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PRESENTATION

Operator

Good morning, ladies and gentlemen. Welcome to the Enbridge Inc. and Enbridge Income Fund Holdings Inc. 2016 third-quarter financial results conference call. Please note that this conference is being recorded. I will now turn the meeting over to Adam McKnight, Director, Investor Relations.

Adam McKnight - Enbridge Inc. - IR

Thank you, Christina. Good morning, everyone, and welcome to the Enbridge Inc. and Enbridge Income Fund Holdings Inc. third-quarter 2016 earnings call. With me this morning are Al Monaco, President and CEO; John Whelen, Executive Vice President and Chief Financial Officer; Guy Jarvis, President, Liquids Pipelines; Perry Schuldhaus, President, Enbridge Income Fund; and Wanda Opheim, Senior Vice President and Chief Accounting Officer.

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

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

Before we begin, I would like to point out that we will refer to forward-looking information in connection with Enbridge and the subject matter of today's call. By its nature, this information contains forecast assumptions and expectations about future outcomes, so we remind you it is subject to the risks and uncertainties affecting every business, including ours. This slide includes a summary of the significant factors and risks that could



affect Enbridge or could affect future outcomes for Enbridge, which are discussed more fully in our public disclosure filings, available on both the SEDAR and EDGAR systems.

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

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

Thanks, Adam. Good morning, everybody.

For today's agenda, I'm going to begin with the financial highlights. I will then talk about the Spectra transaction, recapping how it positions us for the future and the progress on key milestones to close. Before John gets into the quarter in more detail and full-year outlook, I will update you on our capital program. In light of the Spectra deal, I will wrap up with our calendar and investor outreach program over the next few months.

Before we begin, though, I would like to emphasize that we are going to be talking a lot today about the financial results and the Spectra Energy transaction, but as always, we will continue to maintain a very sharp focus on the safety and reliability of our systems during this busy period.

Turning now to slide 4 and the financial highlights. First, I'm pleased to report that volumes on our mainline strengthened nicely this quarter, after the Alberta wildfire impacts in Q2, and our Q4 nominations look very strong. All in, we delivered very solid results, with adjusted EBIT, ACFFO, and earnings all up over last year.

It's a good year-to-date story as well, with EBIT growing by about CAD425 million to CAD3.5 billion and ACFFO growing over CAD500 million to CAD2.8 billion. In fact, after adjusting for the impact of wildfires of about CAD0.08, ACFFO per share grew by 19% year over year. Recall our numbers also reflect an additional drag of about CAD0.08 per share in ACFFO from the higher share count related to our CAD2.3 billion equity issue earlier this year.

So with the third quarter now in, and even with the impact of the wildfires and that equity issue, we are still expecting to be well within our original 2016 guidance range.

A couple of points, though, to draw from the picture that you see here. Good execution of our organic program is about CAD10 billion of projects we put into service over the last couple years. That program is paying dividends and continues to drive financial results that we have been promising.

Broadly, though, the resiliency of the business model delivers strong, predictable results in the face of I think what everybody will agree is the most difficult economic environment we have seen in the energy sector for many years.

So, a good Q3 and nine months. Now let's move over to slide 5 and the Spectra transaction that we announced on September 6. First, you will recognize this slide here we've been using to talk about how we assess M&A opportunities. I am not going to go through this again today, but it is pretty clear that the Spectra acquisition checks all the boxes for us and creates long-term value.

Over the last two years, you'll recall we have been talking about an objective to diversify and extend growth beyond 2019, and we think this combination does that extremely well. Spectra's businesses have strong embedded growth and optionality that significantly extends our growth runway.

And we achieve that without compromising our business model. Just like ours, Spectra's businesses are driven by strong supply/demand fundamentals and penetrating end-use markets, so there is a significant demand pull aspect of the strategy. And their assets have the same strong commercial underpinning as we have. And with this deal, there is even more transparency to valuation upside and funding capability going forward.

Let me focus now on the specifics of what the combination does, with the map on slide 6. First, we will be global infrastructure leaders with roughly CAD165 billion in enterprise value, that's the September 6 value, with a well-diversified asset base you see here. We are essentially bringing together

the best liquids and natural gas franchises on the continent under one roof, and in today's environment, the inherent value of these assets in the ground is increasing because these systems simply can't be replicated today.

We maintain a reliable low-risk profile, with 95% plus of cash flows coming from take or pay, regulated, or similar commercial arrangements. We bolster the balance sheet, credit metrics, and we will have even greater access to capital. We will have an unmatched CAD26 billion secured growth capital program, which drives a 12% to 14% ACFFO per-share growth CAGR over our current 2014-2019 planning horizon.

The transparent cash flow picture, together with the CAD48 billion in probability-weighted projects we have been discussing, gives us confidence in 10% to 12% average annual growth through 2024.

