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PRESENTATION

Operator

Good morning, ladies and gentlemen and welcome to the Enbridge Inc 2009 third quarter financial results conference call. I'd like to turn the meeting to Mr Vern Yu.

Vern Yu - *Enbridge - Investment Community*

Thank you and good morning. Welcome to Enbridge Inc's Q3 2009 earnings call. With me are Pat Daniel, President and Chief Executive Officer, Richard Bird, Executive Vice President and Chief Financial Officer in Corporate Development and Colin Gruending, Vice President and Controller. Before we begin I'd like to point out we may refer to forward-looking information during this call. By its nature, this inherent information applies certain assumptions and expectations about future outcomes. So we will remind you, our information is subject to risks and uncertainties affecting every business, including ours. More fulsome disclosure of these risks and uncertainties can be found in our public disclosure filings available on both on CDAR and [ADER]. This call is webcast. I encourage those listening by phone to go to our website under the Investor tab and you'll be able to find some slides there. A replay and Podcast of the call will be available later today. The Q&A format for the call will be our normal format where the initial Q&A is restricted to the analyst community and once that's finished, we'll be available to take questions from the media. Finally I'd like to remind everyone that Pat, Marie and I are available after the call for questions. I'd like to turn the call to Pat Daniel.

Pat Daniel - *Enbridge - President and CEO*

Thanks, very much, Vern. Good morning everyone, thank you for joining us this morning. Earlier today we were pleased to announce third quarter adjusted earnings of CAD152 million which is an increase of 78% over this quarter last year. So on a year-to-date basis, adjusted earnings have increased 30% to CAD616 million or CAD1.70 per common share. As a result of this strong performance, we're today increasing our full year guidance from a range of CAD2.18 to CAD2.32 per share to a new range of between CAD2.30 and CAD2.36 per share. Mid point of this new guidance range represents a 25% increase over our 2008 adjusted earnings. Richard, of course, will speak to third quarter results as well as this new guidance range in more detail shortly, but it's safe to say that we are on track to deliver a record growth year for Enbridge.

Our solid growth comes from a combination of a number of things. Firstly, new assets, which we placed into service through 2009, also improved results from our existing businesses and our increased investment in Enbridge Energy Partners and then finally ADC from assets that are currently under construction. All our business units are performing very well this year. As most of you are aware, we recently held our annual investor days in Toronto and New York and we spent a lot of time at those meetings focusing on our strategic direction. As a result of that , I'll keep my opening remarks brief today. If you didn't get a chance to attend Enbridge day in person, I would encourage you to review a replay of the webcast on our website, where we do go into a lot of detail on individual projects and strategy. There you'll find a detailed review of why we believe Enbridge has substantial valuation, upside, as a result of the many opportunities that we have in our liquids, gas and green energy businesses, coupled with a very low risk profile for the Company. So far in 2009, we've placed more than CAD3 billion worth of new projects into service. These projects provided much needed energy infrastructure for our customers and they're going to grow Enbridge's earnings and cash flows going forward. We've also made significant progress this year in securing new projects that will allow Enbridge to grow its earnings per share at an average of 10% per year into the middle of the next decade.

During 2009 we placed the CAD300 million line forward extension project into certification which extended line four back to Edmonton to Alberta. Secondly, we increased the capacity of our Spearhead Pipeline by 55% through a $100 million expansion project. We also completed our light sour crude oil pipeline project and Phase II of the southern access project. In Ontario we installed the remaining 50 turbines of the Enbridge Ontario wind project, bringing all 190 megawatts online now. And finally we placed a total of 7.5 million barrels of crude oil storage into service at Hardisty during 2009. It's been a tremendous year from a new project point of view.

