ENBRIDGE

June 26, 2007

Mr. John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario M5H 3S8

and

Ms. Anne-Marie Beaudoin, Directrice du secretariat
Autorite des marches financiers
Tour de la Bourse
800, square Victoria
C.P. 246, 22 etage
Montreal, Quebec H4Z 1G3

Dear Mr. Stevenson and Ms. Beaudoin:

We are writing on behalf of Enbridge Inc. to respond to the request for comments on the Proposed Amendments to National Instrument 51-102 *Continuous Disclosure Obligations*, Form 51-102F2 and Form 51-102F5. Our response consists of brief comments on the requested items, as listed in the Notice and Request for Comment.

Please feel free to contact either of the writers or Ms. Bonnie DuPont, Group Vice President, Corporate Resources of Enbridge Inc. to follow- up on any of the points raised in the attachment. We look forward to future discussions with you and to the final amendments on these matters.

Yours sincerely,

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Response to the request for comments – Statement of Executive Compensation and Continuous Disclosure Obligations

This response will consist of brief comments on selected issues in the context of disclosure relating to executive compensation and directors' compensation, and also with respect to items of special interest to Enbridge Inc. ("Enbridge").

We are responding in the order of the items listed in the request for comments, as follows:

A. Executive Compensation

Item 1 – *General Provisions*

1. Given the broad nature of the definitions provided, the proposed executive compensation form should capture all forms of compensation. However, we do believe that the proposed executive compensation form will need to be reviewed on a regular basis to ensure appropriate revisions are made as compensation practices change over time.

2. We agree with the proposal not to substantially change the criteria for determining the top five named executive officers (NEOs). We agree that the criteria should be based on a combination of total compensation and the policy-making function of the role. This will ensure that the readers will have an understanding of compensation for the key decision-makers in the organization.

3. We support the proposed disclosure to present the information for the NEOs individually, rather than separately for the CEO and CFO and then on an aggregate basis for the remaining three NEOs. We believe this provides the reader with a better understanding of the types and levels of compensation attributable to the key decision-makers of the organization.

Item 2 – *Compensation discussion and analysis (CD&A)*

4. We believe the six key principles provided as guidance for the CD&A should assist in providing a general overview of the company's compensation policies and decisions. The last three principles should provide the most value to the reader in understanding how the compensation decisions achieve their objectives.

Within the commentary for this section, it is stated that "the information contained in this section should give readers a sense of how compensation levels for the period might have been different, as well as expected compensation levels for future periods, under various performance scenarios." If a company has specific performance targets and a formulaic-driven program, it may be possible to provide an indication of how compensations levels may have been different. However, this disclosure will be difficult or impossible to provide if the compensation decisions take into account factors other than one formula. As well, the complexity of compensation programs may result in many different permutations and combinations of results, given the ranges of performance. This will result in a number of speculative, 'what-if' scenarios that would require extensive disclosure so that readers will be able to understand all the factors involved. This is not a useful exercise for either company resources or for the reader of the information. In addition, disclosure of expected compensation levels for future periods should not be required. This is speculative and based on too many unknown factors. As well, it may not be possible as it may result in disclosure of confidential information that could result in competitive harm to the company. This requirement would set the stage for further disclosure in the following year, to try to explain why there is a difference between the 'expected compensation levels for future periods' from a previous year and the actual results in the current year. This exercise is not valuable for the readers of the information, as it would require a detailed explanation of all the factors that changed in the interim from the initial assumptions.

The commentary also includes the following, "explain how the peer group sample was formed and why certain companies were included and excluded from the group". The discussion of why certain companies were excluded is not value-added. The discussion should focus on why certain companies were included and why the peer group is relevant.

5. We do not agree that there should be a requirement to provide specific information on performance targets, as disclosure of some of this information could result in competitive harm to the company. If a requirement is included in the final rules, it could result in the wrong behavior, for example, targets may be selected not on the basis of motivating the appropriate actions by management for the overall benefit of the company and its shareholders, but on the basis of what is 'safe' to disclose to the public. The flexibility should be maintained, as presented in the proposal, that target information may be excluded if it means disclosing confidential information that would result in competitive harm to the company.