Let me drill down now on the sources of the growth, on slide 7. One of the things we like best about this combination is the optionality it gives us to various sources of organic growth across six platforms in franchises that have great competitive positions. Combined, these six platforms serve some of the highest-quality, low-cost supply basins. They are attached to the best consuming markets and cover the entire midstream value chain.

So what you see here, that gives us the confidence in extending our long-term organic growth outlook beyond 2019.

Slide 8 shows how this translates to growth. On the left, our three-year CAD26 billion secured program is industry leading. The right side shows the CAD48 billion in combined probability-weighted development projects. And that CAD48 billion opportunity set is well diversified, as you see with the pie, across the six platforms. That allows us to capitalize on shifting fundamentals and a variety of opportunities, and with an inventory of this size, we can be selective to maximize returns on new capital invested.

Onto slide 9 and our outlook. When you combine the strength of our existing assets with the cash generated from the Enbridge/Spectra secured capital program, we expect a 10% to 12% DPS CAGR through 2024, as I mentioned, and within that a payout range of 50% to 60%. By the way, as part of the transaction, we are expecting to provide a 15% aggregate increase in our quarterly dividend in 2017.

Through 2019, dividend growth is supported mainly by cash generated from projects coming into service from the CAD26 billion in secured growth. After that, growth comes from three sources: growing cash from tilted return profiles for projects put into service through 2019; new capital investment from the CAD48 billion in development projects I mentioned; and then we will have some room in the payout, given that we expect to be in the lower part of the 50% to 60% payout range after we complete the secured program. We believe the magnitude and the length of the dividend growth runway here is unmatched in our industry.

Onto slide 10. Another benefit of this transaction is that we are creating an even stronger financial position and credit profile through size and diversity, sound financial policies, and growing free cash flow. As projects come into service over the next couple of years, we will see a natural reduction in leverage, which sets us up very well to capitalize on new opportunities.

As a combined company, we will remain fully committed to strong investment-grade ratings, and I think there has been great evidence of that. In fact, over the past 12 months the two companies together, combined, raised over CAD7 billion in equity to support organic growth. And 100% equity to fund this deal is another indication of our focus on the balance sheet.

Let's now turn to slide 11 for an update on the key transaction milestones. This slide sets out the two broad tracks of work and the timeline to close. We have made very good progress since September 6. We expect proxy circulars to be mailed out by mid-November, once they receive final clearance, and we are targeting mid-December for our shareholder vote.

The second track is regulatory approvals. We made filings in early October on both sides of the border, and we're responding now to information requests, which is normal for this kind of transaction. Based on where we are today, we are on track to achieve our originally targeted closing of Q1 2017.

The third track of work, which is a key part of any combination, is integration planning, and that's described on slide 12.



While both companies will continue to operate independently during this pre-close period, we are planning the integration in three areas. Most important is readying for day one of post-close operations. Equally important is capturing the CAD540 million in annual run rate synergies, and then planning for the longer term, integrating systems post-close being one example.

Right after the announcement, we moved quickly to integration planning and we set up our teams, and they are working very hard right now. That work includes organizational design and synergy capture. Integration planning is being very closely managed and monitoring of key milestones along the way. The good thing is that we had already begun doing extensive work on organizational design and efficiency at Enbridge over the last year, which gives us a very good head start to planning the integration.

Just recently, we ourselves took some standalone actions to optimize our structure, and, of course, that sets us up well for integrating the two companies.

Also as part of the Spectra announcement, we discussed our asset monetization plan that further bolsters the balance sheet, so let me provide you a brief update on that. And that's on slide 13. As you'll recall, we set a CAD2 billion target for monetizations over a period of 12 months. On top of that, we identified other opportunities in the range of CAD5 billion to CAD6 billion, but this category here would be opportunistic, depending on a number of factors.

In light of that, let me just briefly recap our criteria for monetization. First and foremost, we won't sell assets that compromise the growth platforms that drive organic growth, the platforms that I mentioned earlier. Second, the valuation would need to exceed our hold value, and there is lots of interest in quality assets today, so that will be something interesting to watch. And sales would need to be completed efficiently and timely.

We have already made great headway on the CAD2 billion asset target in late September, the Enbridge Income Fund agreeing to the sale of our South Prairie region assets for just over CAD1 billion cash. We think this makes a lot of sense for the Fund. Essentially, these are non-core assets being sold at an attractive valuation to a party that has assets in the area. It also provides a low-cost funding source for the Enbridge Group, reduces our overall equity needs, and further bolsters the balance sheet, as I said.

So with this first transaction expected to close before year-end, we are confident in meeting the CAD2 billion target in 2017.

