



**MEASURING OUR
PERFORMANCE**

ABOUT ENBRIDGE

Headquartered in Calgary, Alberta, Canada, Enbridge is a leader in energy delivery in North America. The Company transports natural gas and crude oil, which are used to heat homes, power transportation systems, and provide fuel and feedstock for industries. Enbridge operates, in Canada and the United States, the world's longest oil and liquids pipeline system. Enbridge is also actively involved in natural gas transmission, gas distribution, renewable and alternative energy, and international energy projects.

Enbridge's vision is to be North America's leading energy delivery company and its key objective is to generate superior shareholder value. The Company employs more than 5,000 people, primarily in Canada, the United States and South America. Enbridge Inc. common shares trade on the Toronto Stock Exchange in Canada and on the New York Stock Exchange in the United States under the symbol 'ENB.'

For more information on Enbridge's operations, go to www.enbridge.com

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MEASURING OUR PERFORMANCE

At Enbridge, being socially responsible means doing things right, and doing the right thing. We know that one way to track our progress is having a solid set of indicators to measure our corporate social responsibility performance.

This year, for the first time, we have included a CSR performance scorecard at the front of the report. These metrics have helped raise the issue of measurement of sustainability at Enbridge, and our goal is to keep refining these indicators every year to more precisely reflect the impact CSR has on our business and our stakeholders. We have also included mini-scorecards at the front of each of the main sections of the report.

Also, in an effort to streamline our report, we have moved more content to our web version. Throughout this report, this icon  indicates that additional information is available on our CSR website at www.enbridge.com/csr2007.

AREAS OF OPERATION

NORTH AMERICA, SPAIN AND COLOMBIA



AN OVERVIEW OF OPERATIONS

THE COMPANY'S ACTIVITIES ARE CARRIED OUT THROUGH FIVE BUSINESS SEGMENTS



Liquids Pipelines includes the operation of the petroleum mainline system and feeder pipelines that transport crude oil and natural gas liquids in Canada and the United States.

Gas Transportation includes natural gas transmission, gathering, treating and processing facilities – both offshore and onshore – as well as trucking and rail operations in the United States.



Enbridge also has interests in several **Joint Ventures** in Canada and the United States, including the crude oil Frontier Pipeline, the natural gas Alliance and Vector pipelines, and Olympic Pipeline which transports gasoline, diesel and jet fuel.

Gas Distribution and Services consists of gas utility operations that serve residential, commercial, industrial and transportation customers, primarily in central and eastern Ontario, the most significant being Enbridge Gas Distribution. It also includes natural gas distribution activities in Quebec, New Brunswick and New York State, the Company's investment in Aux Sable, a natural gas fractionation and extraction business, and the Company's commodity marketing businesses.



International includes the Company's two energy-delivery investments in Europe and South America – 25 per cent of Compañía Logística de Hidrocarburos CLH, S.A. (CLH), Spain's largest refined products transportation and storage business; and 24.7-per-cent equity ownership of Oleoducto Central S.A. (OCENSA) crude oil pipeline in Colombia.

Enbridge also manages several investment options that trade on the Toronto and/or New York stock exchanges, including Enbridge Inc. (ENB); Enbridge Income Fund (ENF); Enbridge Energy Partners, L.P. (EEP); and Enbridge Energy Management, L.L.C. (EEQ).

Only information on operated assets is included for discussion in this report.

ABOUT THIS REPORT

This, our 2007 CSR Report, describes Enbridge's economic, environmental and social impact on the communities where we conducted our business in 2006. Where noted, we have included selected 2007 updates.

Our 2006 CSR Report was published in October of 2006, and included 2005 data.

We have expanded our CSR reporting this year to provide readers with more in-depth information about the actions we are taking to meet our CSR commitments. Consequently, we have elected to publish more information on our website to limit the length of our printed report.

For additional information, please see the web version at www.enbridge.com/csr2007 .

This report contains disclosure of our corporate responsibility performance. Our intent is to share information in a standardized way on issues that are most relevant to our internal and external stakeholders. Our transparency efforts and our commitment to reporting are not limited to this document. We see value in different methods of reporting and communicating, and this report complements our annual report to our shareholders and our website where we disclose our financial performance.

REPORT SCOPE AND BOUNDARY

This report covers only information on our operated assets. Where you see the words Enbridge Inc. or Enbridge, we are referring to the whole Company and its subsidiaries. Where possible, our data and statistics refer to Enbridge as a whole. When we report on a specific business unit – Liquids Pipelines, Enbridge Gas Distribution and United States Gas Transportation – we note it in the text.

Dollar figures are in Canadian dollars, unless otherwise specified.

To provide a clearer picture of our global carbon footprint and following the guidelines of the Global Reporting Initiative, Enbridge has decided to report greenhouse gas emissions data only of entities in which it has operational control over CSR policies and procedures. As a result, starting with this year's CSR Report, we are expanding our public GHG reporting to include our U.S. assets.

TARGET AUDIENCES



Our target audience consists of all of our stakeholders, including investors, government leaders, Aboriginals, regulators, landowners, employees, business partners, academics, non-governmental organizations, environmental groups, advocacy organization leaders, individuals with an interest in corporate responsibility and the communities where we do business.

At Enbridge, we look at a number of sources to provide feedback on our corporate social responsibility report.

We do this so we can continually improve our report and our reporting process.

REPORTING STANDARDS

The Global Reporting Initiative (GRI) is an international, multi-stakeholder effort to create a common framework for voluntary reporting of the economic, environmental and social impact of organization-level activity. This report has been prepared with reference to the GRI G3 Guidelines.

Through the improved G3 framework we believe that our reporting practices promote transparency, enhance the clarity and credibility of our communication with our stakeholders and address issues that concern stakeholders. We strongly support the GRI as a core tool for corporate social responsibility reporting because it has credibility with a broad cross-section of stakeholder groups. We are committed to using the GRI Guidelines, and we support efforts to advance reporting on the basis of the GRI. Our GRI index  helps readers match this report with sections of the GRI Guidelines. For more information on GRI, visit www.globalreporting.org. ( to view *Enbridge's GRI index table*.)

FEEDBACK

At Enbridge, we look at a number of sources to provide feedback on our corporate social responsibility report. We do this so we can continually improve our report and our reporting process.

Enbridge takes all stakeholder feedback seriously. We welcome it, whether it is positive or negative. We invite all readers to offer feedback on this report and on Enbridge's CSR activities. Please send feedback via e-mail to Enbridge.News@enbridge.com.

Enbridge's Employee CSR Advisory Committee – a cross-functional group of senior staff who provide advice on CSR policies and strategies – has reviewed drafts of this report and has provided much valuable input. As well, the Company's Corporate Disclosure Committee has reviewed drafts of this report and provided useful feedback. We also review the results of our annual employee survey before preparing our CSR Report to verify we are capturing feedback from all our employees. We look at a number of external sources including our annual customer surveys that are done to measure customer satisfaction and identify ways we can better meet our customers' needs.

