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<<Mark Easterbrook, Analyst>>

So move on the next partnership. Speaking from Enbridge Energy is Terry McGill, President and he'll be talking about US energy self sufficiency a pipe dream.

<<Terrance McGill, President and Director>>

Welcome, thank you very much Mark, RBC for hosting this conference, it's great to be back up here and I think the weather has been nice. With me today Tracy Barker sitting up here, Manager of Investor Relations, Margaret Liu is also in the Investor Relations department who is just coming in the back.

So with that, he wanted a title, self sufficiency a pipe dream, I'm not sure how many people here actually believe the United States will become self sufficient in energy. I personally don't believe we will. I'm from Nebraska, it's not a Missouri thing where I have to be proven, but from Nebraska all my relatives are farmers, both in Iowa and Nebraska and I can tell you this right now and this ethanol craze they drive Escalades now down to the end of the road to get their government checks, is how it's all working, they really love this stuff, but it's overall self sufficiency in the United States of energy, it isn't going to happen.

But before we get into the good stuff, which was kind of good stuff, I know you haven't seen this yet today or yesterday, but our legal disclosure and all the sort of information that we'll be talking about, but primarily going to talk about crude oil and the US importing of crude oil. We see a growth of – we're importing about 10 million barrels a day today, we see that growing up to about 13 to 13.5 million barrels by 2030. So we see continued need for crude oil in the United States. We don't seem – as Americans we don't seem to be doing much we still – we drive 4% more this year than we did last year and we had 70, $75 crude last year. So far we have not hit the levels that United States seems to be responding in mass protests or changing or behaviors.

But of those 10 million barrels, Enbridge brings about 1.6 million barrels of it and the other suppliers being Venezuela, Mexico, Nigeria, Saudi Arabia I believe is fifth, and the problem with some of the other suppliers isn't whether or not they like the United States, it doesn't make much difference, because they always sell their oil to whoever has most money. I'm more concerned about the lack of the infrastructure, the ability for Venezuela and Mexico to continue to grow, some of the bigger fields in Mexico are already on its decline and will they have the technology and the money to reinvest, to continue to exploit their natural resources.

With that we become more and more dependent upon and we move into Canada, we like Canada. There is 175 billion barrels of oil in the Oil Sands. Right now it takes one ton of sand to make one barrel of oil and they move 1 million barrels a day. It is a fascinating operation, if you ever get up to Fort McMurray the dump truck are two storey houses, the drag lines, I mean everything it's just a huge mining operation there, also moving into the below ground, the in situ recovery of oil to the steam and trying that, but a lot of it is the mining operation.

Enbridge is the general partner, certainly is the main conduit for moving the crude oil, 63% of the crude oil from Alberta Canadian comes through the Enbridge systems. Overall Enbridge moves 2 million barrels a day, at about 1.6 million barrels directly into the United States through the main Enbridge line up in Canada and then ultimately to the partnership into what we call the Lakehead System.

All this crude oil coming in, and continued growth, and I'll talk a little bit in second about some of the projects that we're already doing, has created somewhat of a dilemma on our pipeline. This had led to the Southern Access Expansion. If you look at your – the slide up there, Superior, Wisconsin became the bottleneck. We can move 940,000 barrels a day south of Superior, the balance goes along the north side, through the straits and servers Eastern US and Eastern Canadian markets.

But the growth, 70% of the refining capacity is in PADD II and moving south, so – and we supply Minneapolis, the Superior refineries, the Chicago refineries and that's where the demand is, how do we get the Canadian crude further south into the United States and then ultimately to the Gulf Coast, where the refineries in the Gulf Coast can handle the heavy crude, the Venezuelan and Mexican have these already, so you don't need So you don't near the refurbishment to get there. But you got to get it there and that is the problem.

