March 19, 2009

Ms. Noreen Bent, Manager and Senior Legal Counsel, Corporate Finance
British Columbia Securities Commission
PO Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2

M[e] Anne-Marie Beaudoin, Corporate Secretary
Autorité des marchés financiers
800, square Victoria, 22e **é**tage
C.P. 246, Tour de la Bourse
Montr**é**al, Qu**é**bec H4Z 1G3

And to:
Alberta Securities Commission; Saskatchewan Financial Services Commission; Manitoba Securities Commission; Ontario Securities Commission; Nova Scotia Securities Commission; New Brunswick Securities Commission; Office of the Attorney General, Prince Edward Island; Securities Commission of Newfoundland and Labrador; Registrar of Securities, Government of Yukon; Registrar of Securities, Department of Justice Government of the Northwest Territories; and Registrar of Securities, Legal Registries Division, Department of Justice, Government of Nunavut.

Dear Ms. Bent, M[e] Beaudoin et al:

I am writing on behalf of Enbridge Inc. to respond to the request for comments on the Proposed National Instrument 55-104 *Insider Reporting Requirements and Exemptions*, Companion Policy 55-104CP *Insider Reporting Requirements and Exemptions* and related consequential amendments. Our response consists of brief comments on certain of the requested items, as listed in the Notice and Request for Comment.

Please feel free to contact the writer or Gillian Findlay, Legal Counsel at (403)-508-3174 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,

"Alison T. Love"

Alison T. Love
Vice-President & Corporate Secretary
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Response to the Request for Comments –
Insider Reporting Requirements and Exemptions

This response will consist of brief comments on selected issues relating to insider reporting 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:

1. Definition of "Reporting Insider"

a. We agree that the reporting requirement should be limited to insiders who satisfy both criteria of "routine access to material disclosed information" and "significant influence over the reporting issuer." We expect that many large issuers, like ourselves, have already adopted a similar analysis of its insiders for determining which insiders are required to file insider reports.

b. We think the persons and companies enumerated in the definition of "reporting insider" are appropriate.

c. We do not believe that limiting the reporting requirements to reporting insiders will significantly reduce the number of insiders who have to file insider reports. Although the method of defining who is required to file insider reports has changed, the criteria for the core group of insiders required to file insider reports are essentially the same. Changing the methodology will not change significantly the numbers of insiders required to file. As mentioned in 1(a) above, we believe that many large issuers, like ourselves, are using and will continue to use an analysis of its insiders similar to the proposed changes.

2. Definition of "Major Subsidiary"

We agree with the change in the definition of major subsidiary to increase the threshold from 20% to 30%; however, we believe that this change will have limited impact on our own current filings.

3. Reporting Deadline

We do not agree with the proposal to accelerate the reporting deadline from ten days to five calendar days. Large issuers, whose numbers of filing insiders are unlikely to change significantly under the new definition of reporting insider, would still be responsible for tracking trades and filing reports for dozens of reporting insiders (Enbridge has over 60). Many issuers, like Enbridge, manage the majority of insider filings in-house through trained filers, due largely to the connection between properly administered public filings and an issuer's reputation in the marketplace.

Given the current and potentially increasing complexity of these reports, we believe that five calendar days does not provide a long enough period of time to ensure that these filings are all completed in a timely and accurate manner, particularly when a large number of filings are required at one time, such as when stock options are granted. If the relevant trade occurs on a Friday, for example, the window for filing is only three business days. If it happens to be a long weekend, the filing window then becomes only two business days. This is not sufficient time for a large issuer such as Enbridge to prepare, verify and complete its required filings. The fact that SEDI is accessible 24/7 does not impact this consideration when the filers themselves operate on normal business hours, like the markets.

Although there are accelerated deadlines in both the United States and the United Kingdom, in each case the number of days is expressed in terms of business days. We believe that if the deadline for filing is to be accelerated at all, that it should be accelerated to five business days, which is consistent with other comparable jurisdictions and, we submit, allows for a more reasonable filing window.

4. Definition of "Significant Shareholder"

a. As Enbridge does not have more than one class of voting securities, we have no comment on this issue.

b. Enbridge has no comment on this issue.

