



**Part II** **Organizational Action** *(continued)*

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See Attachment](#)

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**18** Can any resulting loss be recognized? ▶ [See Attachment](#)

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**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See Attachment](#)

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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**  
Signature ▶ Signature on file Date ▶ 3/18/2019

<b>Paid Preparer Use Only</b>	Print your name ▶ <u>Anita Sola</u>	Preparer's signature	Title ▶ <u>Vice President</u>	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶	
	Firm's address ▶				Phone no.	

# Enbridge Inc.

(FEIN: 98-0377957)

Attachment to Form 8937

Date of Organizational Action: December 20, 2018

The information contained herein does not constitute tax advice, nor does it purport to be complete or describe any Note holder's specific circumstances. Note holders are urged to consult their own tax advisors regarding U.S. federal tax consequences of the transactions described herein and the impact to tax basis resulting from this organizational action.

## Part I, Box 10 – CUSIP number

EIF Notes	Enbridge Notes	Description
29254ZAD6	29251ZBL0	4.85% Medium Term Notes, Series 4, Due November 12, 2020
29254ZAF1	29251ZBM8	4.10% Medium Term Notes, Series 6, Due February 22, 2019
29254ZAG9	29251ZBN6	4.85% Medium Term Notes, Series 7, Due February 22, 2022
29254ZAK0	29251ZBP1	3.94% Medium Term Notes, Series 10, Due January 13, 2023
29254ZAM6	29251ZBQ9	3.95% Medium Term Notes, Series 12, Due November 19, 2024
29254ZAN4	29251ZBR7	4.87% Medium Term Notes, Series 13, Due November 21, 2044

## Part II, Question 14

Certain holders of the notes issued by Enbridge Income Fund ("EIF") (FEIN: None) approved a resolution (the "Note Exchange Resolution") for EIF to amend the terms of a trust indenture requiring a transfer from the holders of the EIF notes (the "EIF Notes") to Enbridge Inc. ("Enbridge") (FEIN: 98-0377957) in exchange for an equal principal amount of newly issued medium term notes of Enbridge (the "Enbridge Notes" and together with the EIF Notes, the "Notes"). The exchange of EIF Notes for Enbridge Notes occurred on December 20, 2018 (the "Effective Date"). The Enbridge Notes have the same financial terms as the financial terms of the EIF Notes. An Amendment Review Fee of \$.25 (CAD) per \$1,000 principal amount was paid to each noteholder who voted to approve the Note Exchange Resolution.

The exchange is described in the Management Information Circular - English of EIF dated as of November 9, 2018, which is available at:

<https://www.sedar.com/DisplayCompanyDocuments.do?lang=EN&issuerNo=00019434>

A general summary of certain tax considerations applicable to U.S. holders of EIF Notes is set forth in the section of the Management Information Circular - English titled "Certain U.S. Federal Income Tax Considerations".

#### Part II, Question 15

A U.S. holder who exchanges an EIF Note for an Enbridge Note should generally recognize gain or loss in an amount equal to the difference between (a) the sum of (1) the fair market value, measured in U.S. dollars, of the Enbridge Note, reduced by the U.S. dollar value on the Effective Date of any accrued but unpaid interest (the "Stub Period Accrued Interest") on the applicable EIF Note, and (2) any Amendment Review Fee received if treated as part of the proceeds of disposition, and (b) the U.S. holder's adjusted tax basis in the EIF Note exchanged therefor. A U.S. holder's adjusted tax basis in its EIF Note will generally be the U.S. dollar cost of such notes, increased by any market discount previously included in income and decreased (but not below zero) by any bond premium amortized by the U.S. holder.

A U.S. holder who acquired its EIF Note with more than a *de minimis* amount of market discount should generally treat any gain recognized as ordinary income to the extent of any accrued market discount on the EIF Note that such U.S. holder has not previously included in income. In addition, a U.S. holder must treat any portion of the gain or loss recognized on the exchange of an EIF Note as ordinary income or loss to the extent attributable to changes in the U.S. dollar-Canadian dollar exchange rate. However, a U.S. holder takes such exchange gain or loss into account only to the extent of the total gain or loss realized. Otherwise, gain or loss on the exchange of an EIF Note pursuant to this exchange will generally be capital gain or loss.