Before handing it over to John, I will give you a brief update on the growth capital program on slide 14. This list of projects is a key driver of the transparency [their] standalone cash flow growth through 2019. We have put nearly CAD2 billion of projects into service so far this year -- those are the first five projects you see on the page there, with another five projects at CAD5 billion plus scheduled over the next nine months.

Looking ahead to 2018, our first offshore wind project, Rampion, is progressing well. Most of the monopiles are actually in now; the turbine's scheduled for installation next summer. So we are on time and on budget on that one and we expect first power in late 2017, fully in service the following year.

Now an update on our Line 3 project, and as a reminder, this is actually replacing an existing line, a line that is critical infrastructure for the industry, which will ensure safe and reliable supply to US refineries that they need.

We have strong stakeholder support for this project. On the Canadian side, the NEB, as you'll recall, approved the project in April and we expect a Governor in Council decision very soon. On the US side, we continue working on the environmental permitting process. In fact, last Friday we received some good directives from the Minnesota PUC, which clarifies a number of things for us. They approved the scoping for the environmental impact statement and confirmed the EIS schedule. They also confirmed that route selection for a portion of the line will take place after the EIS is complete.

With these issues now decided, we will be able to review our schedule again. We expect that the project can still be in service in 2019. So in summary, we are pleased that the PUC has clarified the scope and the schedule so we can move forward with confidence.

I will now turn it over to John to cover the quarter.



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

Thanks, Al, and good morning, everyone.

We have prepared the usual supplemental package for the third-quarter results. It's similar to what you saw last quarter and it will be posted to the website shortly after the call.

I will pick things up here on slide 15 with a look at the performance of our businesses in Q3, focusing first on earnings before interest and taxes. And as you can see, consolidated EBIT for the quarter came in at just over CAD1 billion, up about CAD40 million over last year, reflecting positive year-over-year contributions from each of our five major lines of business.

For liquids pipelines, EBIT was up by CAD46 million. Regional oil sands continued to see benefits from new assets that were placed into service during the second half of 2015, including Woodland and AOC Hangingstone projects. The contribution from our Mid-Continent pipes also grew significantly year over year, as an increase in committed take-or-pay volumes on Flanagan South drove revenues higher.

Volumes in the mainline system have substantially recovered, with the Alberta wildfires behind us, and showed solid growth on a quarter-over-quarter basis. Ex-Gretna, throughput was 2.35 million barrels per day for the quarter, up about 150,000 barrels per day over what we saw in the third quarter of last year. This translated into higher EBIT on the Lakehead System.

However, despite higher throughput, the contribution from the Canadian mainline was down a little quarter over quarter, due to a lower residual toll on the Canadian system and lower effective exchange rate on the hedges we have entered into to manage exposure to US dollar-denominated revenue on the mainline.

Shifting to gas distribution, third-quarter EBIT was up CAD7 million compared to the third quarter of 2015, primarily due to rate base growth associated with our GTA project that was placed into service earlier this year.

For gas pipelines and processing, EBIT was up about CAD10 million versus Q3 of last year. A strong contributor to segment growth year over year has been the Alliance Pipeline, which has continued to perform very well under its new service model and toll structure.

Aux Sable helped the quarter-over-quarter picture; while processing economics still remain challenged, Aux Sable's performance was up relative to the third quarter of last year, due to better fractionation margins and lower feed stock costs.

Results from our Canadian midstream and offshore pipelines were also higher, due to contributions from new assets, the Tupper gas plants, in the case of Canadian midstream, and the Heidelberg lateral, in the case of our Gulf of Mexico offshore operations, both of which started adding cash flow earlier this year.

However, all these positive contributions were offset to a degree by further deterioration in EEP's US midstream businesses, as low prices continued to impact drilling activity and production volumes in the area served by EEP's natural gas gathering and processing facilities.

Moving down the slide, EBIT generated by green power and transmission was up CAD8 million, due to higher wind resources at some of our US wind facilities relative to the third quarter of last year.

Energy services was up CAD8 million, reflecting a better environment for tank management and refinery services relative to the comparable period last year. However, results from this business continued to be affected by the lower commodity-price environment, which has resulted in fewer opportunities to benefit from location and quality differentials.

Finishing off the EBIT look, eliminations and other, or E&O, reflects a net unfavorable variance of CAD36 million quarter over quarter, mostly driven by a funding-related FX gain recognized in the third quarter of last year that did not repeat itself this year.

So, when you put it all together on a quarter-over-quarter basis, consolidated EBIT was up about 5%, reflecting solid contributions from each of our business lines.

So moving along now to slide 16, it summarizes how EBIT generated by these businesses translated to bottom-line ACFFO, which was up quite sharply quarter over quarter, driven by a number of factors below the adjusted EBIT line. I will touch on a few of these briefly.