So the first phase Southern Access Expansion, it adds the first tranche 400,000 barrels a day from Spirit, Wisconsin down to Delaware and then ultimately to plan again Illinois, which connects with the Enbridge link outside of Spearhead Pipeline. It's expandable. It is 40-inch line. So it is expandable up to 800,000 barrels with just a little bit of pumping and 1.2 million barrels with a lot more pumping. It is MLP friendly of a project as we could have come up with. It's a 30-year full cost of service pipeline and a 9% real return plus inflation plus tax. We have no supply risk on this project. So this is a great way to alleviate the superior bottleneck.

On the construction process -- progress so far, the first tranche of 190,000 barrels will be starting in April of '08. The second tranche 210,000 barrels will come on in April of '09. That's taking little extra piping but mainly constructional pumping stations. So it is the first space in a capital program. In effect, we are doubling the size of the company through construction, not through acquisition. So as that pipeline builds fills up, more crude oil comes. We've reversed our problem. Now I don't have enough capacity into

Superior. I've got plenty takeaway from Superior, now I'm constrained going into Superior.

And the Alberta Clipper project in conjunction with the general partner Enbridge Inc. Enbridge Inc. will build the Canadian piece from Edmonton down to the border. The partnership will build from the border to Superior. And this adds 450,000 barrels of capacity and that basically makes now the parts right. Now the crude coming in, it's not bottleneck to Superior. It can continue on to the south to Chicago and then ultimately to TOCO, next stop theGulf Coast. I've got to mention the couple of costs, it's $2.1 billion for the Southern Access project and $1 billion in '07 dollars for the Alberta Clipper.

Again Alberta Clipper have the same general regulatory compact. It's 15-year agreement. They use the Canadian multi-pipeline rate plus 2.25% plus tax, no supply risk. So it's again a regulatory cost of service type of model that is very MLP friendly. So as we are cruising along building all this capacity and grand access building Keystone, so you see all this capacity coming on.

But what we see is tremendous opportunity, tremendous growth coming out of the oil sand. There is no other place for the stuff to go. I mean it's not going to be – I mean the oil is not going to be consumed up there. Here the story is of the gas. It will be a tremendous user of natural gas. That's why the Mackenzie Delta pipeline as an example they've talked about. The first thing today won't even hit the United States, it will be consumed in the oil sands. The Alaska pipeline, it's ten years from tomorrow and tomorrow never comes.

So, the oil, we take the survey of all the producers, bring it all in. Our producers are by definition very optimistic bunch. So we kind of spread that up based on the work force, the refinery upgrades. When capacity comes on that kind of bring a more market balance to a realistic, we believe, view of the growth. And what you see in the yellow there is the Enbridge forecast of growth in the oil sands. So we've done a – layered on, then the tranches of capacity. Capacity comes on general in 400,000 barrel chunks. You don't kind of grow into it, just they want us on, that's the way it goes. But the producers building – I think there is about $35 billion have already been spent and committed about $100 billion to develop oil sands. The last thing they want is to be ready to go and not have pipeline capacity, Canadian heavies today.

I guess last week I was up in Canada, they were trading at a $50 discount to WTI. And the goal of the Canadian producers, the goal of Enbridge is to bring the differentials up to where the barrel, the discount on a barrel of Canadian heavy is only based on its quality, not on artificial capacity constraints. So when you look at – we want $0.50 or $0.80 or some toll to move, it's a small – we'd be on pennies and they are dealing in dollars. So that's why we can get no supply risk contracts. We can get guaranteed returns as long as we get that capacity in a time when that oil is ready to flow. So you can see how they have committed to this capacity. It's coming on, and there is tremendous amount of work going on right now to generate all that oil.

So that's kind of the oil story. Oil is 50% of the partnership. Natural gas being the other 50%, and this is sound an awful lot like a lot of the guys listened to yesterday and some of you will hear today. Unconventional gas is the growing supply source. EIA predicts 50% of the domestic gas will be unconventional, being tight sands, coal seems, shales by 2030. We see tremendous growth for natural gas. Texas is – here is a perfect example. TXU, the local utility wanted 11 coal fire plant and has also been scrapped. Texas could use those tremendous amount of gas fire electric generation. There will be more gas fire generation built.