U.S. holders that use the cash receipts and disbursements method of accounting for U.S. federal income tax purposes and exchange an EIF Note for an Enbridge Note, are generally taxed on the U.S. dollar value, as of the Effective Date, of any Stub Period Accrued Interest on the EIF Note as ordinary income. U.S. holders that use an accrual method of accounting for U.S. federal income tax purposes, generally recognize exchange gain or loss, which will be ordinary gain or loss, based on the difference between the Canadian dollar-U.S. dollar exchange rate used by such holder to accrue any Stub Period Accrued Interest on an EIF Note and the Canadian dollar-U.S. dollar exchange rate on the Effective Date.

There is no authority directly addressing the treatment under the Internal Revenue Code of 1986, as amended (the "IRC") of the receipt of the Amendment Review Fee including whether the Amendment Review Fee should be treated as part of the U.S. holder's proceeds of disposition of the EIF Notes or treated as a separate fee which would be included in computing the U.S. holder's ordinary income for the taxable year in which the Amendment Review Fee is received. U.S. holders should consult their own tax advisors with respect to the receipt of the Amendment Review Fee taking into account their own particular circumstances.

A U.S. holder's initial tax basis in an Enbridge Note generally should be the fair market value (excluding any value attributable to Stub Period Accrued Interest), measured in U.S. dollars, of such Enbridge Note on the Effective Date.

Note holders should review the Management Information Circular and consult with their own tax advisors regarding the tax consequences of this exchange.

#### Part II, Question 16

We have determined that the Enbridge Notes are "traded on an established market" within the meaning of Treasury Regulation section 1.1273-2(f). The issue price for U.S. federal income tax purposes of an Enbridge Note should be equal to its fair market value, in U.S. dollars, on the Effective Date.

Note Description	Issue Price per Note
4.85% Medium Term Notes, Series 4, Due November 12, 2020	\$765.54
4.10% Medium Term Notes, Series 6, Due February 22, 2019	\$742.68
4.85% Medium Term Notes, Series 7, Due February 22, 2022	\$773.23
3.94% Medium Term Notes, Series 10, Due January 13, 2023	\$753.26
3.95% Medium Term Notes, Series 12, Due November 19, 2024	\$752.44
4.87% Medium Term Notes, Series 13, Due November 21, 2044	\$735.91

Note holders should consult with their own tax advisors to determine whether they are required to recognize any gain on the exchange.

#### Part II, Question 17

- A. IRC Section 1001 – Determination of amount of and recognition of gain or loss
- B. IRC Section 1011 – Adjusted basis for determining gain or loss
- C. IRC Section 1012 – Basis of property – cost

#### Part II, Question 18

A U.S. holder generally should recognize a loss on the exchange of an EIF Note for an Enbridge Note to the extent (a) the U.S. holder's adjusted tax basis in an EIF Note *exceeds* (b) the sum of (1) the fair market value measured in U.S. dollars of the Enbridge Note received therefor, reduced by the U.S. dollar value of any Stub Period Accrued Interest and (2) any Amendment Review Fee received if treated as part of the proceeds of disposition.

Part II, Question 19

Any gain or loss will be taken into account in the tax year of the Note holder during which the exchange occurred. This will be 2018 for calendar year taxpayers.

Individual taxpayers may be required to file Form 8949, *Sales and Other Dispositions of Capital Assets*, with their tax return.

For additional information please refer to the Summary of Terms of Enbridge Notes To Be Issued In Exchange For The Fund Notes and the Summary of Material Differences Between the Enbridge MTN Indenture and the Fund MTN Indenture, which are included as Appendices B & C in the Management Information Circular - English filed by EIF with the Canadian Securities Administrators (“CSA”) on November 14, 2018.