FRASER MILNER CASGRAIN LLP

April 20, 2009

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Nova Scotia 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
Registrar of Securities, Legal Registries Division, Department of Justice, Government of Nunavut

c/o

Me Anne-Marie Beaudoin, Corporate Secretary
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- and -

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Fax: 416-593-8145
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Dear Sirs/Mesdames:

Subject: Request for Comment - Proposed Repeal and Replacement of National Policy 58-201 Corporate Governance Guidelines ("NP 58-201"), National Instrument 58-101 Disclosure of Corporate Governance Practices ("NI 58-101"), and National Instrument 52-110 ("NI 52-110") and Companion Policy 52-110CP ("CP 52-110) Audit Committees

We have been asked to provide comments to the CSA on behalf of our client Alliance Pipeline Limited Partnership ("Alliance Canada") with respect to the proposed repeal and replacement of

NP 58-201, NI 58-101, NI 52-110 and CP 52-110. The comments which follow are limited to specific issues of relevance to Alliance Canada.

By way of background, Alliance Canada is a limited partnership which owns and operates the Canadian portion of a large cross-border natural gas pipeline system and is a reporting issuer because it has issued non-convertible debt securities to the public. Each of Enbridge Income Fund ("EIF") and Fort Chicago Energy Partners, L.P. ("FCEP") owns, directly or indirectly, 50% of the partnership interests in Alliance Canada. The trust units of EIF and the limited partnership units of FCEP both trade on the Toronto Stock Exchange ("TSX").

Audit Committee Exception for Subsidiary Entities

We note that Section 1.2(f) of proposed NI 52-110 provides that the instrument will not apply to an issuer that is a "subsidiary entity" if such entity "does not have equity securities trading on a marketplace, other than non-convertible, non-participating preferred securities" provided that the parent of the entity is "in compliance with the requirements of this Instrument."

In order for this exception to apply, however, an entity must be a "subsidiary entity" which in turn requires the entity to be "controlled" by a person or company - such controlling person or company being the "parent" referred to in proposed Section 1.2(f)(ii).

We infer that the reason this exception for subsidiary entities makes sense in the context of audit committee requirements is that the financial results of the subsidiary entity will generally be consolidated with those of the parent company so that ensuring the existence of an appropriate level of independence and financial literacy on the audit committee of the parent is sufficient. Inevitably in such a situation the parent's audit committee will be exercising a high degree of oversight over the preparation of the financial statements of the subsidiary entity and, if that parent audit committee is in compliance with NI 52-110, then the objectives of the instrument will have been met.

However, the subsidiary exception as proposed would not appear to be applicable to Alliance Canada because neither EIF nor FCEP controls Alliance Canada. On behalf of Alliance Canada, we submit that such a result illustrates that the proposed exception has not been appropriately defined to address the underlying rationale for the exception.

Under Canadian generally accepted accounting principles ("GAAP"), each of EIF and FCEP is considered to jointly control Alliance Canada and accordingly proportionately consolidates Alliance Canada in reporting its own financial position and results. Both EIF and FCEP are required to comply with NI 52-110 as it exists and as it will be amended. Given that none of Alliance Canada's equity securities trade on a marketplace, we submit that there is no policy reason why an entity such as Alliance Canada which is jointly controlled by more than one entity should be treated differently than an entity which is controlled, and whose financial results are consolidated, only by a single entity.

While Alliance Canada's position may not be commonplace, joint ventures are not uncommon in infrastructure development in Canada or elsewhere and similar situations may exist or may arise in the future. We would submit that the subsidiary entity exception should apply under NI 52-110 whenever an issuer entity:

(a) does not have equity securities trading on a marketplace, other than non-convertible, non-participating preferred securities; and

(b) a majority of both its equity and voting securities are held by entities which (i) consolidate or proportionately consolidate the accounts of such issuer entity in their own financial statements and (ii) are in compliance with the requirements of NI 52-110 or meet the test in proposed Section 1.2(f)(ii)(B).

Governance Instrument Exception for Subsidiary Entities

Similarly, we note that Section 1.3(f) of proposed NI 58-101 provides that the instrument will not apply to an issuer that is a "subsidiary entity" if such entity "does not have equity securities trading on a marketplace, other than non-convertible, non-participating preferred securities" provided that the parent of the entity is "in compliance with the requirements of this Instrument."