As you would expect, depreciation is up versus last year, given projects brought into service over the last 12 months, and skipping down a line, you can see interest expense is higher as a result of the debt incurred to fund those projects. Notably, maintenance capital was down about CAD33 million when compared to the third quarter of last year. This was in part due to a shift in timing of planned liquids pipelines maintenance, but was also a function of some efficiencies introduced to our information systems maintenance program, which we expect will create ongoing savings.

As a result, for the full year we expect maintenance capital could come in a bit below the CAD800 million to CAD850 million range that we have been guiding to for 2016 thus far.

Cash taxes provided a positive variance of about CAD51 million, which reflects some additional optimization that we've been able to undertake that will also carry over into the fourth quarter. As a result, we currently expect the cash taxes for the full year will be a little below the range that we have been guiding to.

Distributions to noncontrolling interests were up from the third quarter of last year, reflecting higher distributions to the public out of the Fund group, and cash distributions in excess of equity earnings were higher than the third quarter of 2015, largely due to the timing of recognition of distributions from various affiliates year over year. Rounding out the schedule, we saw a CAD72 million favorable quarter-over-quarter variance on other non-cash adjustments, which primarily reflects revenue we collected in cash, but did not record in EBIT.

Turning now to slide 17 and our outlook for the year, while there have been some puts and takes through the first nine months, in aggregate our businesses have been performing in line with expectations. Notably, liquids pipelines has performed better than expected through the first nine months, even after taking into account the revenue loss to the mainline system as a result of the wildfires earlier in the year. This and strong results from some of our gas pipes has more than offset weaker-than-expected performance in our green (technical difficulty) energy power (technical difficulty).

As I mentioned a moment ago, maintenance capital and cash taxes are also trending favorably. On the other hand, the CAD2.3 billion common equity issue back in February was larger and a little earlier than we had originally planned and will continue to be a drag on ACFFO per share over the balance of the year.

So as I mentioned at the top of the call, on balance we continue to remain comfortable with the full-year guidance ranges that we established at the beginning of year. That is consolidated EBIT in the range of CAD4.4 billion to CAD4.8 billion and ACFFO of CAD3.80 to CAD4.50 per share.

Moving to slide 18 and shifting to the results of Enbridge Income Fund and Enbridge Income Fund Holdings Inc., or ENF, ACFFO was up sharply over the third quarter of last year, reflecting the transformational drop-down of assets to the Fund group last September. The third quarter of 2015 reflected only one month of results from the transferred assets, so a big part of the year-over-year variance story continues to be the drop-down.

That said, legacy assets in the Fund have also performed well. In particular, as mentioned earlier, the Alliance Pipeline has been delivering very strong results under its new tolling and service delivery model.

All together, Fund group ACFFO was up CAD248 million, driven by the cash generated from the larger asset base and strong contributions from Alliance.

Distributions paid from the Fund group to ENF more than doubled to CAD67 million, up CAD34 million compared to Q3 of 2015. Higher distributions from the Fund have enabled ENF in turn to increase the dividend on its common shares in September of 2015 and then again at the beginning of

this year, in January of 2016. And as you can see here, third-quarter 2016 dividends per share were up about 17% when compared to dividends paid in the third quarter of last year.

Moving on now to slide 19 and looking at the full-year outlook for the Fund, contributions from the liquids pipelines assets have been a little lower than expected, given the impact of the wildfires in the second quarter, but this has been offset to a significant degree by strong performance from Alliance and other legacy assets.

Taken altogether, we continue to expect that the Fund group ACFFO will come in between CAD1.75 billion to CAD2.05 billion for the full year. The 10% increase in ENF's dividend at the beginning of this year brought its annualized dividend to CAD1.87 per share, which generates a cash yield of about 5.4% at current market prices. And our long-term projections for the Fund group ACFFO, driven by commercially secured organic growth projects, continue to support annual increases in ENF's dividend of approximately 10% per share through 2019, providing a pretty compelling total return proposition for ENF's shareholders.

Before turning it back to AI, I did want to reiterate the progress we have made on funding and strengthening the balance sheet, and I'm now on slide 20. Year to date, we have raised about CAD4.5 billion in equity-equivalent funding across the Enbridge Group, which includes follow-on offerings at Enbridge Inc. and ENF and through our DRIP programs, which have been generating in the order of CAD200 million a quarter. It also includes the pending sale of the Fund's South Prairie Region pipelines that will create over CAD1 billion of equity capacity on our balance sheet.

Together with the equity raised earlier this year, we have more than sufficient capacity to support our standalone secured growth program beyond 2017.

We have also been active on the debt side, having raised about \$1 billion in US dollar term debt at the parent company and another CAD1.1 billion through our Canadian operating companies over the course of the year. In total, we have generated almost CAD7 billion in funding thus far.

Markets continue to be receptive and, as AI mentioned, we have plenty of options to create additional funding capacity, as needed, through sale of non-core assets, all of which leaves us well positioned from both a balance-sheet and liquidity perspective heading into our merger with Spectra.