Moving onto our new growth projects, announced during the past quarter. We have two separate projects in the Gulf of Mexico as you know. The first was the about half a billion dollar Walker Ridge gas gathering system which will provide service to Jack, St Malo, and Big Foot ultra deep water developments. This project not only increases our infrastructure in the gulf, but it does so in a way that reduces our risk in that area. The contracts call for a minimum return back by long-term take or pay arrangements. As such, Enbridge is protected from both capital costs and volume risks. The Walker Ridge project highlights the type of commercial arrangements we'll pursue as we continue to strengthen our offshore business. The announcement in early October of the Big Foot oil pipeline further reinforces our commitment to an improved risk returned profile for our offshore assets. This is about a 300, or $0.3 billion project, which will transport oil from the proposed Big Foot ultra deep water development and is complementary to the Walker Ridge project that I was previously speaking to. As you know, Enbridge currently moves about 40% of offshore gas production through our systems in the gulf and we're well positioned for future expansion in both natural gas and oil pipeline infrastructure there.

Turning to our green energy business, we've recently announced that 20 megawatt Sarnia solar project, which represents Enbridge's initial entry into the very rapidly growing business of solar energy. This project is right in the sweet spot of Enbridge's doable energy strategy with risk and return characteristics that are fully consistent with Enbridge's low risk business model and very similar to our crude oil pipeline business in terms of business model. The Sarnia solar project is expected to be completed by the end of 2009 and will be the largest photovoltaic solar energy facility in Canada and one of the largest in North America.

Finally, as we noted in our news release this morning, we're encouraged by increasing signs of renewed activity in the oil sands as commodity prices have recovered to a large extent. Enbridge is of course, the largest operator of regional crude oil pipeline in serving the oil sands and this gives us a very strong competitive advantage in pursuing significant growth opportunities, both in regional oil sands pipeline infrastructure and extending access to new markets for Canadian crude oil and further improving [cutbacks] for our customers. To conclude, we're not only bringing projects on budget and on schedule, but we're also building a very strong portfolio of commercially secured projects across our liquids, our gas and our green energy businesses. These new projects and potential opportunities are going to help ensure that Enbridge will continue to deliver strong, steady, earnings growth, well into the next decade. So with that, I'll now pass it off to Richard Bird who's going to review the quarterly financial results in more detail as well as address the adjustments we made to our 2009 guidance range. Richard, over to you.

Richard Bird - *Enbridge - EVP, CFO*

Thanks, Pat. Good morning, everybody. I'll be starting on slide six of the slide deck for you that are following along on that. And as Pat mentioned earlier this morning, we released our third quarter results, and year-to-date to report a net income was CAD1.255 billion or CAD3.45 per share, that being a 19% increase over our 2008 earnings. 2009 and 2008 results both, on a reported basis, included a one-time gain on sales, related to the sale of our investment in [Asenza] in the 2009 year and CLH in the 2009 year. Our 2009 earnings were also increased by large mark to market gains on derivatives used to lock in foreign exchange interest rates and commodity prices. 2009 was further increased by stronger performance within each operating segment of the Company, which offset the loss of earnings coming from our international segment and we'll get into that stronger operating performance in a moment. Excluding one-time and nonoperating factors, our adjusted earnings for the year and the third quarter increased by 38, by 30% and 78% respectively. Which places us ahead of where we plan to be by this time of year and is why we are adjusting our 2009 guidance range, which I will speak to in just a few minutes.

So, let's first walk through each operating segment in a little more detail. Liquids pipelines adjusted earnings rose CAD45 million in the third quarter of 2009 alone, to CAD119 million, and increased CAD86 million for the first nine months of 2009 to CAD313 million. That's a 38% increase. So in the chart on page seven of the slide deck, you can see that very significant up lift in performance year-over-year for both three months and nine months for liquids pipelines. As with the first half of the year, most of this increase is due to the recognition of allowance for equity funds used during construction within the Enbridge system from Alberta Clipper and from our Southern Lights project. In addition, Southern Lights earnings include contributions from the LSR line, which was placed into service in the first quarter of this year. The Athabasca segment earnings reflect a full three quarter contribution from the Waupisoo pipeline as it we're in 2008, it began contributing to earnings late in the second quarter. These positive results were only marginally offset in the full year by increased business development costs.