6. We support the movement of the performance graph to the CD&A and the additional analysis regarding the link between performance of the company's stock and executive compensation. We believe this may provide meaningful disclosure to the reader and may enhance their understanding of the decisions made by the Board of Directors and its compensation committee. However, we do believe that share price is not necessarily the best measure of performance – share prices are influenced by many factors including external events, macro-economic trends, industry-specific issues and many others. Compensation trends are also attributable to a number of factors, some of which are different from those that influence share price. We believe that a discussion of all applicable factors should be presented in this analysis.

Item 3 – *Summary compensation table*

7. We believe the summary compensation table should continue to disclose compensation for each of the company's last three fiscal years. We believe this provides the reader with an understanding of how compensation has changed over the three year period.

8. We believe that the proposed disclosure of bonuses and non-equity incentive plans may be confusing to the reader, as it will result in the combination of annual and medium-term non-equity incentives (other than those that are purely discretionary), into one column. We believe that it is more meaningful to break out the compensation programs by those that are provided on an annual basis and those that are provided on a medium-to-long-term basis. This will provide the reader with a better understanding of the cash award provided for the prior year's performance and those that will be based on future performance. You may also wish to replace the term "bonus" with "discretionary payments", to describe the content of that column. In many cases, that column may be eliminated as very few compensation payments will be truly discretionary and not based in some manner on pre-approved metrics.

9. We do not agree with the proposed valuation method for equity-based awards, which uses the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with Section 3870 of the Handbook. This valuation method is misleading to readers for two reasons. The first is that the amount included for financial reporting purposes does not fully reflect the current year's grant values. Instead it is comprised of amounts that include the amortization of prior year's vested awards. This does not give the reader a clear understanding of the value of the compensation awarded for the current year's performance. Second, the valuation method used for financial statement reporting purposes includes a combination of fixed and variable accounting. For options, stock compensation expense is recognized evenly over the vesting period and does NOT change over the life of an option (fixed accounting). For restricted stock units, stock compensation expense is recognized evenly over the vesting period and DOES change over the vesting period, as it is revalued at each reporting date (variable accounting). Therefore, year over year changes in the value of these awards will now reflect prices swings, and may even provide negative values, which will not be reflective of the current year's grant values. Stock options that may have the greatest expected compensation value will potentially be disclosed at the lowest total compensation amount.

We believe that the equity-based awards should be valued using the compensation/present value of the current year's equity awards on the date of grant. The compensation committee uses this method of valuation in making their grant size decisions for given performance levels. The accounting values used for financial reporting purposes are not taken into consideration during this decision-making process. Therefore, it would be misleading to the reader to present the valuation of the equity-based awards using accounting values and inconsistent with the discussion of this decision-making process in the CD&A.

10. The stock and option awards should be disclosed based on the compensation/present value of the current year's equity awards on the date of grant. As noted above, the accounting valuation will confuse the reader as it is not intuitively clear that it will include amortized/vested amounts from prior periods. The stock and option awards should be valued in a way that reflects the entire award granted for the year earned.

11. We do not agree that the change in actuarial value of defined benefit pension plans should be included in the summary compensation table. This amount is influenced by a number of factors, some which are simply changes in assumptions and do not relate to the value earned by the executive in the given year. This will be misleading to readers. As well, this amount is not readily comparable among companies, since there are so many factors that influence this amount (for example, the age of the executive, pension assumptions, whether the company has defined benefit/defined contribution plans, etc.). Since these factors are not readily apparent in a table format, this information will be misleading to the reader.

12. We believe that the service cost to the company should be included in the summary compensation table <u>instead</u> of the change in actuarial value. The change in actuarial value is misleading to the reader as it is affected by several factors beyond simply the compensation values. The change in the present value of the DB benefits can be affected by several factors including changes in actuarial assumptions (e.g. interest rates, mortality, etc.), interest on the previous year present value, changes in actual and assumed compensation and other experience gains and losses. To combine the impact of all of these items in one number is misleading to the reader, as they will not have a clear understanding of the value of the projected pension earned for the current period for the individual.

13. We support the existing thresholds for perquisite disclosure (i.e. the $50,000 and 10% of the total annual salary and bonus of the NEO thresholds), however, we do not believe that meaningful information is provided by disclosing each perquisite exceeding 25% of the total perquisites and other personal benefits.

14. We believe the guidance on perquisites is adequate.

15. We do not believe the total compensation number calculated as proposed will provide investors with meaningful information about compensation for the reasons noted above in responses 9, 10, 11 and 12.