Selected information and indicators were again subject to an internal review by Enbridge's Audit Services Department. (*See page 65 to read our Internal Audit Assurance Statement.*)

EXTERNAL CSR ADVISORY GROUP

This year, for the second time, Enbridge assembled an external CSR advisory group to provide feedback on our CSR report.



This seven-person advisory group consisted of individuals from a variety of organizations who were familiar with Enbridge and knowledgeable on a range of CSR issues faced by Enbridge. Advisory group members participated in a one-day workshop and a follow-up conference call, and provided detailed input on how we could improve our report. Participants brought their individual perspectives and expertise and did not represent their organizations.

Members of the External CSR Advisory Group were:

Sarah Stokes Alexander, The Keystone Center, Director, Sustainability and Leadership Programs, Denver, Colorado

David Brown, Brown Governance Inc., Executive Director, Ottawa, Ontario

Quentin Chiotti, Pollution Probe, Director, Climate Change Programme, Toronto, Ontario

Jennifer Coulson, The Ethical Funds Company, Manager, Sustainability, Vancouver, British Columbia

John Kim Bell, Founder and Former President, National Aboriginal Achievement Foundation, Ohsweken, Ontario

Andrea Moffat, Ceres, Director, Corporate Programs, Boston, Massachusetts

Stephanie Robertson, Facilitator, LBG Canada and President, The SiMPACT Strategy Group, Calgary, Alberta.

Stratos Inc. facilitated the advisory group. Participation by advisory group members does not represent an endorsement of this report. Enbridge found the sessions very useful and learned from advisory group feedback, making changes to the draft version of this report to address improvements suggested by the advisory group. Enbridge was not able to address all of the suggestions from the group but will incorporate much of their feedback into future reports.

CORPORATE SOCIAL RESPONSIBILITY AT ENBRIDGE

Enbridge has built on its foundation of operating excellence by adhering to a strong set of corporate values and by adopting and implementing a number of corporate social responsibility policies and practices.

HOW WE DEFINE CSR AT ENBRIDGE

We define corporate social responsibility (CSR) as: conducting business in a socially responsible and ethical way; protecting the environment and the health and safety of people; supporting human rights; and engaging, respecting and supporting the communities and cultures with which we live and work. (🔗 to read Enbridge's CSR Policy.)

OUR VALUES

CSR defines how we relate to others in areas such as the environment, safety, governance, human rights, community investment and stakeholder engagement. Our CSR commitments ensure that we put a priority on public and employee safety, a clean and healthy environment, and strong, vibrant communities.

Enbridge has an explicit set of corporate values, which includes integrity, accountability, innovation and flexibility, value creation and social responsibility. By living these values as part of our daily activities, our goal is to fulfill our CSR commitments. (🔗 to read more about our values.)

CSR POLICY AT ENBRIDGE

At Enbridge, we have adopted a CSR Policy which covers business ethics and transparency, environment, health and safety, stakeholder relations, employee relations, human rights, and community investment. This policy applies to activities undertaken by, or on behalf of, Enbridge and our subsidiaries anywhere in the world whose operations we manage.

In alignment with our Statement on Business Conduct Enbridge will ensure that all matters of corporate social responsibility are considered and supported in our operations and are consistent with Enbridge stakeholders' best interests. Our Statement on Business Conduct emphasizes the commitment of the corporation to specific standards of conduct expected of the corporation's directors, officers, employees, consultants and contractors in all countries in which the Enbridge group of companies conducts business.

In January 2002, Enbridge adopted the internationally recognized Voluntary Principles on Security and Human Rights, which deal with responsible corporate action in zones of conflict. Enbridge has incorporated the Voluntary Principles into its Statement on Business Conduct. In 2003, Enbridge became a signatory to the United Nations Global Compact, an international initiative in support of human rights, labour and the environment.

CORPORATE STRUCTURE



A variety of other policies provide direction for specific activities that are part of CSR.

They are 🔗:

- Environment, Health and Safety Policy
- Indigenous Peoples Policy
- Climate Change Policy
- Statement on Business Conduct
- Voluntary Principles on Security and Human Rights

MEASURING OUR PERFORMANCE

A MESSAGE FROM PATRICK DANIEL AND JAMES BLANCHARD



Patrick D. Daniel President & Chief Executive Officer, Enbridge Inc.

James J. Blanchard Chair, CSR Committee of the Board

We believe that Enbridge will remain one of the most sustainable corporations in the world only if we set clear targets and submit our performance to a thorough and transparent reporting process. The scorecard that follows is designed to provide readers with an accurate accounting of our economic, environmental and social performance. At Enbridge, a comprehensive system of stewardship and accountability is in place to ensure we have a strong corporate governance culture built on integrity, accountability and transparency. Because CSR performance constitutes a key indicator, every business unit has to measure its performance and meet our targets.

FINANCIAL PERFORMANCE

Being a sustainable company starts with solid financial performance. Enbridge had another excellent year in 2006, delivering strong financial results and continuing its superior returns to shareholders. Our 2006 earnings were \$615.4 million, or \$1.81 per common share, compared with \$556.0 million, or \$1.65 per common share in 2005. Adjusted earnings per share (EPS) increased 9.4 per cent to \$1.74, which sustains our 10-year EPS growth rate of 10 per cent. Total shareholder return last year was 14.3 per cent, with a 10-year average of 19.1 per cent, and a 53-year average of 13.3 per cent.

PROTECTING THE ENVIRONMENT

Protection of the environment is of paramount importance at Enbridge. To achieve a strong environmental performance which will meet our stakeholders' expectations we must set clear targets and goals, continually improve the way we operate, and constantly set new challenges to improve our performance. In our 2006 CSR Report, we committed to put mechanisms in place to continually evaluate the effectiveness of our environment, health and safety programs. We are proud to say that an environmental compliance audit was conducted at seven facilities in 2006 with no significant adverse findings.

MANAGING CLIMATE CHANGE

Enbridge takes the issue of climate change very seriously and is prepared to work with all levels of government and key non-government associations to ensure that the energy industry is an active participant in the development and implementation of climate change solutions. Government regulations regarding climate change mitigation must be applied across all sectors of the economy, involving both energy consumers and producers, if they are to address this issue and adopt clear climate change policies and greenhouse gas (GHG) reduction actions that make a real difference.

Enbridge is already responding to the climate change challenge in a number of ways.

First, we've set GHG emission reduction targets and we publicly report on our progress. Several years ago, Enbridge set a corporate target to reduce our Canadian direct GHG emissions by 15 per cent below 1990 levels by 2005. We actually exceeded that target, achieving an 18 per cent reduction. Our new target is to reduce our Canadian direct GHGs to 20 per cent below 1990 levels by 2010.