Again, in order for this proposed exception to apply, however, an entity must be a "subsidiary entity" which in turn requires the entity to be "controlled" by a person or company - such controlling person or company being the "parent" referred to in proposed Section 1.3(f)(ii).

Similarly to the last section of this letter, we would submit that there is no policy reason why an entity such as Alliance Canada which is jointly controlled by more than one public entity should be required to provide the type of disclosure designed for widely held enterprises any more than an entity controlled by only one public entity should have this expense and waste of time imposed on it.

Conversely, we would submit that in these joint venture situations where governance of the entity is effectively managed by the joint venture interest-holders as opposed to individuals, the disclosure of governance practices should be focused on requiring (on a "principles" basis) a description of the agreements or arrangements which govern the issuer.

Accordingly, we would submit that the subsidiary entity exception should apply under NI 58-101 whenever an issuer entity:

(a) does not have equity securities trading on a marketplace, other than non-convertible, non-participating preferred securities;

(b) a majority of both its equity and voting securities are held by entities which are themselves in compliance with the requirements of NI 52-110 or meet the test in proposed Section 1.3(f)(ii)(B); and

(c) provides disclosure in one of the documents contemplated by Section 2.1 of NI 58-101 which describes the material attributes of its governance arrangements.

Other Submissions

If the above submissions made on behalf of Alliance Canada are accepted by the CSA, then NI 52-110 and NI 58-101 will not as such apply to Alliance Canada. However, we have been asked to submit Alliance Canada's views on two of the specific topics on which comment was sought, as follows.

5. ***Should venture issuers be subject to the same disclosure requirements concerning their corporate governance practices as non-venture issuers?***

No, in the view of Alliance Canada, applying the full panoply of disclosure requirements regarding governance practices with respect to venture issuers would be unnecessarily burdensome and prescriptive. The underlying reasons why issuers qualify as venture issuers are diverse and a "one-size fits all" approach will result in multiple mis-applications of the objectives of the instrument. In Alliance Canada's situation, it is closely held and its governance is prescribed by heavily negotiated agreements entered into by arms's length parties. Conversely, many other venture issuers qualify for that category because of their early stage of development and modest means.

9. ***The proposed definition provides that independence is independence from the issuer and its management, and not from a control person or significant shareholder. Given this definition:***

(a) should a relationship with a control person or significant shareholder be specified in section 3.1 of the Proposed Audit Committee Policy as a relationship that could affect independence?

Alliance Canada agrees with the proposed definition in this respect and does not believe that a relationship with a control person or significant shareholder should be specified as a relationship that coud affect independence.

(b) should such a relationship be solely addressed through Principle 6 – Recognize and manage conflicts of interest as proposed?

Yes.

(c) is it appropriate to include as an example of a corporate governance practice that an appropriate number of independent directors on a board of directors and audit committee be unrelated to a control person or significant shareholder?

No, in line with our answer to part (b) above, we submit on behalf of Alliance Canada that the proposed text of Section 2.4 of CP 52-110 is inappropriate and

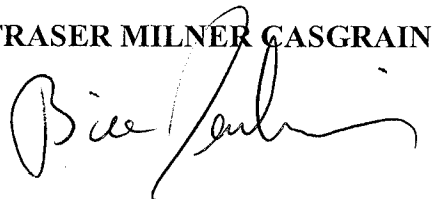
should be deleted. In any event, including a substantive provision of this importance in a Companion Policy under the rubric of composition of the audit committee as a whole when the Companion Policy does not identify a relationship to a control person or significant shareholder as a factor in assessing the independence of any particular member of the audit committee would serve only to introduce uncertainty and confuse the applicable principles.

Finally, we wish to advise on behalf of Alliance Canada that it supports the concern expressed by the ASC in Appendix A to the December 19, 2008 Request for Comments. Specifically, we submit that delegating the adjudicative role regarding a director's independence to the board but then basing the touchstone of independence on "perception" lacks coherence because an issuer's board is not in any special position to assess whether or not it would be reasonable for a perception of lack of independence to exist. Conversely under the current instrument's test the board of an issuer is typically in a unique position to apply its collective judgment to determine whether the relevant relationships can be expected to interfere with the exercise of independent judgment.

Thank you for the opportunity to comment on the proposed amendments. If you have any questions or would like any further clarification on any of the above, please do not hesitate to contact the undersigned.

Yours truly,

FRASER MILNER CASGRAIN LLP



Wm. K. Jenkins
WKJ/hm

cc. Susan Wright, General Counsel
Alliance Pipeline Ltd.

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