16. As noted above in responses 9, and 10, we believe this will be misleading as the total compensation table should provide a one-stop overview of the value of compensation earned in the year for the NEO's. To separate this into several tables will add to the confusion.

Item 5 – *Plan-based awards*

17. We support this disclosure.

Item 6 – *Retirement plan benefits*

18. We believe that tabular form of the defined contribution information and a breakdown of the contributions and earnings will provide for more meaningful disclosure.

Item 7 – *Termination and change of control benefits*

19. We believe that estimates of termination payments should be for all NEO's to provide the reader with a comprehensive understanding of the financial implications.

20. We believe that it will be difficult to provide estimates of potential payments under different termination scenarios; however, the estimates will be subject to assumptions that will need to be disclosed.

Item 8 – *Directors' Compensation*

21. Enbridge has provided expanded disclosure on directors' compensation for a number of years, and in this regard, we refer you to pages 13 to 16 of the 2007 Management Information Circular (the "MIC"). This information is contained in several charts. The first provides disclosure on the equity ownership of the directors (in common shares, stock options and deferred share units), for the current year and the prior year, including the net change in equity ownership and the market value of the equity holdings. The second chart provides information on the directors' share ownership guidelines and whether each of the directors has achieved what is described as the Voluntary Minimum Share Ownership. The third chart provides information on the election payment forms available to directors, both before and after the Voluntary Minimum Share Ownership has been achieved and the fourth chart summarizes the compensation paid to each of the Directors during 2006, which includes compensation in the form of shares or DSUs. The final chart indicates, by director, how they elected to receive their compensation in 2006.

We believe that the chart provided in Item 8 will provide useful information to readers, although we believe we will continue to include the information referred to above on equity ownership (and how it has changed from the prior year), the share ownership guidelines, the election payment forms and how the directors elected to receive their compensation. The disclosure in the chart provided in Item 8 will replace what is currently referred to as *Directors' Remuneration During the Most Recently Completed Financial Year*, on page 15 of the MIC.

Item 9 – *Companies reporting in the United States*

We agree with your proposal to continue to allow SEC issuers (other than those who qualify as foreign private issuers) to continue to satisfy the requirements of the proposed executive compensation form by providing the information they are required to file with the SEC.

Other major issues considered

22. We agree that executive compensation disclosure should remain in the management information circular. We understand that some commentators have suggested that this information should be contained in the MD&A instead. While we recognize the issue raised by some companies that the inclusion of this information in the MD&A would present timing problems, as the MD&A is often filed before the compensation decisions have been finalized, we think the fundamental question is where is the information most useful to a shareholder. In both Canada and the U.S., executive compensation information is contained in the information circulars, even though, at the annual meeting, shareholders are not voting on compensation matters. Most shareholders (including some who opt to not receive the annual report, containing the MD&A) receive the management information circular and therefore have access to this information, if they wish to read it.

Other major issues considered

23. No comment, as Enbridge is not a venture issuer.

24. No comment, as Enbridge is not a venture issuer.

25. We believe that it is not possible to find a single performance measurement tool of how executive compensation relates to company performance that will be relevant for every company. Company performance is measured in many different ways depending on the nature of the company, its competitors/peers, its industry, etc. One standardized performance measurement tool would be misleading to readers.

Transition and other amendments

26. We believe the suggested timeline will give companies enough time to implement these proposed requirements only if the final amendments are publicly disclosed by July 31, 2007.

B. Additional Amendments to NI 51-102, Form 51-102F2 and Form 51-102F5 and Consequential Amendments to Multilateral Instrument 52-110 and National Instrument 58-101

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Report of Voting Results

We agree with the suggestion that the results of proxies received for each matter voted upon should be reported to shareholders, even if the vote is not conducted by ballot. As you know, most shareholders do not attend these meetings and if they vote at all, they submit a proxy in advance. We believe that providing the results of all proxies submitted prior to the meeting as well of shares voted at the meeting, will be of interest to shareholders. We recognize there may be a slight discrepancy between the final numbers, as it is sometimes difficult to determine how many shares are held by those voting by a show of hands, but in general, the scrutineers are able to determine the results quite accurately. We also believe that a ballot should be held on all matters where 5% or more of the shares voted are "withheld" or voted "against" on the matter.

If you have any questions on the comments provided, please contact Jody Balko at (403) 231-5702 or Alison Love at (403) 231-3938.