Results within the gas pipe lines business also improved substantially based on strong performance from our offshore assets which benefited from contributions from the Shenzi lateral placed into service this year. Higher throughput from the Thunderhorse platform, which is now producing at levels that exceed our original volume expectations, also helped earnings in this segment. And finally, all three assets within this gas pipeline segment, which are US-based have benefited from the hedging that was put in place in late 2008, which hedged 80% of Enbridge's US earnings at an average rate of CAD1.22 through 2013.

Sponsored investments had another strong quarter. Heat more than doubled its contribution in the third quarter when compared to the prior year. As adjusted earnings increased CAD15 million in the quarter and CAD35 million year-to-date. That strong performance was primarily due to the increased ownership of heat as a result of our CAD500 million US capital injection made in the fourth quarter of last year. Our results within heat were also improved as a result of stronger performance, operating performance within both the liquids and natural gas businesses. These results were also further enhanced by the stronger locked in US dollar and by our higher general partner incentive income from this investment.

The Enbridge income funds contribution, a gain increased. That's on the strength of two distribution increases announced by the fund in 2008, which we're seeing full benefit of in 2009. In the sponsored investments segment, you'll see a new line, this quarter, which is related to Alberta Clipper US and once we receive the final regulatory approvals for this project, we began to earn ADBT on this investment during this quarter. And of course, more to see in quarters to come. The earnings that you see in the quarter, therefore, reflect 67% of the aftertax earnings from AEDC booked within the partnership and convert it to Canadian dollars.

Moving next to gas distribution of services, results were slightly improved in the third quarter as the quarterly loss decreased by CAD5 million. Losses are typically incurred during the third quarter of each year due to lower summer month heating demand within the gas distribution assets, most notably Enbridge gas distribution. Year-to-date, adjusted earnings are up by CAD22 million from CAD130 million last year to CAD152 million this year. And that year-over-year increase was primarily as a result of stronger performance from our energy services business, which was able to realize higher margins and volumes from contained oil market and low risk transportation arbitrage opportunities. Earnings at Enbridge gas distribution were consistent with the prior year and with further cost savings under our incentive regulation program, we expect earnings in 2009 for the full year will exceed full year 2008 earnings and we expect to achieve, in excess of 100 basis points of ROE premium, above the benchmark regulated rate. As well as providing significant savings to customers in the form of reduced charges for gas delivery. So both that premium and the savings going back to customers reflect performance of the incentive regulation regime for Enbridge gas distribution now in its second year.

To conclude our review of the segment results, corporate costs for the quarter were in line with the prior year and year-to-date results continue to benefit from lower operating costs due to corporate cost initiatives, as well as some favorable foreign exchange realized gains. As a result of these very strong year-to-date results, as Pat mentioned earlier, we are increasing our 2009 earnings guidance range from CAD2.30 to CAD2.36 per share and that pretty well reflects the relative strength of each of those segments I've covered as they performed in the nine months to date. On that note, I'll turn it back to Pat for his concluding comments.

Pat Daniel - *Enbridge - President and CEO*

Maybe I can quickly summarize before we take your questions. Our very strong year-to-date results led us to increase our guidance range in anticipation of the strongest growth year in the Company's history. As you know, we've successfully placed a number of major projects into service, on time and on budget and we continue to add to our substantial list of commercially secured projects within all three business areas, liquids, pipes, natural gas pipes, and green energy. These commercially secured assets, along with improved results within our existing assets will enable the Company to grow at an average rate of 10%, per year, well into the next decade, even when using this record year of 2009, as the base year. Enbridge has the strongest growth profile in our sector, balanced against the lowest risk profile in the sector. We think that offers investors a unique investment opportunity with substantial valuation upside. So on that note, maybe we can move into the Q&A session.

QUESTIONS AND ANSWERS

Pat Daniel - *Enbridge - President and CEO*

Hello? Do we have a moderator there?