Secondly, we believe in full transparency when it comes to public reporting of our GHG emissions. We have taken a further step in this direction by expanding our public reporting in this report to include our sponsored investments in the United States.

Thirdly, we're investing in and encouraging the use of renewable and alternative energy including wind power and new energy technology such as fuel cells. We're involved in three wind-power projects in western Canada and one that we plan to build in Ontario. Combined, these projects will produce enough energy to meet the power requirements of more than 90,000 homes.

MEETING OUR RESPONSIBILITY

In January 2007, Enbridge was once again named to the list of the Global 100 Most Sustainable Corporations in the World. We're very proud of this recognition, but we also recognize the need to raise the corporate social responsibility bar. This takes on even greater importance as we proceed with more than \$8 billion in pipeline and terminalling projects. This expansion, which represents the most intense capital program in the history of our company, is putting us in touch with more communities than ever before.

As a result, Enbridge's objective to communicate with stakeholders to identify and address issues will be even more important. Key actions we have taken recently include engaging with more than 70 First Nations and Métis communities, holding a series of open houses for landowners in western Canada and developing more effective communication tools. The feature story in this report about our Waupisoo Pipeline project underlines how we interact with and respond to our stakeholders and how, every day, we are learning by practicing corporate social responsibility.

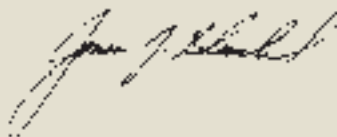
WORKING WITH OUR EMPLOYEES

We believe that great companies are judged by what they do, not by what they say. Throughout this report, you will find examples of what we're doing, and have done, to be a leader in the area of corporate social responsibility. And that's where every one of our 5,000 employees plays an instrumental role.

It's no secret that people want to work for and with companies that are environmentally and socially responsible, practice good governance, and invest in the communities where they do business. Our CSR Report is one of the most important and transparent ways our company has for communicating how we are doing in meeting our social obligations. And while our current leadership on CSR is a source of pride for us, we will continue to reach for even higher levels of performance.



Patrick D. Daniel
President & Chief Executive Officer



James J. Blanchard
Chair, CSR Committee of the Board

OUR CSR PERFORMANCE SCORECARD

To measure how well we are doing at upholding our commitment to corporate social responsibility, Enbridge has identified the following key performance indicators. This list provides readers with a snapshot of the targets that we believe are most important to Enbridge's CSR commitment. You will find further detail on these and other targets at the beginning of and within each section of this report.

Economic Performance
 Environmental Performance
 Social Performance

| What we said in our 2006 CSR Report | What we did | Challenges | More info |
|--|---|--|-------------|
| Realize a six per cent average annual organic earnings per share growth target, and deliver superior dividend growth and capital appreciation. | We grew adjusted earnings per share by 9.4 per cent. The Company's 2006 total shareholder return was 14.3 per cent per common share. | The Company's business activities are subject to market price, credit and operating risks. Enbridge has formal risk management policies and systems designed to mitigate these risks. | Pages 24-31 |
| Have mechanisms in place to continually evaluate the effectiveness of our environment, health and safety programs. | In conjunction with a review of Liquids Pipelines' environmental management systems, E.Vironment, LP conducted an environmental compliance audit at seven facilities in 2006. In the United States, environmental reviews were conducted on Enbridge Pipelines, North Dakota and the Spearhead Pipeline. There were no significant adverse findings. | In 2006, we received 10 regulatory notifications from government agencies for environmental or safety issues, with fines totaling \$3,580. | Pages 21-23 |
| Reduce Canadian direct GHG emissions to 20 per cent below 1990 levels by 2010. | In 2005, Enbridge's Canadian operations reduced their GHG emissions to 18 per cent below 1990 levels, exceeding the target of 15 per cent. Our new target is to reduce our Canadian direct GHG emissions to 20 per cent below 1990 levels by 2010. | Once we have completed a full inventory of our emitting assets in the United States, we will be able to set a reduction target encompassing all businesses over which we have operational control. | Pages 35-39 |
| Expand GHG reporting to include sponsored investment in the United States. | We expanded our public GHG reporting to include our sponsored investments in the United States, starting with this CSR Report. Enbridge has decided to report GHG data only for entities for which it has operational control, so will not be reporting on its international operations. | We provide 2005 data for GHG emissions from our U.S. operations. The 2006 actual figures for Liquids Pipelines (Canada) and Enbridge Gas Distribution were not available in time for the publication of this report so we are providing estimates. | Page 36 |

| What we said in our 2006 CSR Report | What we did | Challenges | More info |
|---|---|--|-------------|
| Continue to invest in wind power and new energy technology. | Enbridge, in partnership with Suncor Energy and ACCIONA, opened the 30-MW Chin Chute wind power plant in southern Alberta. The Company is involved in four wind power projects in Canada that will have a combined capacity of over 250 megawatts | Our Ontario Wind Power Project has experienced some delays due to planning processes. The Ontario Ministry of the Environment has confirmed that the Environmental Screening Report has been accepted and the project will not be elevated to an individual Environmental Assessment. | Pages 28-30 |
| Prevent all spills and leaks | In 2006, Liquids Pipelines reported 61 liquid spills totaling 5,363 barrels. In 2006, Enbridge had 42 facility leaks, compared with 51 in 2005. | In early 2007, Liquids Pipelines recorded two crude oil spills on our Lakehead System in Wisconsin. In April 2007, 6,227 barrels of crude oil spilled in a field downstream of Liquids Pipelines' pumping station at Glenavon, Saskatchewan. | Pages 40-42 |
| Strive to have zero accidents, injuries or incidents. | Liquids Pipelines received the Canadian Energy Pipelines Association's 2006 award for the lowest injury frequency rate in Canada in the large pipeline category. Enbridge Gas Distribution won the 2006 American Gas Association Safety Achievement Award. | We deeply regret that in early 2006 a contract worker died after he was accidentally run over by a truck driven by a worker from the same contracting company. Also, two Liquids Pipelines employees and one contractor suffered days-away injuries in November 2006 when two, 12-inch pipeline batch pigs ¹ unexpectedly launched from a receiving trap. | Pages 51-54 |
| Invest in an integrated set of talent management initiatives to attract and retain employees. | We began formalizing the Women @ Enbridge Community, an initiative focusing on leadership development for women in leadership roles and emerging leaders. | Enbridge is engaged in a major construction phase at a time when the labour market continues to be very tight. | Pages 54-57 |
| Increase our community investment dollars over time to meet the Imagine Canada annual target of one per cent of pre-tax Canadian profits. | We invested \$5.2 million in charitable and non-profit organizations, benefiting more than 750 organizations in Canada and the United States. Our contributions in Canada qualified Enbridge as an Imagine Canada Caring Company. | We need to continue to look for ways to ensure that our community investment dollars have longer-term positive community impacts and are effectively supporting the Company's business goals. | Pages 59-60 |

¹ A batch pig is a tool used to separate different products that flow through a pipeline to prevent the products from mixing together.

