holdings Limited	Nova Scotia
Spectra Energy Midstream Holdings Limited Partnership	British Columbia
Spectra Energy Midstream Partner Corporation	Nova Scotia
Spectra Energy Midwest Liquids Pipeline, LLC	Delaware
Spectra Energy MNEP Holdings Limited Partnership	British Columbia
Spectra Energy NEXUS Management, LLC	Delaware
Spectra Energy Nova Scotia Holdings Co.	Nova Scotia
Spectra Energy Operating Company, LLC	Delaware
Spectra Energy Partners (DE) GP, LP	Delaware
Spectra Energy Partners Atlantic Region NewCo, LLC	Delaware
Spectra Energy Partners Canada Holding, S.à.r.l.	Luxembourg
Spectra Energy Partners Finance S.à.r.l.	Luxembourg
Spectra Energy Partners GP, LLC	Delaware
Spectra Energy Partners Sabal Trail Transmission, LLC	Delaware
Spectra Energy Partners, LP	Delaware
Spectra Energy Services, LLC	Delaware
Spectra Energy Southeast Pipeline Corporation	Delaware
Spectra Energy Southeast Services, LLC	Delaware
Spectra Energy Southeast Supply Header, LLC	Delaware
Spectra Energy Transmission II, LLC	Delaware
Spectra Energy Transmission Resources, LLC	Delaware
Spectra Energy Transmission Services, LLC	Delaware
Spectra Energy Transmission, LLC	Delaware
Spectra Energy Transport and Trading Company, LLC	Colorado
Spectra Energy U.S. - Canada Finance GP, ULC	British Columbia
Spectra Energy U.S. - Canada Finance, LP	Delaware
Spectra Energy VCP Holdings, LLC	Delaware
Spectra Energy Westheimer, LLC	Delaware

Spectra NEXUS Gas Transmission, LLC	Delaware
St. Clair Pipelines L.P.	Ontario
St. Clair Pipelines Management Inc.	Canada
St. Lawrence Gas Co., Service & Merchandising Corp.	New York
St. Lawrence Gas Company, Inc.	New York
SunBridge Wind Power Project	Alberta
Sunwest Heartland Terminals Ltd.	Alberta
Superior Oil Limited	Saskatchewan
Syscor Controls & Automation Inc.	British Columbia
Talbot Windfarm GP Inc.	New Brunswick
Talbot Windfarm, LP	Ontario
Temporal Power Ltd.	Ontario
Texas Eastern Communications, LLC	Delaware
Texas Eastern Terminal Co, LLC	Delaware
Texas Eastern Transmission, LP	Delaware
The Ottawa Gas Company Inc.	Canada
Tidal Energy Marketing (U.S.) L.L.C.	Delaware
Tidal Energy Marketing Inc.	Canada
Tilbury Solar Project LP	Ontario
Tri-State Holdings, LLC	Michigan
UEI Holdings (New Brunswick) Inc.	Canada
Union Energy Solutions Limited Partnership	British Columbia
Union Gas Limited	Ontario
Upper Canada Transmission Inc.	Ontario
Valley Crossing Pipeline, LLC	Delaware
Value Creation Inc.	Alberta
Vector Pipeline Holdings Ltd.	Canada
Vector Pipeline L.P.	Delaware
Vector Pipeline Limited	Canada
Vector Pipeline Limited Partnership	Canada
Vector Pipeline, LLC	Delaware
Wasdell Falls LP	Ontario
Wasdell Falls Power Corporation	Ontario
Westcoast Connector Gas Transmission Ltd.	British Columbia
Westcoast Energy (U.S.) LLC	Delaware
Westcoast Energy Inc.	Canada
Westcoast Energy Ventures Inc.	Canada
Westcoast Indemnity Company Limited	British Columbia
WGSI Holdings Corporation	Nova Scotia
WGSI Holdings LP	Alberta
Whitetail Gas-Fired Peaking Project GP Inc.	Alberta
Whitetail Gas-Fired Peaking Project Limited Partnership	Alberta
Whitetail Gas-Fired Peaking Project Ltd.	Alberta

EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (File Nos. 333-145236, 333-127265, 333-13456, 333-97305, 333-6436 and 333-216272), Form F-3 (File Nos. 333-185591, 33-77022 and 333-221507) and Form F-10 (File Nos. 333-213234 and 333-220471) of Enbridge Inc. of our report dated February 16, 2018 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Chartered Professional Accountants
Calgary, Alberta

February 16, 2018

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Al Monaco, certify that:

1. I have reviewed this annual report on Form 10-K of Enbridge Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2018

By: /s/ Al Monaco
Al Monaco
President and Chief Executive Officer
Enbridge Inc.

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John K. Whelen, certify that:

1. I have reviewed this annual report on Form 10-K of Enbridge Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2018

By: /s/ John K. Whelen
John K. Whelen
Executive Vice President and Chief Financial Officer
Enbridge Inc.

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Enbridge Inc. on Form 10-K for the period ending December 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Al Monaco, President and Chief Executive Officer of Enbridge Inc., certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Enbridge Inc.

Date: February 16, 2018

By: /s/ Al Monaco
Al Monaco
President and Chief Executive Officer
Enbridge Inc.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Enbridge Inc. on Form 10-K for the period ending December 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John K. Whelen, Executive Vice President and Chief Financial Officer of Enbridge Inc., certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Enbridge Inc.

Date: February 16, 2018

By: /s/ John K. Whelen
John K. Whelen
Executive Vice President and Chief Financial Officer
Enbridge Inc.