Operator

Yes, sorry. (Operator Instructions) Give us a moment to compile the questions. Our first question comes from the line of Carl Kirst with BMO Capital. Please proceed.

Carl Kirst - *BMO Capital Markets - Analyst*

Good morning, everybody, nice results. Pat, just a quick question on the renewables side. I know in, in the past, recent past, you've been talking about -- your folks are bringing a lot of opportunities to you and just trying to get a sense, are these other additional Sarnia type projects or is this for instance more foundation projects that you have that are looking at expanding? And most notably here, the Sarnia coming into service this year, at what point do you think this project could be expanded? Is that something that could be evaluated sooner rather than later or something you have to let it operate for a year and then perhaps in 2011 you think about expanding it?

Pat Daniel - *Enbridge - President and CEO*

Well to come back to that, first of all, Carl, thanks for the comment on the quarter. We appreciate that. It's been a great quarter and a great year. With regard to your general question, it's a combination of potential expansions of existing facilities and potential acquisitions of new renewable facilities. We do hope to continue to expand both the solar and wind business. I think the key thing is that whatever we do, it'll be very much along the line of the very similar business model to which you're seeing in Sarnia. We have good organic growth expansion opportunities within existing facilities but some good acquisition opportunities as well.

Carl Kirst - *BMO Capital Markets - Analyst*

With respect to potential timing of the Sarnia expansion. Is that something you have to let it operate for a good amount to time to get comfortable with it or is it something you think you could do in a cookie cutter fashion, fairly soon?

Pat Daniel - *Enbridge - President and CEO*

I'd say the latter. We feel comfortable with the operation, not that it's in operation, but with the relatively straightforward nature of the operation in the solar business, so we wouldn't necessarily have to have that up and going for a long period of time before we stepped out and did another one like it.

Carl Kirst - *BMO Capital Markets - Analyst*

Okay, fair enough. And then just last question, if I, if I could and this is more looking out at, at 2010, and in sort of quarters past, I guess the guidance for 2010 has been, not only we're going to have 10% growth, we'll have 10% growth off of 2009. Clearly we're getting much better performance in 2009, at least than we expected. Should we be thinking about this? I know the word you used was on average, is that still what we should still be using? Is what you're seeing creating the benefit in 2009 also rolling forward into 2010?

Pat Daniel - *Enbridge - President and CEO*

Well as we indicated at our investor day conferences, Carl, we feel we'll be able to produce 10% per year, going forward and you're right. This is a very strong year this year. We're in the final stages of our budget preparation for 2010 and -- but we remain comfortable with the 10% per year growth going forward.

Carl Kirst - *BMO Capital Markets - Analyst*

Great, thank you.

Pat Daniel - *Enbridge - President and CEO*

Thank you.

Operator

Our next question comes from the line of Matthew Akman with Macquarie. Please proceed.

Matthew Akman - *Macquarie - Analyst*

Thank you, I have a couple questions on the gas distribution business. I'm not sure who this is for. On page eight of the MD&A, there's a reference to requesting specific changes to the rate handbook, and subject to OEB approval, rate adjustments could be effective January 1 2010. Is that in relation to the existing incentive regulation program or is there something different or in addition to that?

Colin Gruending - *Enbridge - VP, Controller*

Yes, I'm not precisely sure what you're -- what you're getting at, but we have filed our application for 2010 rates, and we're kind of wrapped into that administers new directive for green opportunities. We will get new rates for 2010 effective January 1. Hopefully it's very early in the year.

Matthew Akman - *Macquarie - Analyst*

But there's no significant change in the framework that you're expecting or in the methodology for setting rates relative to 2009?

Colin Gruending - *Enbridge - VP, Controller*

That's correct.

Pat Daniel - *Enbridge - President and CEO*

No, there isn't.

Matthew Akman - *Macquarie - Analyst*

Okay, okay, thanks. And in gas distribution earnings so far this year, look relatively flat on a normalized basis, is there some kind of catch-up that you book in the last quarter for incentive regulation, normally?