ALBERTA

THINKING CSR

- ENVIRONMENTAL
- ECONOMIC
- SOCIAL

Athabasca Terminal
Fort McMurray

The Waupisoo Pipeline interconnects with our existing 540-kilometre Athabasca Pipeline that runs from Fort McMurray to Hardisty in east-central Alberta

Put into service in 2006, the pipeline's initiation point includes a pump station and tankage farm

Cheecham Terminal

Right-of-way clearing in forest areas began in the winter of 2007 to facilitate timber salvage and reduce impacts on wildlife habitat

Five Aboriginal communities have completed or are working on right-of-way clearing

We chose the shortest and narrowest route possible to minimize the overall environmental impact

Conklin
Christina Lake

Athabasca Pipeline
Kirby Lake Station

Environmental field studies covered fisheries, vegetation, wildlife, soils and historical resources along the whole route

We named this station in honour of Proxy Chief Small Benn, one of the original signatories to the historic Treaty 6 (1876)

Winter 2007/2008 construction
Summer/fall 2007 construction

With our financial and business development support, the Heart Lake First Nation purchased a sawmill that is providing skids for the construction phase

Small Benn (Midpoint) Pump Station

We consulted all landowners and residents living within 0.2 kilometres of the 380-kilometre pipeline right-of-way

We funded traditional-use field studies conducted by several Aboriginal communities located within the project footprint

Athabasca

Grassland
Boyle

Newbrook

Radway

Stonefell Terminal

Bruderheim
Lamont

Enbridge Edmonton Terminal
Edmonton

North Saskatchewan River

Cold Lake

Athabasca River

Lac La Biche

63

2

28

28

16



Pipe stockpiled near Edmonton awaits deployment to the Waupisoo Pipeline. We source our pipe locally where possible and purchase only high-quality steel pipe with tough, resilient coatings to prevent future corrosion.

GROWING WITH CSR

We are constantly working with our customers to ensure the right pipeline capacity is in place at the right time for the right markets. Today we have over \$8 billion of liquids pipeline projects moving forward and the Waupisoo Pipeline is one of them – a vital piece of new infrastructure that will link Alberta oil sands producers to their upgraders and refineries at Edmonton. From there crude oil and refined products are shipped to meet North America’s energy needs. At 175 billion barrels, Alberta’s oil sands represent one of the world’s largest proven oil reserves, second only to Saudi Arabia. An additional two million barrels per day of production is expected from the oil sands by 2015.



All of Enbridge’s pipelines are buried to a depth that meets, and in many cases exceeds, applicable regulation.

THE WAUPISOO PIPELINE AT A GLANCE

Operator: *Enbridge Pipelines (Athabasca) Inc.*

Cost: *\$500 million*

Transport: *Oil sands crude*

Planned completion date: *Summer 2008*

Initial capacity: *350,000 barrels per day*

Maximum capacity: *600,000 barrels per day*

Length: *380 kilometres (236 miles)*

Diameter: *762 millimetres (30 inches)*

Pumping stations: *Checcham Terminal; Small Benn (midpoint); Stonefell Terminal*

Founding shippers: *ConocoPhillips Canada; Petro-Canada; Suncor Energy Inc.; Total E&P Canada Ltd.*

Prime construction contractors: *Ledcor Pipeline Limited and Somerville Techint Joint Venture*

WHY NAME IT WAUPISOO?

We named our newest oil sands pipeline in honour of Chief Waupisoo, source of history’s first known reference to the Athabasca oil sands. In 1715, the Cree chief told Hudson’s Bay Company governor James Knight of a river with banks of “gum or pitch”. Although Europeans thought the tarry bitumen worthless, the area’s Aboriginal people used it as a waterproof seal for canoe seams.



In addition to our EUB application, in order to receive regulatory approval of the Waupisoo Pipeline, Enbridge submitted environmental applications to: Alberta Environment; Alberta Sustainable Resource Development; Alberta Tourism, Parks, Recreation and Culture; Fisheries and Oceans Canada; and Transport Canada. In the process, we had to satisfy the requirements of the following provincial and federal acts:

| ALBERTA | CANADA |
|--|---------------------------------|
| Public Lands Act | Migratory Birds Convention Act |
| Pipeline Act | Canadian Fisheries Act |
| Environmental Protection and Enhancement Act | Navigable Waters Protection Act |
| Water Act | |
| Historical Resources Act | |
| Wildlife Act | |



A project the size and scope of the Waupisoo Pipeline has significant economic, environmental and social impacts on thousands of people, including communities and landowners living along the right-of-way, partners, contractors, and customers. Whether we are in the planning, construction or operating phase of any given project, throughout the process our employees are guided by our corporate values and corporate social responsibility policies and practices that are designed to ensure we operate with integrity, honesty and transparency, minimize our environmental footprint, and communicate openly and honestly with everyone with whom we interact.



THE WAUPISOO PIPELINE: OUR CSR ROAD MAP FROM CONCEPT TO IMPLEMENTATION

| | | | | | |
|---|--|---|---|---|-----------------------------------|
| JUNE 2005 Aboriginal community engagement and consultation begins | First of six information mail-outs to about 1,000 stakeholders | JULY 27, 2005 First in a series of community open-house meetings held | Agreements with founding shippers announced | SEPT. 2005 Detailed environmental field studies begin | Traditional use studies initiated |
| | JULY 19, 2005 | | SEPT. 9, 2005 | | NOV. 2005 |

continued...

BUILDING PIPELINES WITH PEOPLE IN MIND

A CSR CASE STUDY



Our work on planning and building the Waupisoo Pipeline is an excellent example of how we put corporate social responsibility into practice to build lasting relationships with all of our stakeholders.



Tim Antill (left) of Golder Associates, environmental consultants for our Waupisoo Pipeline project, and Deanna Weber, Environmental Engineer, Enbridge, measure water flow velocity on the North Saskatchewan River northeast of Edmonton. We will construct this portion of the Waupisoo Pipeline during the fall of 2007 to minimize impact to fish and fish habitats.

MINIMIZING IMPACTS

We planned the Waupisoo Pipeline route with great care to minimize environmental impacts. First we plotted a route that was as short and narrow as possible to reduce both costs and overall impacts to the land and communities along the route. Our priorities were to bypass known environmentally sensitive areas; reduce potential impacts on both agricultural land and Aboriginal traditional territories; minimize our footprint within caribou and moose zones, as well as the number of water and road crossings; and avoid areas where construction would be especially difficult. We worked with regulatory agencies, landowners and First Nation and Métis communities to address concerns such as soil salvage and weed management.