There is still -- the oxymoron of clean coal is still treated as an oxymoron by most of the countries and they are not so strong local opposition to coal plants. So natural gas is the way. It's going to grow for a while. 27 Tcf, that was topped maybe ten years ago, go to 30 Tcf. 27 Tcf seems a little more achievable. Every Tcf I believe is 2.7 Bcf a day. You guys can do the math. This group ought to be very good at math like I see it right a little early maybe for math questions. I know you didn't sign up for math. But every Tcf, it's 2.7 Bcf a day. So you started to see the amount of gas one needs to be able to generate, explore, develop to meet the natural gas growth in the United States.

The biggest deposits right now, the shales, Anadarko and of course we are sitting on top of the Barnett Shale. I know you guys drove around at night, around here you see all the rigs. They drill on TCU campus. Those of you flying out of DFW, there 11 wells on DFW. Chesapeake has estimated 1 Tcf of reserves sitting under the airport. Fort Worth passed an ordinance that allows drilling within the city and it's led to all the other problems of construction, right of way, pollution, noise, the different things, but it is a tremendous growing resource.

And it has fundamentally changed the way natural gas blows across the state of Texas. I was due to be here and I saw the lineup of the folks afterwards at the boardwalks energy transfers and everyone else and you hear about the projects, the moving gas out of this area, where we're sitting right now. Dallas used to buy its gas at Waha, which is stored in Bethel, just do things around here. They're sitting on top of it now.

So Texas has become an exporter or a greater exporter of natural gas. Texas produces about 19 Bcf a day, consumes 10 Bcf a day, so any given day you have 9 Bcf heading for the borders. And that led to this growth of pipeline construction that we're doing and you'll hear about everybody else today in their projects. So in our three areas the A area being the Anadarko, C area being the Barnett Shale, what we call the fourth conglomerate and the B being the East Texas Bossier Sands. We have seen tremendous growth in all three of these areas and it's led to growth in our processing plant construction and capabilities on that.

So we went to PIRA, had them update their studies in April to see the growth. And you see the East Texas. There's actually a lot of exploration in East Texas. Deep Bossier, it's got more solid CO2 kind of gas, but there's more exploration. Barnett Shale is not so much exploration anymore, it is much more of a manufacturing. They pretty much know how to do it. Everybody has kind of cracked the code and it's how quickly you can put wells and if Devon can do 31 wells every 19 days I think they told me with the new Devon, flex rigs. So – and of course they are dealing with [indiscernible], EOG has them and a bunch of other folks are drilling like crazy up here.

So you see the Western Anadarko, predominately the Granite Wash, the Fort Worth predominately the Barnett Shale, which is still trying to figure out where it ends, it's still growing and they just keep going a little west and south and are still finding it. In East Texas you see the, again the Bossier Sands. 90% of the gas business of the partnership, remember the partnership is 50% gas, 90% of that is in Texas, in these areas.

So, as we've come along and I've mentioned it fundamentally changed the way gas flows across Texas. We build a couple of pipelines, one from just Southwest of here, Bethel area to Carthage being a liquid trading hub. But this one that we're just in the processes of finishing up, the Clarity pipeline, again from this Bethel hub, not traditional hub I guess, but it's getting bigger, which is Southwest of Dallas. To move gas – it really solves three problems or addresses three problems; moving the excess gas down to the Gulf Coast, serving the industrial markets and hitting those pipelines, then go to the southeast, to the Mid Atlantic, into the Northeast.

The second it does in the Marquez plant sitting of to the west on that map up there is it's 200 million a day CO2 treating. The gas being discovered in the deep Bossier is higher than CO2 not particularly H2S, but CO2, so we have a treating plant just to handle that production, and then going all the way up to Bethel allows us to move our volumes that we pick up through POP and POI contracts and other parties to move it down, alleviate kind of the backlogs we have in our system and provide outlets for the North Texas and the Barnett Shale stuff.