Colin Gruending - *Enbridge - VP, Controller*

Matthew, we've been accruing an estimate of the earnings share in that Richard has described. So there isn't any kind of back end weightedness to that dimension of the earnings calculation. I think we just expect continued positive drivers as mentioned in the MD&A on (inaudible).

Matthew Akman - *Macquarie - Analyst*

Okay, thanks.

Richard Bird - *Enbridge - EVP, CFO*

We've also got the phenomenon there where the new rate structure is generally changing the quarterly pattern of our earnings relative to what it has been historically as well, so that will factor into the way the fourth quarter will play out. Some of those incentive performances, progressive, Matthew, so it'll have a more significant effect as we move from quarter-to-quarter as well.

Matthew Akman - *Macquarie - Analyst*

I would have expected year-over-year full year earnings to be up.

Richard Bird - *Enbridge - EVP, CFO*

I think that's a reasonable expectation.

Matthew Akman - *Macquarie - Analyst*

Okay, thanks for that. On the income fund, Richard, I just wanted to understand a little bit about the strategic thinking behind leaving it out there. Is this just sort of a valuation kind of decision? The corporation relative to the income fund? Or is there anything more behind it that you'd like to get into?

Pat Daniel - *Enbridge - President and CEO*

Matthew, maybe I can just respond, first and then I'll ask Richard to to supplement. The main objective we had here was to move unit holders into a corporate more sustainable corporate structure for them a c core going forward with broader access to the markets in general and as you probably know from looking at the structure, Enbridge is effectively earnings neutral on this initiative, so it's very much one we think provides better, longer term market access for the income fund unit holders. And that's the, the broad strategic driver behind it. Richard, you may want to add to that.

Richard Bird - *Enbridge - EVP, CFO*

Yes, I think that's pretty much it, Matthew. The proposed restructuring, although the details are still to be refined and finalized, working with the independent committee and the fund. The general thrust of it is the best alternative that we think there is available to potentially restore the income fund on a sustainable basis to a source of capital for Enbridge, for low risk, high cash flow assets as it was originally conceived to be. We hope it'll be successful in restoring that capital access and at the same time, obviously be a good deal for unit holders.

Matthew Akman - *Macquarie - Analyst*

Okay, thanks very much. Those are my questions.

Pat Daniel - *Enbridge - President and CEO*

Thanks, Matthew.

Operator

Our next question committees from the line of Andrew Kuske with Credit Suisse. Please Proceed.

Andrew Kuske - *Credit Suisse - Analyst*

Thank you, good morning. As it relates to your green energy strategy, when you start to think about green power among other things, provincial governments in particular, have back stopped a lot of that kind of development by way of long term PPAs and given the position of a lot of the provinces with pretty strained balance sheets, if you took away the back stops and longer term contracts, to what degree would you anticipate being involved in that type of business?

Pat Daniel - *Enbridge - President and CEO*

Certainly not to the degree that we are. There is no doubt, Andrew, that at this point almost all forms of green energy are higher cost than traditional sources of energy as in coal-fired or hydro or gas-fired power generation. So it does require some level of government subsidization and support and what we of course are looking for in that is the long-term nature of that support. And hence the 20-year power purchase agreement. So I think it's fair to say that we all expect that overtime green energy, as it becomes and hits sort of a critical mass in terms of size and development, will bring those costs down and hopefully be competitive without subsidization, but in the meantime, we're going to need the long-term deals in order to be able to make the project economics work.

Andrew Kuske - *Credit Suisse - Analyst*

And just at this point, are you seeing a little bit less appetite from some of the provinces, just in part because, in Ontario, the ministry has been overrun with applications for wind power development. Do you see that lessening provinces appetite and actually proceeding?

Pat Daniel - *Enbridge - President and CEO*

We haven't really noticed that to date in terms of a lessening in appetites. In fact I'd say, in general, in North America, there seems to be a growing appetite and so we haven't seen that. I do understand and know that there have been a huge number of applications come forward, which is going to cause provincial government in Ontario to have to high grade those. But we haven't seen any wavering in terms of the concept of philosophy in the strategy, at this point, at least, Andrew.