We carried out comprehensive environmental field studies in 2005 and 2006 related to fisheries, soils, wildlife, vegetation, and archeological and paleontological sites.

In advance of filing regulatory applications, we conducted comprehensive field studies during 2005 and 2006 to obtain essential environmental information about the lands where the pipeline and associated facilities are to be built. The studies covered fisheries, soils, wildlife, vegetation, and heritage resources. We also worked with First Nation and Métis communities to complete fisheries, archeological and traditional knowledge, and land use studies. The information we gathered formed part of the Conservation and Reclamation (C&R) Plan, which we submitted to Alberta Environment in 2006 and is available publicly on the Waupisoo Pipeline website.

As we move into the construction and operation phase of the project, our focus will continue to be on minimizing potential environmental impacts.

The Waupisoo Pipeline goes through territory that is new for Enbridge so we doubled our efforts to consult with and inform local communities, landowners, Aboriginals and other stakeholders in a region unfamiliar with our company, values and project plans. As always, our approach to consultation was to gather opinions, encourage collaboration, treat all stakeholders equally, ensure that everyone's rights are respected, and exceed regulatory requirements for communicating with stakeholders.



Enbridge's Doug Cook (left), Pipelines Lead, and Trevor Klein, Field Engineer, discuss the Waupisoo Pipeline route, which was finalized after extensive consultations with local communities, landowners, Aboriginals and other stakeholders.

For the Waupisoo Pipeline, our participant involvement and stakeholder communication program began in mid-2005, six months before we filed our application for regulatory approval, and will continue after the pipeline is operational in mid-2008. About 15 Enbridge employees directed various parts of the process, with many other team members involved.

To start, we contacted 26 Aboriginal communities within a wide area around the pipeline route. Nine of these declared that their rights and traditional uses could be impacted by the project and we followed up with all of them through community meetings and open houses and extensive consultations. In the fall of 2006, four First Nation

CONNECTING WITH COMMUNITIES



Enbridge's Manager, Projects, Aboriginal Affairs Lyle Neis (left) and Chief Morris Monias at the Heart Lake First Nation's sawmill near Lac La Biche, Alberta. Enbridge provided \$75,000 in funding to support the First Nation's purchase of the sawmill.



Enbridge became one of the Heart Lake First Nation sawmill's first customers, placing an order for 50,000 skids (pictured at right) for use in the construction of the Waupisoo Pipeline. Employing over 10 people, the sawmill is already serving other customers in the region.

communities raised objections to the project, stating that consultations were not complete and raising concerns about impacts to traditional territory and the environment. After further meetings where we were able to gain a better understanding of community issues and project participation objectives, the issues and concerns were resolved and the First Nations communities had withdrawn all their objections by mid-December.

The Waupisoo Pipeline has created several collaborative business opportunities for the Aboriginal communities along the route. For example, with partial funding from Enbridge, the Heart Lake First Nation near Lac La Biche purchased a sawmill and we then became one of their first customers, placing an order for the skids we use in the pipeline's construction. To prepare our regulatory filings, we worked with several Aboriginal communities to compile traditional knowledge within the project footprint. Five communities have been contracted by Enbridge to carry out right-of-way clearing.

Our approach to landowner consultation was equally thorough. We sent information packages to and, where possible, personally met with all landowners and residents with properties within 200 metres of the proposed pipeline right-of-way, or within 500 metres of the proposed pump stations and terminals. We sent our regular project information mail-outs to about 1,000 stakeholders. We held community open houses in Fort McMurray, Grassland, Radway, Bruderheim and Sherwood Park that attracted over 300 people and helped us forge person-to-person relationships with those most directly impacted by the project. We also proactively engaged the landowners associations that formed to negotiate rights collectively. Through this process we developed an addendum to the easement agreements that addressed environmental and construction issues. A primary issue for landowners was routing, including instances where landowners asked that the pipeline be routed onto their property.

Ultimately, the final pipeline route was determined with significant input from landowners and communities along the right-of-way.

Timeline continued

| | | | | | | | | | |
|---|--|--|---|---|--|---------------------------------------|--|---|-----------------------------|
| DEC. 22, 2005 | Conservation and Reclamation (C&R) Plan submitted to Alberta Environment | FALL 2006 | Four Aboriginal communities withdraw their objections to pipeline | FEB. 20, 2007 | Right-of-way clearing begins on northern portion | MARCH 5, 2007 | Construction of pipeline's southern portion to begin | WINTER 2007-2008 | Pipeline to go into service |
| Application for regulatory approval filed with Alberta Energy and Utilities Board (EUB) | AUG. 4, 2006 | Four Aboriginal communities write letters of objections to the EUB | NOV.-DEC. 2006 | EUB approves Waupisoo Pipeline without holding public hearings following withdrawal of all objections | FEB. 26, 2007 | Alberta Environment approves C&R Plan | SUMMER 2007 | Construction of pipeline's northern portion | JUNE 30, 2008 |



The Waupisoo Pipeline right-of-way passes through woodland caribou habitats. One of our planning priorities was to minimize our footprint within these areas.

OUR ONGOING COMMITMENT

Enbridge is committed to an open dialogue between stakeholders and the project team, while continually improving our methods to minimize environmental impact.

On February 20, 2007 – almost two years after we started planning the Waupisoo Pipeline – the Alberta Energy and Utilities Board (EUB), the provincial regulator of energy resources development, approved the project without holding public hearings because all objections by individuals and groups affected by the pipeline had been withdrawn. We won praise from some Aboriginal communities for the way our consultation program took place. In reporting on our pipeline expansion plans, the *Edmonton Journal* said: “Over the 57-year-history of its network, (Enbridge) has become a master of building projects with little community or environmental fuss.”

While we are pleased with this feedback, we take nothing for granted.

Construction has begun, and during this new phase through to operation, we are committed to ongoing two-way communication between stakeholders and our project team. We will continue to work with regulatory agencies, landowners and First Nation and Métis groups to ensure project commitments and conditions are implemented in order to minimize overall project impacts.

The Waupisoo Pipeline will be built to the highest standards of pipeline safety and integrity using the latest pipeline engineering and construction technologies and practices. Public, employee and environmental safety are always our top priorities and a core part of our commitment to responsible behaviour across every kilometre traversed by our pipelines. For more information, go to www.enbridge.com/waupisoo.

AWARDS AND RECOGNITION

When you're committed to sustainability in all you do, you're often recognized for your efforts.



Bonnie DuPont, Group Vice President, Corporate Resources, Enbridge Inc., accepts the Award of Distinction at the Globe and Mail Business for the Arts Awards in the category of Most Effective Corporate Program.

Global 100 Most Sustainable Corporations in the World

In January 2007, Enbridge was named for the third consecutive year as one of the 100 Most Sustainable Corporations in the World.