With that, I will turn it back to AI to wrap up.

AI Monaco - Enbridge Inc. - President, CEO

Okay, thanks, John. We're on slide 21 now, and what this does is essentially show you how we see the next several months shaping up in terms of the key dates and investor communications.

So, on the left-hand side there, it shows our original dividend, guidance, and investor day schedule, and because of the Spectra transaction, we need to make some adjustments to that schedule. First, we expect our dividend announcement will shift modestly from December to January to align with Spectra's announcement. And that dividend announcement, by the way, will be based on our standalone 2017 outlook. Any true-up to the 15% increase I mentioned earlier, which is contingent upon the deal closing, will take place as part of the next normally scheduled quarterly dividend declaration following close.

The timing of guidance and our investor day will also shift and would be based on the combined outlook. We planned on holding our investor day and providing guidance in December, but obviously with the pending combination it makes sense to shift that timing to after closing. I would point out, though, that our investor presentations and the proxy circulars provide a good deal of forward-looking information about the two companies separately and on a pro forma basis over the next few years. After closing, we will provide a fulsome update, including synergies.

We will resume our annual investor days that provide deeper insights into our combined long-range plan outlook as usual. At this time, we anticipate providing 2017 guidance for our sponsored vehicles at the Q4-related calls in February.

Finally, we will be very active in our investor communications while we're working on the closing and preparing for integration. Obviously, we are always here to answer questions and will be participating in investor conferences and meeting with analysts and investors in Canada, the United States, and Europe.

Finally, on to slide 22. I think this is a summary of where we are on this third quarter. In summary, then, our financial performance remains strong and our outlook is for more of the same during the balance of the year. We're making very good progress on the Spectra deal milestones and are on track for a Q1 2017 close. The integration preparation is ramping up and asset monetizations are ahead of schedule.

With that, we will turn it over to the operator to start the question period.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions). Linda Ezergailis, TD Securities.

Linda Ezergailis - TD Securities - Analyst

I just have some clarification questions on the Line 3 replacement. What might cause variability in the timeline beyond a later in 2019 in-service date? And then, how might we think of the cost increases beyond just the time value of money? And could we think of some offsets related to lower costs and parts with any sort of industry slowdown?

Al Monaco - Enbridge Inc. - President, CEO

Okay, I will start out, Linda. It is Al. First of all, on the timing, actually, one of the benefits of the directives that came about last Friday was a lot more certainty around schedule. So the EIS process that I referred to where the scope was locked down, that's actually a 280-day defined period of time that's started once the written order has been provided to us. So, that's a defined schedule.

And then after that, we go into the routing process, which is probably less defined in terms of the timeline, but once the EIS is complete, then I would say we're on our way to the routing process. So, generally speaking, I think the timeline is pretty well defined.

Now, obviously, in this environment things can change, but at this point that has been pretty prescribed by this recent set of decisions.

On the cost side, that's going to be part of our review here, along with the timing that was referred to in the remarks. I think you are right in your notion that the cost will cause us, as others in the industry, to relook at some of the main expenditure groups, and the major projects team and Guy's group is doing a lot of work on that right now in terms of reevaluating costs and capitalizing on what we see as obviously a down market in the construction side of things. So, we will be reviewing that in detail. Anything to add on that?

John Whelen - Enbridge Inc. - EVP, CFO

No, I think that's exactly correct. There are some of those categories you reference where we are seeing some cost opportunities for us, so whether that full magnitude will deal with the schedule implications will play out as we complete the work.



Linda Ezergailis - TD Securities - Analyst

Thank you, and just as a follow-up, and I don't know if this is for John or someone else, looking beyond this year, maintenance and cash taxes, any sense of what 2017 and beyond, some of the moving parts, how we might think of trending that off of 2016? And some context around how -- what the magnitude of the IT system savings are that are recurring and benefiting 2016 would also be helpful in that. Thanks.

John Whelen - Enbridge Inc. - EVP, CFO

We have got -- the run rates that we provided for this year are probably most indicative of what our trends will look like moving forward at the end of the day. There are some opportunities and some efficiencies that we are seeing, but we are also -- we have got a larger program, larger group of assets that we will be managing.

So I think it would be premature to provide a lot of long-range guidance. I think you would probably trend them from what our original guidance had been this year for the time being I think would be a logical thing to do for planning purposes.

And, obviously, as we move forward and, as Al says, when we come to be giving some combined guidance for the Company, we will be updating and try to provide some direction in that area.

Linda Ezergailis - TD Securities - Analyst

Any context around cash taxes on a -- even a standalone basis?

John Whelen - Enbridge Inc. - EVP, CFO

I would say the same comment for cash taxes as well.

Linda Ezergailis - TD Securities - Analyst

Thank you.