Andrew Kuske - *Credit Suisse - Analyst*

That's helpful. If I may ask a question to Richard, it just relates to the noncash earnings component in your earnings coming from AEDC or AFUDC and right now, in this current quarter, great quarter, but almost 20% of your earnings came from noncash sources. When you look out over the next 18 to 24 months, where do you think your noncash earnings will peak? When do you think that starts to wane?

Richard Bird - *Enbridge - EVP, CFO*

I would guess over that period of time, our noncash earnings will probably peak in this quarter or possibly the first quarter of next year because at that point in time most of the projects are either complete or are verging on complete. We are pretty much there now and as we move into 2010 most of those noncash earnings convert into cash earnings.

Andrew Kuske - *Credit Suisse - Analyst*

That's helpful, thank you.

Pat Daniel - *Enbridge - President and CEO*

Thanks, Andrew.

Operator

(Operator Instructions) Our next question comes from the desk of Robert Kwan with RBC Capital Markets.

Robert Kwan - *RBC Capital Markets - Analyst*

Great, thank you. Just on the Enbridge systems, there's a comment that the earnings were up due to lower financing costs. Was this just something outside of the flow throughs you have in place or something that will reverse in future quarters?

Pat Daniel - *Enbridge - President and CEO*

Colin you want to take that one?

Colin Gruending - *Enbridge - VP, Controller*

Sure, Robert, for a specific silos within the liquid Enbridge system, we have made some slight modifications to some transfer pricing of debt costs which we are -- you will see a, I guess a mirrored negative impact in corporate. So it's just, we're just trying to price the debt at the right price.

Robert Kwan - *RBC Capital Markets - Analyst*

Okay.

Colin Gruending - *Enbridge - VP, Controller*

The phenomenon that you saw in Q2 where corporate expenses were lower than what you'd expected because of this transfer pricing issue and all we've done is move that into the business segment to more accurately reflect the run rate in the actual business unit.

Robert Kwan - *RBC Capital Markets - Analyst*

Okay, so from a business perspective or toll perspective, there's no change or catch-up that's going to be forthcoming? This is simply just an internal transfer?

Richard Bird - *Enbridge - EVP, CFO*

That's correct, Robert. From the perspective of the business unit, it is sustainable that that does now reflect what our view as the long-term cost of financing that should be charged to that business unit.

Robert Kwan - *RBC Capital Markets - Analyst*

And my other question relates to the Gretna option you proposed as part of the Keystone hearing. Wonder if you could give color as to where that stands right now and whether you've had any detailed discussions with your customers and what the response has been.

Pat Daniel - *Enbridge - President and CEO*

We've had no further detailed discussions and we've put forward our case on that and have no further discussions on it, Robert.

Robert Kwan - *RBC Capital Markets - Analyst*

Do you plan to take this up shortly with shippers or is it, you just wanted to float it out there and see if anybody comes to you it.

Pat Daniel - *Enbridge - President and CEO*

I think we have taken it up to the extent that we can and we're highly supportive of the option as the best way to optimize investments for the upstream industry and provide them with the best and most timely service and we've, I think, have made the case very well and very strongly. We just now need to leave it to the industry and to a certain extent to the regulators. We know we put forward that in a recent hearing, that alternative. To really be with the regulators of the industry as to whether they want to take it.

Robert Kwan - *RBC Capital Markets - Analyst*

Okay, great, thanks, Pat.

Richard Bird - *Enbridge - EVP, CFO*

Of course on that one, Robert, you would have seen from the testimony a number of customers did come forward and indicate that did support that option and would wish to see it move ahead. As Pat said, we need to get some indication from the regulator as do they before we can do anything further with it.

Operator

Our next question comes from the line of Steven Pagat with FirstEnergy, please proceed.