Canada's Top 100 Employers

Enbridge was selected for the 2007 edition of Canada's Top 100 Employers, and was again chosen as one of Alberta's Top 25 Employers.

The Best 50 Corporate Citizens in Canada 2006

Enbridge was included in the *Corporate Knights* fifth annual listing of best corporate citizens.

Newsweek International's 100 Most Adaptable Companies

Enbridge ranked 26th on the list of the 100 companies best able to adapt to global warming. The list is based on an analysis of 1,800 companies by *Corporate Knights* and Innovest Strategic Value Advisors. The companies were ranked exclusively for *Newsweek* on how effectively they manage environmental risks and opportunities relative to their industry peers.

United Way Thanks a Million Award

For the seventh consecutive year, Enbridge received the United Way's Thanks a Million Award recognizing organizations that raise \$1 million or more nationally for United Ways across Canada.

Alberta Venture Most Respected Corporations

For the fourth year in a row, Enbridge was named one of Alberta's Most Respected Corporations in the annual *Alberta Venture Magazine* awards.

Fortune's America's Most Admired Companies

Enbridge Energy Partners was ranked fourth among pipeline companies for America's Most Admired Companies for 2007, based on eight criteria from investment value to social responsibility. The industry pool within which Enbridge is ranked is comprised of the 10 largest pipeline companies within the Fortune 1000 (ranked by revenue). Enbridge ranked number one among its peers in the Social Responsibility category and was in the middle of the pack in most other categories.

Corporate Volunteer Award of Excellence

The Government of Alberta's Wild Rose Foundation presented Enbridge with an award recognizing the Company's efforts in the volunteer sector.

Globe and Mail Business for the Arts Awards

Enbridge received an Award of Distinction in the category of Most Effective Corporate Program.

Patron Award

Enbridge received the Patron Award for Sustained Support at the annual Mayor's Luncheon for Business and the Arts in Calgary.

INAC Aboriginal Relations Awards

Enbridge Pipelines was a finalist for the Aboriginal Relations Best Practice Award of Distinction. The award is sponsored by Indian and Northern Affairs Canada and the Aboriginal Workforce Participation Initiative.

CEPA Safety Awards

Enbridge Pipelines received two safety awards from the Canadian Energy Pipeline Association in May – for lowest injury frequency rate in Canada in the large pipeline category for 2005, and second place for the lowest motor vehicle incident frequency rate.

Best Safety Performer

Enbridge received a Work Safe Alberta award from the Alberta government for exceptional performance in workplace health and safety.

API Safety Recognition

Enbridge Liquids Pipelines received the American Petroleum Institute's Zero Employee OSHA Lost-Time and/or Restricted Work Injuries Pipeline Certificate of Recognition for Occupational Safety Performance in 2006.

API Most Improved Safety Award

Enbridge Liquids Pipelines received the American Petroleum Institute's Most Improved Employee Safety Performance Certificate in 2006.

Wisconsin Safety Council Award

Enbridge Liquids Pipelines received the 2006 Grand Award from the Wisconsin Safety Council.

IX Garrigues-Expansión Environment Prize

CLH, Spain's largest refined products transportation and storage business, was awarded the country's IX Garrigues-Expansión Environment Prize in recognition of the work being done on environmental recovery of land.

Green Toronto Award

Enbridge Gas Distribution was recognized by the City of Toronto with an Environmental Award of Excellence in the Energy Conservation category for efforts in helping customers reduce energy consumption and greenhouse gas emissions.

America Gas Association Safety Achievement Award

Enbridge Gas Distribution earned the 2006 Award for achieving the lowest DART (Days Away, Restricted, or Transferred) severity rate among large-sized, local distribution companies across North America.

CICA Award of Excellence for Corporate Reporting

Enbridge Inc. received the Award of Excellence for Corporate Reporting in the Utilities and Pipelines category from the Canadian Institute of Chartered Accountants. The award was presented in December as part of the CICA's 2006 Corporate Reporting Awards program. Enbridge received the highest average ranking for financial reporting, corporate governance reporting, sustainable development reporting and electronic disclosure.

Governance Gavel Award

The Canadian Coalition for Good Governance named Enbridge as Corporate Canada's leader in director disclosure for 2006.

Corporate Governance Rankings

Enbridge tied for 13th on the 2006 *Globe and Mail* Report on Business corporate governance ranking of 204 Canadian companies. Enbridge tied for 24th on the 2006 *Canadian Business Magazine* ranking of the 25 best Canadian boards of directors.

CORPORATE GOVERNANCE

At Enbridge, corporate governance means ensuring a comprehensive system of stewardship and accountability is in place and functioning among directors, management and employees. We employ a variety of policies, programs and practices to manage corporate governance and ensure we have a strong corporate governance culture built on integrity, accountability and transparency.

CORPORATE GOVERNANCE HIGHLIGHTS

Significantly reduced the total fines received from government agencies for environmental and safety issues.

Regulatory agencies conducted 54 external audits at our United States Gas Transportation facilities in 2006. These audits resulted in seven violation notifications – all minor in nature.

Det Norske Veritas completed a qualitative assessment of Liquids Pipelines' contractor safety management system against 15 best practice processes.





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Regulatory Compliance *page 23* | Risk Management *page 23*

CORPORATE GOVERNANCE SCORECARD

| Objective | 2005 result | 2006 result | Target | Challenges |
|---|--|---|---|---|
| Apply management systems to focus our Company's EH&S objectives, improve worker safety, reduce adverse impacts on health and the environment, and measure our progress. | DuPont Safety Resources completed a comprehensive review of Liquids Pipelines' Health and Safety Management Systems. | Det Norske Veritas completed a qualitative assessment of Liquids Pipelines' contractor safety management system against 15 best-practice processes. E.Vironment, LP completed a comprehensive review of Liquids Pipelines' environmental management systems. | Increase the consistency of our EH&S activities and ensure they are closely tied to our business and CSR objectives. | Enbridge's operations, facilities and petroleum product shipments are subject to extensive national, regional and local environmental, health and safety laws and regulations. |
| Have mechanisms in place to continually evaluate the effectiveness of our environment, health and safety programs. | We conducted several internal audits of our EH&S systems throughout all of our business segments and also participated in external audits and inspections of our operations. | E.Vironment, LP conducted an environmental compliance audit at seven Liquids Pipelines facilities. In the United States, environmental reviews were conducted on Enbridge Pipelines, North Dakota and the Spearhead Pipeline. | Assess each business segment's compliance with government regulations and our internal policies and management systems, and provide guidance for making improvements. | Enbridge's facilities could experience accidents, malfunctions or other unplanned events that could result in spills or emissions in excess of permitted levels and result in personal injury, fines, penalties or other sanctions and property damage. |
| Manage compliance with laws and regulations through system controls and regular reviews and inspections. | We received 10 regulatory notifications from government agencies for environmental or safety issues, with fines totaling \$101,114. | We received 10 regulatory notifications from government agencies for environmental or safety issues, with fines totaling \$3,580. | Continuous compliance. | Environmental laws and regulations are likely to become more stringent over time. |

CSR COMMITTEE OF THE BOARD

Enbridge's Corporate Social Responsibility (CSR) Committee oversees EH&S and CSR guidelines, policies, procedures and practices of Enbridge and its subsidiaries. In 2006, the CSR Committee met three times.