So as we do down we really have no inputs south of that Marquez, Crockett point, that's pretty much all transmission down there so far, there is drilling going on, but we head to Goodrich, you'll get to Gulf South owned by Boardwalk, Kinder Morgan and NGPL. And the Kountze line interconnecting the Trunkline, that opened up November 1st. And in the last tranche down to Orange County is under construction now and expected to be completed in February. Who other stated like this, they are really making good time.

And that gets you the Florida Gas industrial customers in the Belmont, Bellview, Houston areas. So that's a $635 million project, 700 million a day. It's currently doing about 230 million a day I believe as – we just opened up the interconnect to Kountze mid-month, so we missed the nomination cycle. So it is growing and moving along, we'll be done shortly.

So you've heard of the acquisition and we were blessed, we did a lot of acquisitions early, I was listening to the previous speaker who had also done acquisitions early, a lot folks have, the prices weren't quite as high, it wasn't quite the fever over the acquisitions.

So we moved through, got to the critical mass and as the price os acquisitions started to skyrocket, we saw the opportunity for organic growth, both in the oil and gas side and what you see over the next five years for the partnership is probably $5 billion in invested capital into oil and gas transmission assets.

Again I went through the oil assets, which are very MLP friendly type of constructs, so our growth is organic. I heard some of the questions on acquisitions, now we have no intention, we have no plans right now of any acquisitions, we seem to have our plates full. Everybody had, every speaker in the last two days have the last list. They have something that they would absolutely falling on their sword for, and everybody has that. But until something crazy like that comes along, I'd say we've got more than enough to say grace over.

So wading through this there is three things I want to leave you all with. Is the growth, we're doubling the asset base and it is bet on Canadian oil and the United States' insatiable appetite or oil it's coming down to the Enbridge systems. Income we have a good yield of, what 7.2 something like that, I haven't checked out today. And safety, we've been around since 1991, we have a strong, strong general partner, it's a 51-year company. So it has a strong vested interest in the success of the partnership since we on the oil line are coming out of Canada. So again those three things only make it a great, very attractive investment proposal.

So with that, I went through it very quickly, I bet you are a smart bunch. So let's go to maybe some questions and answers. Yes sir.

Q&A

<Q>: [Low Audio]

<A - Terrance McGill>: Yes, because –

<A - Mark Easterbrook>: Sorry, can you repeat?

<A - Terrance McGill>: Oh I'm sorry. Because of other technologies that may speed up or increase the amount of production coming out of Canada, most likely speed up. We like the Southern Access, we oversized it. We had permission from the CAP, Canadian Association of Petroleum Producers in the rage to build a 36-inch pipeline. We upsized to 42-inch because it was not that big. About 12% of the capital is due to the upsizing. The oil pipelines if you have the big enough pipes it is as simple as putting more pump stations.

<Q>: [Low Audio]

<A - Terrance McGill>: You can go from, I don't know 400 – I don't know how the percentage is. 400 to 36, another 400 or 800 to a 42, another 400 because of additional

pumping stations. Again we seem to move in 400,000 barrel chunk. But pumping stations will gt you more capacity, up to a point where the cost of power is greater than the revenue on the barrel. Are there questions?

<Q>: Yes, just quickly, obviously a lot of pipeline projects going on right now can you sort of discuss sort of tightness in the construction market? I mean are we going to see another significant rise in cost and then have you locked in all these pipeline costs?