Steven Pagat - *FirstEnergy - Analyst*

Good morning, just a question on green energy. Electrical power projects and green energy projects earn a relatively fixed amount of revenue per year and as the capital depreciates, they earn a better ROE, every year to the end of the contract, I'm wondering how that fits in with Enbridge business model where the ROE is fixed over the term of the contract. Does it mean that Enbridge accepts a lower ROE at the beginning in return for the better ROE at the end of the renewable project?

Pat Daniel - *Enbridge - President and CEO*

Can you speak to the to the profile for renewable--

Richard Bird - *Enbridge - EVP, CFO*

Sure, sure. So, you're definitely right, Steven and broadly in our overall portfolio investment opportunities, most of them are relatively flat ROE profiling. The same ROE every year. There are some, however, outside of green power which do have a tilted return profile, but from our perspective, a mix of both is a good thing. It means it both provides good front-end earnings on an overall portfolio basis, but we do have a few of them that are providing continuing growth in returns as we prove forward in time. So a little of bi both is a good thing or a lot of both is a good thing.

Steven Pagat - *FirstEnergy - Analyst*

Thank you and could I ask your comments on the feed-in tariff for wind in Ontario. You've developed a sizeable wind facility in Ontario. Any plans for a second one since you're pretty much guaranteed to get a contract?

Pat Daniel - *Enbridge - President and CEO*

Well -- the feed-in tariff is an important part of the business model for the development of wind in Ontario. We're pleased with the investments made to date. If we can find more of the business model of Enbridge and the return profile, we'll definitely go ahead with them, Steven, so those opportunities are very much in our radar screen.

Steven Pagat - *FirstEnergy - Analyst*

Okay, thank you. Those are my questions.

Pat Daniel - *Enbridge - President and CEO*

Thank you.

Operator

Our next question comes from the line of Linda Ezergailis with TD Newcrest. Please proceed. Please proceed.

Linda Ezergailis - *TD Newcrest - Analyst*

Good morning. My question is just related to one of the recent decisions by the National Energy Board to discontinue use of the regulated ROE formula. Wondering how that might affect your negotiations on your liquid pipelines with shippers going forward and I guess, the second question would be related to Enbridge gas distribution and your views on how this NAB decision might set a precedent to affect change in Ontario.

Pat Daniel - *Enbridge - President and CEO*

Maybe I can just comment briefly and generally and then again, Richard, if you have something to add -- Generally, Linda, it doesn't make much difference to us. We're largely decoupled from that multipipeline generic return as you know and we tend to have, over the years, negotiated individual settlements and tolls. Often though, there are references to a multipipeline or generic return and some premium to that in the deals that we've done and so it's going to be just a mechanical situation, of ensuring that there is a common understanding or that we follow a similar calculation technique so we have a reasonable reference point there. But very seldom do we do new projects that are dependent on that return alone. As a result, it should have very little impact. We tend to negotiate almost all of our deals. And Richard, you may want to comment on EGD and the --

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Richard Bird - *Enbridge - EVP, CFO*

Sure, yes. So in our expectation, Linda, is that there will ultimately be an impact at EGD. Of course the formula discontinuance was the second shoe dropping after the TQM decision which said the formula was undershooting the mark and by implication the formulas of all the provincial regulators are undershooting the mark as well. We would expect the OEB would move towards a rate of return which reflects a more appropriate return to investors. The impact of that won't be immediate, because we're on incentive regulation for another three years to come. In fact we expect to make as much or more under incentive regulation as would likely arise as a result of the increase in underlying rates. But, that will obviously impact the environment in which further incentive regulation deal would be done two or three years from now and obviously in a positive direction.

Linda Ezergailis - *TD Newcrest - Analyst*

Great, thank you.

Pat Daniel - *Enbridge - President and CEO*

Thanks, Linda.

Operator

Our next question comes from the line of Sam Kanes with Scotia Capital. Please proceed.