EXECUTIVE COMPENSATION

Enbridge's executive compensation is described in the Management Information Circular, which can be found at www.enbridge.com.

Besides performance against financial, operations and strategic objectives, which are key determinants of incentive payments under our company's executive compensation program, Enbridge senior executives must also meet non-financial objectives that reflect EH&S performance and CSR commitments.


MEETING SARBANES-OXLEY

The Sarbanes-Oxley Act, enacted by the United States Congress in 2002, was created to restore public trust in capital markets after several high-profile business scandals. As a result of Sarbanes-Oxley, the U.S. Securities and Exchange Commission and the stock exchanges have established rules that govern how boards and committees are required to review disclosures, company processes and internal control systems. Enbridge Inc. and our United States businesses comply with applicable Sarbanes-Oxley requirements. Enbridge's governance practices are also consistent with and follow the Canadian securities regulators' corporate governance guidelines and rules. In ensuring compliance, Enbridge's CEO and CFO sign certificates attesting to the fair presentation, in all material respects, of the Company's financial position, results of operations and cash flows, as well as attesting to the design and effectiveness of disclosure controls and procedures, and the design of internal controls over financial reporting to provide reasonable assurance that all material information is disclosed.


EMPLOYEE AWARENESS

Liquids Pipelines' Incentive Compensation Program for all its employees is 25 per cent weighted on safety and environmental (system integrity) performance. The company that conducted the outside review of our Environmental Management System noted this as an industry "best practice".

In the United States, Liquids Pipelines developed and implemented an environmental training program for our operations staff, and expanded environmental training provided for project inspectors, who are contractors hired by our engineering and operations departments to work on capital projects.

One of the ways Enbridge Gas Distribution engages its employees in environment, health and safety issues is through its 10 joint EH&S committees, which are situated throughout our Ontario operations. 


CONTINUOUS IMPROVEMENT OF OUR MANAGEMENT SYSTEMS

Our business units apply management systems specifically adapted to their activities and business needs. These systems are designed to focus our company's EH&S objectives, improve worker safety, reduce adverse impacts on health and the environment, and measure our progress. A goal of these systems is to increase the consistency of our EH&S activities and to ensure our activities are closely tied to our business and CSR objectives.  *for a report on activity in 2006.*

REVIEWS AND AUDITS

We use reviews and audits to assess each business segment's compliance with government regulations and our internal policies and management systems, and to provide guidance for making improvements.

INTERNAL EH&S REVIEWS

We conduct internal EH&S reviews at all facilities we operate. To carry out a review, a team of EH&S professionals inspects the site, conducts interviews, and checks documentation. After the review is completed, the team provides local management with a formal written review report summarizing the findings. Management then develops an action plan to correct deficiencies. The review team follows up on documented issues to ensure they are fully addressed.  *for a report on internal EH&S reviews in 2006.*

PROCESS SAFETY MANAGEMENT (PSM) – UNITED STATES

Unexpected releases of toxic, reactive, or flammable liquids and gases in processes involving highly hazardous chemicals have been reported for many years in various industries that use chemicals with such properties. Regardless of the industry that uses these highly hazardous chemicals, there is a potential for an accidental release any time they are not properly controlled.

To help ensure safe and healthy workplaces, the U.S. Occupational Safety & Health Administration has issued the Process Safety Management of Highly Hazardous Chemicals standard (29 CFR 1910.119), which contains requirements for the management of hazards associated with processes using highly hazardous chemicals.

In 2006, there were 27 PSM facilities in Enbridge's U.S. Gas Transportation Business. We have established a separate PSM safety program for these facilities, in addition to standard safety procedures. We also have assigned two EH&S professionals dedicated exclusively to the implementation and management of safety systems and procedures at these PSM regulated facilities.

PROCESS SAFETY MANAGEMENT – CANADA

During 2005 and 2006, the number of requests Enbridge Gas Distribution received from the excavating community to locate our gas lines increased by more than 10 per cent, while during the same period the rate of gas line damages per 1,000 locates decreased by more than 10 per cent. We continued to work with regulatory authorities to advance proposals for 'One Call' legislation in Ontario that would streamline the 'Call Before You Dig' process to one phone call. We also continue to target repeat offenders who excavate without locates, or who frequently damage the gas distribution system. As well, we have partnered with other local utilities to acquire locate services through a joint contracting process, which has resulted in overall improvements to locate service quality.

EXTERNAL AUDITS AND INSPECTIONS

Local and federal regulatory agencies carry out environmental and safety audits and inspections of our operations. Here are some examples:

- The Oklahoma Department of Environmental Quality completed a comprehensive review of the Title V Air Permit at Liquids Pipelines' Cushing tank farm. Several minor non-compliance issues were identified and resolved, and as a result no Notice of Violation or other formal action was issued. In addition, our terminals at both Broome, Kansas, and Patoka, Illinois, received air compliance inspections by the respective state environmental agencies, also with no notable deficiencies. Liquids Pipelines' U.S. operations received no environmental fines or penalties in 2006.
- Enbridge is continually inspected by the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA). In 2006, this consisted of more than 16 weeks of records and facilities inspections, including a team operating and maintenance procedure audit and a comprehensive liquids system Integrity Management Program (IMP) audit. At the time of this writing, PHMSA had not formally issued the results of the 2006 audits and inspections, but no violations or fines had been issued. Results of similar PHMSA audits and inspections in 2005 have been received with no violations or fines issued.
- Regulatory agencies conducted 54 external audits at our U.S. Gas Transportation facilities in 2006. These audits resulted in seven violation notifications. All of these violations were minor in nature, with the most severe resulting in a fine of US\$2,080 for failure to report upset air emissions within 24 hours. Of the other violations, two resulted in US\$500 fines each, with the remaining four having no associated fines.
- U.S. Gas Transportation also received one additional violation notification in 2006 for a crude oil spill. This 10-barrel spill, which caused a sheen on a creek in Mississippi, resulted in a US\$500 penalty.

REGULATORY COMPLIANCE

We manage compliance with laws and regulations through system controls and regular reviews and inspections. We consider any regulatory notification or penalty to be important and continue to work toward our goal of continuous compliance. In the event that our performance falls short of this goal, we carry out rigorous reviews and institute corrective processes.