Operator

Rob Hope, Scotiabank.

Rob Hope - Scotiabank - Analyst

I was wondering if you can provide some comments on the nature of the information request that you received from the FTC, as well as the Canada Competition Bureau.

Al Monaco - Enbridge Inc. - President, CEO

Okay, well, probably not specific because, as you would know, this process is a back and forth with the competition bureaus both in Canada and the US. It is really part of the normal discussion that goes on to have the agencies get an understanding of how we are thinking and, obviously, respond to their questions.



Remember here, there is minimal overlap in the asset base to start with, so, along with what I said about the normal process, we don't really see any major issues that would come out of this, mostly for those reasons around minimal overlap. So, normal so far, but I won't be able to get into the specifics around the questions.

Rob Hope - Scotiabank - Analyst

All right, thank you for that. And as a follow-up, just on the remaining asset sales, I'm just wondering how you're thinking about the timing and the end scope of those. Would you be looking to potentially do that towards the back half of 2017 after Spectra is closed, and that would also match up a bit better with your funding requirements?

Al Monaco - Enbridge Inc. - President, CEO

That's a good point. I would say, though, that it is probably -- let's just call it, we're in active mode, and you saw that with the first chunk of that CAD2 billion monetization target that we had, so half is done.

Our preference is to keep working on that fairly quickly, and when opportunities arise to take pieces of the remaining objective, we would grab those. So, I don't think we're trying to get scientific as to the front end or the back end, but the leaning would be to try and get them done as soon as possible.

Rob Hope - Scotiabank - Analyst

All right, that's helpful. Thank you.

Operator

David Galison, Canaccord Genuity.

David Galison - Canaccord Genuity - Analyst

So my first question was just a follow-up on Linda's comment on Line 3. Just wondering with the removal of Sandpiper and being that Line 3 is an integrity project, are there any opportunities, do you think, that could actually enhance the timing?

Al Monaco - Enbridge Inc. - President, CEO

Well, as I said earlier in my response, I would say that the process is pretty well defined now as far as timing. So, with the 280 days, I suppose that could happen sooner, but for planning purposes, we're assuming that it takes the full period of time to complete the EIS and then, as I said, on to routing. So, I suppose it is possible, but we are not planning for that.

David Galison - Canaccord Genuity - Analyst

Okay. And then just on the Bakken pipeline acquisition, can you talk a bit about what some of the main conditions are that you are still outstanding before the acquisition can close?

Al Monaco - Enbridge Inc. - President, CEO

We're not going to be specific about the conditions. That is part of the commercial arrangement we have with Energy Transfer, so we won't be able to do that. I guess that's all we can really say at this point, unless you want to add anything, Guy, to that.

Guy Jarvis - Enbridge Inc. - EVP Liquids Pipelines & Major Projects

No, nothing to add, other than there is a process going on and we're going to have -- we are confident that the process is going to play out and that ultimately we will be able to close.

David Galison - Canaccord Genuity - Analyst

Okay, and then, I guess, maybe, could you give any type of an update on the FID for the French offshore wind projects?

Al Monaco - Enbridge Inc. - President, CEO

Well, let me see here. There is three of them and they were all sequenced, the first one to begin -- or to have FID next year. We're hoping that still will take place, and then you can think of it sequentially after that every other year so that there is a progression of the three between now and, I guess, fully out through 2022 when they all come in service.

So, other than saying we still expect it sometime next year, we are not sure right now whether that will be in the first quarter or maybe near the end of the year. Obviously, we're going to make sure that we have got all the costs lined up and we have cleared all the permitting issues before we take FID. So, right now it looks like it's still on track for next year at some point, for the first one.

David Galison - Canaccord Genuity - Analyst

All right, thank you very much.

Operator

Thank you. At this time, we would like to invite members of the media to join the queue for questions. (Operator Instructions). Robert Catellier, CIBC World Markets.

Robert Catellier - CIBC World Markets - Analyst

I just want to get it back to Line 3 again. I just want to make sure I'm clear on the comments on timing here. It seems obvious that you have much more clarity from the Minnesota PUC, but with that clarity, are you expecting -- it still seems like it is possible that the in-service date moves at least a little bit within 2019, to the latter half of the year. Is that the proper way to look at it?

Al Monaco - Enbridge Inc. - President, CEO

Yes, I think, as we said in our disclosure, that's certainly possible, but we really won't have a definitive answer on that until Guy and his team go through the analysis around the various aspects of the project from here. So, yes, I suppose that's possible. Do you have anything to add on that, Guy?

Guy Jarvis - Enbridge Inc. - EVP Liquids Pipelines & Major Projects

No, I think we still are highly confident that it is going to be in 2019, and while there is a possibility that it will slip, there is also a possibility that we can achieve the current disclosures that we have got out there, so we're just working our way through all of that right now.