Sam Kanes - *Scotia Capital - Analyst*

Thank you. Back to solar for a minute. I now understand First Solar, the largest producer of panels and lowest cost producer of panels in the states, that's your partner constructing your project, of course, have you made further agreements to use their paneling going forward in the second, third and or fourth sites in Ontario? Is there a limit to how much you want to proceed in this area, or is it simply the government giving you the economics to make this work, because there is no titanium technology here, it's simply a right return mechanism for some Ontario panels going in from outside of Ontario. Are you joint-ventured with them now or can you even, if they come below CapEx, is it all to their count or would it be your count?

Pat Daniel - *Enbridge - President and CEO*

So a number of questions in there, Sam, first of all we don't have any formal agreement with First Solar to work solely with them or exclusively with them. We are -- they're a large fine company like you say, very much in the front end of new technology development with regard to solar. So I'm not saying that we wouldn't do something with them going forward, because we've found them to be a very good partner.

I'm trying to remember all the sub parts to your question, but with regard to capital costs, that is a fixed cost on the basis of the fixed EPC bid on the projects, so hence we don't carry any capital cost risk on Sarnia Solar and we also have an operating and maintenance agreement with First Solar for the maintenance of the panels. All of that cost has been worked into our economics. I think you asked if we'd do more. Obviously if we can find more with this kind of signature we definitely will do them. We do expect to continue to grow the renewables business. As we indicated at our investor day conference, when we get out five years or so, we expect we could have up to 2% to 3% of the earnings of the Company coming from renewables. That's a combination of solar, wind, fuel cell application and waste recovery units. That's still relatively small, but it is growing at a good rate to get there. As long as we can find the business model that fits so well as the projects to date have with Enbridge, we'll continue to grow the business.

Sam Kanes - *Scotia Capital - Analyst*

Thanks, Pat. Just a broad one in general. Is there activity with oil netbacked dollars on Gateway at this stage?

Pat Daniel - *Enbridge - President and CEO*

Gateway continues to move along and we have got strong support for Gateway and I think it's fair to say that both Canadian producers and southeast Asian refiners still feel the concept around Gateway makes sense in terms of improving netback producing for western Canadian producers and broadening out access to crude supply for southeast Asian refiners. Our intent remains to make application to the NEB either later this year, or early next year. We're waiting on a joint review panel in terms of reference which we expect shortly and that should provide the guidance we need to proceed with an application fairly soon.

Sam Kanes - *Scotia Capital - Analyst*

Thanks, Pat.

Pat Daniel - *Enbridge - President and CEO*

Thanks, Sam

Operator

We have a follow-up question from Steven Pagat with FirstEnergy. Please proceed.

Steven Pagat - *FirstEnergy - Analyst*

Good morning, question, I understand that the NR Green, which is owned by the alliance owners, is looking at the construction of some base load power assets in Saskatchewan that are 40 to 80 megawatts. Is this a new move for this NR Green which had owned waste heat stations on alliance. Is it moving forward to become a significant power generator in Canada?

Richard Bird - *Enbridge - EVP, CFO*

I think Steve, what you're probably referring to is Fort Chicago's disclosures in that regard. NR Green has put a bid into Saskatchewan power authority, as you indicated, it is for technology that employs the same kind of waste heat recovery technology that NR Green's existing assets utilize. So it's a little different application and it is including primary generation facilities as well but also utilizing waste heat. Of course, we have no idea whether it'll be successful with that bid or not so it's a pretty small step out relative to NR Green's business model, but remains to be seen whether it comes to anything or not.

Pat Daniel - *Enbridge - President and CEO*

And it is green.

Steven Pagat - *FirstEnergy - Analyst*

Okay, thank you.

Operator

This concludes the question-and-answer session. I'll turn the call back to Mr Yu for closing comments.

Vern Yu - *Enbridge - Investment Community*

Were there questions from the media

Operator

There were not.

Vern Yu - *Enbridge - Investment Community*

Thank you, everyone. Just like to remind you that Pat, Marie, and I will be at our desks to take any follow-up questions.

Pat Daniel - *Enbridge - President and CEO*

Thanks, everyone.