5. Concept of "Post Conversion Beneficial Ownership"

a. As this proposed change does not affect Enbridge, we have no comment on this issue.

b. As this proposed change does not affect Enbridge, we have no comment on this issue.

c. As this proposed change does not affect Enbridge, we have no comment on this issue.

6. Issuer Grant Report

a. Although we do not disagree with this proposal, we do not believe this exemption will substantially reduce the work involved when options are issued. Insiders would still need to maintain their SEDI profiles to reflect the new grant of options, would need to file insider reports in any event, sometime after the grant and would likely continue to file insider reports at the time when grants are made. If an issuer makes use of the exemption, it will effectively mean the issuer makes one more filing than if it simply filed the insider reports in the first place.

b. We think that the information in an issuer grant report, if filed, is better disclosed through SEDI as this is currently where all information regarding insider trading is maintained and fragmenting this disclosure could cause confusion if an interested party does not properly search each independent location for grant information.

c. We support the option of permitting insiders to file an annual report if the issuer files an issuer grant report and think annual reporting is sufficiently timely. However, for our previously expressed reasons, we do not agree that it creates any less work for the issuer or insiders and would be unlikely to use this exemption.

d. We think that 90 days from the end of the calendar year is appropriate for the filing of the annual report under Part 5 and Part 6 of the proposed instrument. This time should not be accelerated.

7. Report by Certain Designated Insiders for Certain Historical Transactions

We believe these filings should be made on SEDI rather than SEDAR, since SEDI is generally regarded as the best source of information about individual insider holdings and segregating this information could cause confusion. However, SEDI would need to be updated in order to accommodate for these filings so that they are not subject to late fees, especially with the proposal for disclosure of those individuals who were subject to late fees in the information circular.

8. Disclosure in Shareholders Meeting Information Circulars

We disagree with the proposal to require disclosure of late filing fee penalties in an issuer's information circular. The same information is often already available elsewhere and does not contribute significantly to the purpose of the information circular. We also believe that the proposed treatment is potentially disproportionate to the transgression and its incremental benefit to the integrity of the marketplace, over existing penalties, is questionable.

Securities regulators in several Canadian jurisdictions already publish information about late filings, so the information is publicly available and clearly associated with each insider's name. In addition, many reporting insiders are not directors, so including this information in an information circular bears little relevance to the core function of the circular's disclosures about individuals and director elections and would serve limited use if the same information is already publicly available through regulators.

For directors, the information available to investors in an information circular is already voluminous, detailed and covers a large range of more or less relevant considerations for director elections. This includes an existing scope of disclosure requirements under item 7.2 of Form 51-102F5 for censure and penalties that

have earned general acceptance as both serious and relevant to director elections considerations, but which are not already subject to public reports.

We believe that the current deterrents of fines and publication of the event by regulators are sufficient and proportionate to the problem of late filing, such that requiring republication of late filing details by the issuer would often be excessive. However, should publication by issuers become a requirement, we believe that only insiders who have multiple late filings in a reasonably prescribed time period should be subject to the requirement. We believe this would substantially avoid unduly harsh treatment where a *de minimus* late filing has occurred, for whatever reason, since filing deadlines are currently treated as a strict compliance requirement.

General Comments

Although there is no request for comment regarding the insider reporting requirement as it relates to different types of stock-based compensation arrangements we understand there is a proposal to require the reporting of not only stock options but also deferred share units ("DSUs"), restricted share units ("RSUs"), etc. We do not believe that requiring insiders to report DSUs and RSUs would improve the existing insider reporting system. Neither the receipt nor the vesting of DSUs and RSUs reflect, in our experience, a trading decision on the part of the insider, since receipt is typically determined by others and vesting is typically an automatic function of the applicable plan. These events, while potentially significant from a compensation perspective, are not relevant to the policy rationale for insider reporting in Canada, as expressed in item 1.3 of the Companion Policy to the proposed National Instrument.

Relevant information about DSUs or RSUs can be found in the extensive disclosure that is required in the "Compensation Disclosure and Analysis" included in an issuer's information circular. For these reasons, we are of the opinion that insider reporting requirements are neither necessary nor relevant for certain stock-based compensation arrangements such as DSUs and RSUs.

If you have any questions on the comments provided, please contact Alison Love at (403) 231-3938 or Gillian Findlay at (403) 508-3174.