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**ENBRIDGE**

April 13, 2008

Canadian Securities Administrators  
C/O  
Carla-Marie Hait  
Chief Accountant, Corporate Finance  
British Columbia Securities Commission

And

Sylvie Anctil-Bavas  
Chef comptable  
Autorité des marchés financiers

Dear Ms. Hait and Ms. Anctil-Bavas:

**Re: Response to CSA Concept paper 52-402  
Possible changes to securities rules relating to IFRS**

Enbridge Inc. (Enbridge) is pleased to have the opportunity to respond to the possible changes to Canadian securities rules relating to International Financial Reporting Standards (IFRS). Enbridge is a leading Canadian energy delivery company with significant investments across North America, listed on the TSX in Canada and the NYSE in the United States. As an SEC registrant, Enbridge currently has the option to use US GAAP but reports using Canadian GAAP and prepares a reconciliation to US GAAP quarterly.

Enbridge has a strong interest in the outcome of the proposed changes in Canadian securities rules. The option to use US GAAP is of critical importance to Enbridge and we have definite concerns about the proposal to remove this option. Overall, Enbridge believes that the CSA should provide flexibility where possible and not eliminate choices. That way, issuers can make choices that are best for their shareholders and ensure a smoother, more successful transition. We strive to provide our investors and stakeholders with reliable and relevant financial information which enables them to accurately assess the Company's financial position and performance. It is with these objectives in mind that we respond to the questions raised in the CSA concept paper.

***Question 1 Do you agree we should allow a domestic issuer to adopt IFRS-IASB for a financial year beginning on or after January 1, 2009? If not, why?***

Enbridge agrees with the tentative conclusion reached in the CSA concept paper which would allow domestic issuers to adopt IFRS prior to January 1, 2011. The conversion from Canadian GAAP to IFRS is a massive undertaking for many issuers. In general, Enbridge believes that the CSA and AcSB should provide issuers with as much flexibility in adopting IFRS as possible, in order to ease transition. Specifically, we agree with factors d) and e) listed on page 3 of the concept paper in support of the tentative conclusion. The preparation of a US GAAP reconciliation does require significant resources and the option to convert to IFRS early and forego the US GAAP reconciliation as soon as possible may be appealing to some Canadian SEC registrants. Enbridge also agrees that providing issuers the flexibility to early adopt might ease the overall transition to IFRS in Canada by spreading the demand for IFRS expertise over a longer period.

***Question 2 Are there additional factors, not discussed in this paper, to consider in deciding whether to allow a domestic issuer to adopt IFRS-IASB before 2011?***

Enbridge agrees that if a few large issuers adopt IFRS prior to 2011, other issuers, credit rating agencies and investors will be able to learn from the early adopters' example. We would add that this could also increase general IFRS knowledge and awareness within audit firms at an earlier date. This would be beneficial given that the Canadian transition to IFRS will require significant retraining within audit firms.

***Question 3 Do you agree we should not allow a SEC issuer to use US GAAP for financial years beginning on or after January 1, 2009, with the exception that a SEC issuer filing US GAAP financial statements in Canada for its most recent financial year ending on or before December 31, 2008, could continue doing so until 2013? If not, why do you disagree, and how, if at all, would you modify the existing rules?***

Enbridge does not agree with the tentative conclusion in the concept paper and would not modify existing rules. We address the factors presented on pages 4 and 5 of the concept paper below.

- a) Acceptance of IFRS in the Canadian market  
The CSA's goal of a single set of high-quality accounting standards that are accepted and applied globally is the same goal publicly stated by the SEC. Enbridge agrees that a single set of high-quality accounting standards is the most desirable long-term outcome, however we note that the SEC currently accepts both IFRS and US GAAP financial statements. We believe that, as long as the SEC is working towards a single set of high-quality accounting standards, retaining an option for US GAAP in Canada would not undermine the CSA's goal.
- b) Costs and complexity of multiple standards  
Given that Canadian SEC registrants currently have a choice between Canadian GAAP and US GAAP, allowing a choice between IFRS and US GAAP, post conversion, would not add to the cost or complexity for market participants, nor

would it impact comparability, given the current rule which allows 2 sets of standards.

c) SEC's acceptance of IFRS-IASB

Enbridge agrees that the elimination of the US GAAP reconciliation will alleviate cost and burden associated with preparing the reconciliation and having it audited. However, Enbridge believes that when Canadian SEC registrants consider whether to use US GAAP or Canadian GAAP/IFRS, they consider more than simply the cost savings associated with no longer preparing the reconciliation. There is significant cost-benefit analysis performed including factors described in response to Question 4 below.

d) Future role of US GAAP in Canada

See our comments under (c) above.

e) Uncertainty under IFRS

If the option to use US GAAP continues, issuers who are eligible to use US GAAP will need to fully understand the implications of using both sets of standards, in order to make the best decision regarding which set of standards to choose. These issuers would be fully responsible for making themselves aware of the current uncertainty in the U.S. with respect to the acceptability of IFRS and the future of US GAAP. These issuers would also be responsible for assessing costs vs benefits associated with each set of standards. Enbridge believes that the CSA should not make this decision on behalf of all issuers by requiring IFRS and not allowing US GAAP. This decision is best made by the issuers who should have the right to choose the set of standards that most appropriately presents their financial information and best suits their individual circumstances.