Robert Catellier - CIBC World Markets - Analyst

Okay, and then, look, the combination of a potential move in the in-service date, offset against the revision in the cost and the lower cost environment, do you think -- how do those play out in terms of the impact on the ACFFO information that was provided in the proxy statement for 2019?

John Whelen - Enbridge Inc. - EVP, CFO

I think (multiple speakers) in combination it doesn't have a significant effect, Rob.

Al Monaco - Enbridge Inc. - President, CEO

Yes, I think if you take the comments around the 2019 in-service date, I think out to that period of time, it wouldn't really change the run rate out to 2019. So, yes, we don't see any changes to that proxy information.

Robert Catellier - CIBC World Markets - Analyst

Okay, and then my final question, I think, John, you were commenting on the maintenance capital and some savings in the quarter and the potential for perhaps some sustainable savings there. Could you provide a little bit more clarity on where you might be finding the ongoing savings on the maintenance capital?

John Whelen - Enbridge Inc. - EVP, CFO

Quite frankly, this was primarily due to we have got IT systems maintenance as part of our maintenance capital category and there was some changes to protocols and so on and some efficiencies that we have generated through centralizing systems and other things like that. And we will be making an assessment, I think is the right way to put it, Rob, as to how -- in the long term how sustainable those will be. But we do think it gives a bit of a lift on our total spend through our planning period here.

Robert Catellier - CIBC World Markets - Analyst

Okay, thank you.

Operator

Jeremy Tonet, JPMorgan.

Jeremy Tonet - JPMorgan - Analyst

I was just wondering if you might be willing to comment on how you think about the importance of the Dakota Access Pipeline for the industry as a whole, and any other thoughts you would be willing to share there? Thank you.



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

Okay. Well, maybe I will just explain it first from our own perspective and how we look at the project.

To us, there is no doubt that this is certainly needed. It is really a customer-driven project. Obviously, it is pretty well agreed, I think unanimously, that pipelines are the safest form of transportation, so from that perspective, it is positive. And I would say strategically for us, it -- we have got two -- we would have two straws into that US Gulf Coast region and we certainly will be able to bring some value, we think, to the project with respect to perhaps joint tolls all the way from western Canada into the Gulf Coast.

So from that perspective, it makes a lot of sense. I think from the perspective of refineries and security of supply, I think it's very positive as well in that additional transportation from a great area like the Bakken makes a lot of sense.

So I would say overall from an industry perspective and from a consuming market perspective and from a safety perspective, the project makes a lot of sense.

Jeremy Tonet - *JPMorgan - Analyst*

That makes sense. That's helpful. That's it for me.

Operator

[Oshuk Meta], [Plass].

Oshuk Meta - *Plass - Media*

I wanted to go through a couple of things very quickly with you, if that's okay. The first that I had is, how much more capacity do you think you can add on to the mainline?

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

Do you want to hit that first, Guy?

Guy Jarvis - *Enbridge Inc. - EVP Liquids Pipelines & Major Projects*

Yes, I think versus where we are at today in terms of adding incremental capacity, our next opportunity for increased capacity is going to be post Line 3 replacement, so that's a few years out, as we have been talking.

What we have been doing is focusing on managing the crude slates on our system. Throughout parts of the year, we have been experiencing some -- obviously, our heavy lines are full throughout the year. At times, we have capacity on our light lines and we have been working on -- with our customers in identifying certain crude blends that might be able to flow in that light capacity when it becomes available. So, we are working to enhance the utilization of our existing system.

Oshuk Meta - *Plass - Media*

Okay, excellent. And can I ask you what are your expectations for the Northern Gateway?



Al Monaco - Enbridge Inc. - President, CEO

Okay, do you want to take that?

Guy Jarvis - Enbridge Inc. - EVP Liquids Pipelines & Major Projects

Sure, it is Guy again. In terms of Northern Gateway, we are very hopeful that the federal government is going to come forth and follow up and perform the additional Crown consultation on the project.

We have been working very diligently ourselves in terms of the consultation and looking to really position -- reposition the project with much more of a First Nations' involvement in many of the aspects of the project. And we think that a Crown consultation process, in conjunction with what we are doing ourselves, can leverage that opportunity even further and position the project for success.

Al Monaco - Enbridge Inc. - President, CEO

I will just add a comment. I think, as Guy alluded to, it is really coming down to, I think, First Nations support that will ultimately drive the success of the project. So, really, that has been our focus.

The First Nations support is the linchpin to all of this, and remember, we do have 31 First Nations who want to move the project forward. And if you think about it, it is a great opportunity to build a project of national importance, which would be -- have a one-third ownership by First Nations. So that would be a very strong accomplishment, we believe, not just for the First Nations and for all the industry, but for Canada as well.