<A - Terrance McGill>: Oh, yes. Boy, I tell you what being in the construction business right now is a really good business to be in. The – I was talking to a fellow at the airport who have $750 million backlog of orders, I said "Are you still bidding on project?" he says "Yes we are." And says "You know what" he starts laughing, "Once in a while we still one." So you know he's got everything but the kitchen sink in there, probably the kitchen sink in there also. We – everybody is building 42-inch pipes. 42-nch pipe seems to be the pipe de jure. It still takes 74 weeks to get a 42-inch valve, it still takes 54 weeks to get a 1200 by 1500 horse compressor. So you still see tremendous in the parts and things lag time coming in. A lot of these pipes are built in areas where there is not a highly populated workforce, I mean it's not highly populated areas, Saskatchewan, Northern Minnesota and things, so we've been – we seen mainly labor costs going up as you're trying to drag people up from the sunny Louisiana and Texas where there is a lot of work in dragging them up to Wyoming and Nebraska and the Dakotas and the cold. But we see still – we personally -- we have IPSCO mill in Regina, Saskatchewan who will be rolling pipe for Enbridge for about 2.5 to 3 years will only be for Enbridge. We have enough projects and going along. Our Clarity Pipeline, since we are down in Houston, we've got it from Tamerus [ph]. But Brazil, Italy and Greece on three different tranches of that shipped into the – part of Houston, which is a couple of hours drive up to the location. Pipe space is important, getting the steel in the pipe. Now the prices have moderated somewhat, you don't see the tremendous growth we've seen in the steel prices about three years ago. So we like to lock that in, but the customer or the contractors are not doing turnkey deals, it's going to be time and materials. So we watch the weather, and actually right outside here, right down to Weatherford, Texas, which is down Interstate 20, I was staying in a hotel and went out to my rental car in the morning and there was a flyer in the window that if you a welder, going down, and I came over [indiscernible] or Wendy's or some place to eat, and there are opportunities there $5 more an hour. They kind of know where everybody is staying and that's the tremendous demand for the skilled labors. Hope that answered some of that, Mark.

<Q>: Yes, it definitely gave a good color on how taking market might be. Moving away the natural gas side, obviously mainly the Texas market you are very much tired, you are drilling activity in the Barnett Shale and East Texas, what kind of gas prices would probably rock those forecast when we look at it?

<A - Terrance McGill>: Yes, I get that question a lot and then I was reading the XTL I think came out with the press release that their drilling had gone up and their production had gone up. And I think [indiscernible]. I don't know, but whatever the price is, it's not

stopping now. And we started seeing the greater costs moving up in the Barnett Shale, though not as much as your Fayetteville and Woodford shales because there is an infrastructure here this place, employees and kind of set up. But over the long run, you are still – gas prices, we would see an average next year probably over $8, 8.01, maybe 20. And that should be more than enough to continue to drilling in the areas that we have here.

<Q>: What do you mean, is it a 3.50 number or $4 number --?

<A - Terrance McGill>: Yes, higher than that. I'd guess it's probably more, 5 or 5.25.

<Q>: Okay.

<A - Terrance McGill>: And it's got to be prolonged. It's not going to be like today or a month. I mean it's like excellent. It will build things based on the oil price today, longer term view. And you also have three-year leases up here. So you better get oil on that lease, or you are going to lose that that lease is transferring to someone else. So you do have a kind of a built-in demand of drilling to hold those leases.

<Q>: Okay. One last question from me, which is the differential between you mentioned the crude up in Canada versus I guess WTI was $50. Looking out as capacity comes on, I mean when do you see that differential sort of narrowing a bit? I know markets play a role in that, but if you look at the incremental capacity that's coming on line to bring down Canadian crude, when would you might see that narrow a little bit?

<A - Terrance McGill>: I think you should see it. I'm not positive you are going to see it with our first tranche of Southern Access. I think it's probably more in the first part of '08, because there are two things. It's capacity for us to get crude oil down, but it's also refineries that can process it. On that chart I showed that show the red dots, red stars being refineries already served with Canadian crude. There has to be the market. Right now PADD II [indiscernible] is saturated with Canadian crew. There has to be some movements off of that. Yes, sir.

<Q>: [Low Audio]

<A - Terrance McGill>: What would the differential get to once the pipelines are in? I don't know what the quality of difference. I mean it's gotten as well as maybe $17, $18, which is maybe more representative of quality differential. $50 is clearly an artificial one due to pipeline constraints.

<A - Mark Easterbrook>: Thank you very much, Terry.

<A - Terrance McGill>: All right. Thank you all.