***Question 4 Are there additional factors, not discussed in this paper, to consider in deciding whether to allow a SEC issuer to use US GAAP?***

An issuer's decision to use US GAAP or Canadian GAAP/IFRS would be based on a number of factors such as significant U.S. reporting subsidiaries or investments, a significant or growing number of U.S. investors and U.S. analysts who follow the issuer's shares, the ability to attract and retain staff with IFRS vs US GAAP knowledge, comparability with peers in the North American market and the ability to appropriately reflect in the financial statements the regulatory environment unique to North America.

Enbridge is considering converting to U.S. GAAP for the following reasons:

1. Enbridge's use of rate-regulated accounting

Certain of Enbridge's Pipelines and Gas Distribution and Services businesses are subject to regulation by various authorities including, but not limited to, the National Energy Board in Canada (NEB), the Federal Energy Regulatory Commission in the U.S. (FERC), the Energy Resources Conservation Board in Alberta (ERCB), the New Brunswick Energy and Utilities Board (EUB) and the Ontario Energy Board (OEB). These 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 otherwise expected under generally accepted accounting principles for non rate-regulated entities. Under Canadian and U.S. GAAP guidance is given regarding these regulatory assets and liabilities recognized in the Company's financial statements.

Under IFRS there is no specific guidance for regulated companies. Many utilities in Europe and Australia operate under a price cap or market based method of regulation and not the cost of service method used in North America. There are certain significant amounts historically capitalized due to regulatory requirements in North America that do not exist in European or Australian models.

Enbridge is concerned that under IFRS the reliability, understandability and usefulness of financial reporting within our industry may diminish. The effects of rate regulation need to be reflected in the financial statements in order for financial statement users to have a clear and complete understanding of Enbridge's financial position, operating within the reality of a rate regulated environment.

US GAAP offers Enbridge the opportunity to continue to provide transparent, accurate and complete financial information within the regulated setting on a basis comparable with many of our closest peers.

## 2. Current use of US GAAP in the Canadian Financial Markets

The U.S. equity markets represent approximately ½ of the world stock market capitalization and US GAAP is well understood by investors and analysts in Canada. Currently (since 2004) the CSA accepts US GAAP financial statements of U.S. issuers without the requirement for issuers to reconcile those statements to Canadian GAAP for the benefit of Canadian users of the financial statements. The CSA can keep this system of using two different accounting standards by replacing Canadian GAAP with IFRS and allowing companies to continue using US GAAP.

Enbridge is primarily a North American company. Less than 1% of assets held in 2007 and only 13.5% of earnings applicable to common shareholders earned in 2007 were outside the continent. The majority of users, investors, suppliers, customers and employees are North American.

Again, Enbridge believes that each issuer must be allowed to make their own assessment of the costs and benefits of using US GAAP vs IFRS and that it is not appropriate for the CSA to eliminate the option to use US GAAP.

***Question 5 Is the proposed transitional period of five years from 2009 to 2013 appropriate?***

No, the transition period is not appropriate. Enbridge believes that Canadian SEC registrants should be allowed to use US GAAP until the U.S. adopts IFRS and U.S. domestic registrants are required to use IFRS.

***Question 6 Do you agree that we should require a domestic issuer to prepare its financial statements in accordance with IFRS-IASB and require an audit report on such annual financial statements to refer to IFRS-IASB? If not, why?***

Enbridge believes that if an issuer chooses to use IFRS, it should be "IFRS-IASB", and the audit report should refer to "IFRS-IASB". We believe it is important to make it clear that Canadian companies are using IFRS as published by the IASB, and not a country-specific version of IFRS.

***Question 7 Are there additional factors, not discussed in this paper, to consider in deciding whether securities rules should refer to IFRS-IASB rather than Canadian GAAP?***

Some issuers may have agreements which include references to Canadian GAAP. These agreements may have to be modified to refer to IFRS-IASB which could increase the cost of a conversion project.

In general, we urge the CSA to come to a final decision on the matters described in the concept paper as soon as possible. In particular, the uncertainty surrounding the conversion to either U.S. GAAP or IFRS is detrimental to in-house long-term financial planning, GAAP conversion project planning and the smooth transition to either set of standards.

Enbridge is appreciative of the opportunity to respond and hope that our comments are useful. We would be happy to meet with you to discuss this matter further.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Richard Bird". The signature is fluid and cursive, with a large initial "J" and "R".

J. Richard Bird  
Executive Vice President, Chief Financial Officer and Corporate Development