Oshuk Meta - Plass - Media

Thanks. Thank you, Al; thank you, Guy.

Operator

Nia Williams, Reuters.

Nia Williams - Reuters - Media

You talked about monetizing assets. I wanted to ask if you have got any further acquisition plans or is that on hold after the Spectra deal?

Al Monaco - Enbridge Inc. - President, CEO

Okay, that's a good question. We're always keeping our eyes open for opportunities around acquisitions, and I would say, though, at this point, while we are focused on closing the transaction and obviously there is a heckuva lot of integration to do to get the two companies together, I think the major focus right now would be those things.

But if there are opportunities that we see to fill in some smaller deals that make sense for us to fill out the strategy, we would certainly look at those. But in terms of the larger scale ones, obviously we need to absorb this combination as a first priority.

Nia Williams - Reuters - Media

Okay, thanks. And then in the renewables space, what sort of opportunities do you see there?

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

We see good opportunities, renewables. The fundamentals, as we have been saying, there are strong. The cost of renewables are coming down, both for solar and wind, quite dramatically, actually, over the last little while. We have been, I would say, probably ahead of the curve in terms of developing capability in renewables over the last decade or so. We have got 22 projects under our belt right now with various partners and geographies. So, we see good opportunity there.

I think, as you have seen lately, we do have a focus on offshore, large offshore scalable projects, particularly in Europe, that come with good commercial backing. So those are probably the most important and high-priority areas for us right now, and there is good opportunities there.

Nia Williams - *Reuters - Media*

Okay, thanks.

Operator

Chester Dawson, Wall Street Journal.

Chester Dawson - *The Wall Street Journal - Media*

Firstly, I am just curious about the timing of the Bakken pipeline system. I see on your status of capital program slide that it looks like first-half 2017. Does that reflect a shift, because I think prior, it had been always talked about being in service by the end of the fourth quarter of this year? Has that slid a bit?

Guy Jarvis - *Enbridge Inc. - EVP Liquids Pipelines & Major Projects*

This is Guy. We have got some people searching for the exact disclosure. I think, to my knowledge, Energy Transfer has not made any updates to their disclosures in terms of targeted in-service dates, so right now we're still operating based on their disclosures and don't have a further update on the in-service date.

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

Yes, I think it may be -- it may be as simple as -- I think their disclosure was pretty much the end of this year, so it could be just a timing that it could fall over into the first half. I suppose that's the explanation for that one, but I think Guy is right. I don't think they have provided an alternative in-service date.

Chester Dawson - *The Wall Street Journal - Media*

Okay. And secondly, it sounds like you're still pretty committed to the project, but if for whatever reason that does not go through or, rather, that your commitments -- the conditions are not met for closing that deal, do you have a backup plan, a plan B? Might you go back to Sandpiper, or what are your thoughts on that?



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

We don't have a plan B right now. I would say, as I said earlier, we're pretty convinced that it is a very good project from the perspectives that I mentioned earlier. Our view is that the project will move forward. I suppose that will be obviously up to the regulators that are reviewing that right now. So we're going to wait for that. I wouldn't want to speculate on what we might do if that doesn't happen.

Chester Dawson - *The Wall Street Journal - Media*

Okay, thank you.

Operator

Robert Tuttle, Bloomberg News.

Robert Tuttle - *Bloomberg News - Media*

In the last year, we have seen several instances of individuals getting into pipeline facilities and shutting them down or turning knobs, and this happened back in December with, I think, Line 9, and obviously it happened several weeks ago with several lines into the States. And I am wondering, what are you doing to prevent this from happening in the future?

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

Okay, maybe -- it is Al. I will make some comments on that. First of all, I would say that as a Company and if you look at our record we are very open to engaging people who have different views on energy matters, and certainly we would accept any invitation from some of the, I guess, protesters or activists in this area. That's the first comment.

But when you really get down to it, this is, we believe, quite reckless and dangerous activity to be taking on. The actions that we are looking at here really do endanger the public, in our view, communities, potentially the environment, and, of course, our workers along the way. So, I think our role here is to support the authorities in their diligence on this, and we will certainly keep on top of it.

I'm not going to get into specifics around security areas, but I think you can assume that all companies in this area will be taking further actions to make sure that the assets are protected, and, of course, we would expect that the authorities do the same with respect to enforcing the law in this regard.

Robert Tuttle - *Bloomberg News - Media*

Thank you.

Operator

Thank you. At this time, I would like to turn the call back over to Adam McKnight for closing comments.

Adam McKnight - *Enbridge Inc. - IR*

Thank you, Christina, and thanks to everyone for joining our call today. We have no further comments at this time, except to remind you that the IR team here at Enbridge will be available after the call for any follow-up questions that you might have. Thank you and have a great day.



Operator

This concludes today's conference. You may now disconnect.

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