In 2006, we received 10 regulatory notifications from government agencies for environmental or safety issues:

- U.S. Gas Transportation received eight notices of violation/enforcement for air permit and non-compliance issues. The most significant was a US\$2,080 fine issued to our Indian Rock, Texas, natural gas treating plant. A Notice of Enforcement (NOE) was issued for failure to report within 24 hours upset air emissions related to plant operational issues. Due to a miscalculation, environmental staff believed there was a compliant emission level when in fact permit limits had been exceeded. The error was self identified and reported soon after the event.
- Liquids Pipelines received two notices: a Low Risk Non-Compliance Notice from the Alberta Energy and Utilities Board for delaying response to a request for an annual oilfield waste disposition report; and an Improvement Order Form from Manitoba Workplace Health and Safety following an incident on November 23, 2006, where two Enbridge employees and a contractor were injured while removing mechanical batch pigs from a receiving trap. Both notices were addressed and resolved.
- Enbridge Gas Distribution received no notices of violation or enforcement during 2006 for regulatory, environment or labour requirements.

REGULATORY NOTIFICATIONS AND FINES


| | 2006 | 2005 | 2004 | 2003 |
|----------------------------------|---------|-----------|-----------|----------|
| Regulatory notifications* | 10 | 10 | 28 | 21 |
| Regulatory fines incurred (US\$) | \$3,580 | \$101,114 | \$207,278 | \$54,000 |

*Regulatory notifications are formal written notices by regulators that Enbridge may not be adhering to legal, regulatory or permit requirements. Examples include formal warnings, enforcement actions, summonses and charges, notices of violation, and stop and control orders.

RISK MANAGEMENT

Enbridge's approach to risk management is incorporated in our corporate governance framework, which requires management teams in each business unit to review and regularly report on the risks they face and the controls in place to manage them. The Board and the Audit, Finance and Risk Committee oversee the annual review of risks to the Company, monitor Enbridge's risk management program and oversee the review of risks in consultation with internal and external auditors.

Other Board committees also oversee the implementation and monitoring of risk management systems. Results of this process and comprehensive environment, health and safety reports from our business units are presented each year to the CSR Committee.

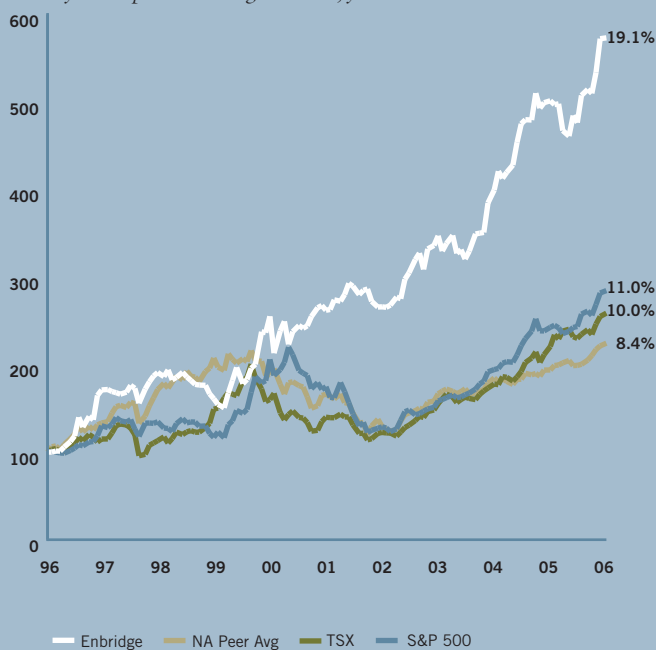
Enbridge's business activities are subject to a variety of risks, including operating, market price and credit risks. The Company has formal risk management policies and risk management systems designed to mitigate risks.  for more information on Enbridge's risks that pertain most directly to CSR.

ECONOMIC PERFORMANCE

We remain focused on our main priorities as a business – to be North America’s leading energy delivery company and to generate long-term value for our investors. This requires that we deliver shareholder value and maintain profitability while performing in a socially and environmentally responsible way.

10-YEAR TOTAL SHAREHOLDER RETURN

10-year compound annual growth rate, year ended December 31



North American peers include: TransCanada, TransAlta, Emera, Canadian Utilities, Aquila, CMS Energy, Dominion, DTE Energy, Duke, Dynegy, El Paso, Equitable, KinderMorgan, KeySpan, National Fuel Gas, NiSource, Sempra, Questar and Williams.



10

4 %

A close-up photograph of a person's hand, wearing a dark suit jacket and a white shirt cuff, pointing towards a digital display. The display is divided into a grid of dark blue panels. The central panel shows the text '4%' in a bright green, sans-serif font. Above it, in a separate panel, the number '10' is visible in a red font. Other panels show faint, partially visible green numbers and symbols. The lighting is dramatic, with the hand and the '4%' text being the primary focus.

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ECONOMIC SCORECARD

| Objective | 2005 result | 2006 result | Target | Risks |
|--|--|---|---|---|
| Realize above industry-average annual adjusted earnings per share ¹ growth. | \$1.59, up 8.2 per cent from 2004 | \$1.74, up 9.4 per cent from 2005 | 2007: \$1.75 to \$1.85 ² | Enbridge combines a low-risk profile with excellent growth opportunities. However, the Company's business activities are subject to market price, credit and operating risks. For details about Enbridge's risk management practices and principal risks, please see the Risk Management section on page 23 of this report, as well as Enbridge's 2006 Annual Report to shareholders. |
| Deliver superior annual dividend growth (payout ratio of 60-70 per cent ³ of adjusted operating earnings). | \$1.04 per common share | \$1.15 per common share | 2007: \$1.23 per common share | |
| Deliver strong total shareholder return ⁴ | 25.5 per cent | 14.3 per cent | Ongoing: create superior long-term value for shareholders | |
| Invest in renewable and alternative energy sources that complement our core operations and provide environmental benefits. | <p>Construction of 30-MW Chin Chute wind power plant.</p> <p>Announced development of 182-MW Ontario Wind Power project.</p> <p>Worked on development of new natural gas hybrid fuel cell plant.</p> <p>Worked with stakeholders in support of on-site natural gas generation and "merchant generation".</p> | <p>Opened Chin Chute wind power plant.</p> <p>Continued planning of the Ontario Wind Power project.</p> <p>Began construction of Phase 1 of fuel cell pilot plant.</p> <p>Worked with stakeholders to have first CHeP (combined heat and emergency power) plant installed in Ontario.</p> | <p>Begin commercial operation of Ontario Wind Power project in 2008.</p> <p>Complete construction of Phase 1 of fuel cell pilot plant and begin Phase 2 construction in 2007.</p> | Our Ontario Wind Power Project has been subject to significant 'not in my backyard' related opposition that has delayed the approval process. |

¹ Based on adjusted operating earnings, which represent earnings applicable to common shareholders adjusted for non-operating factors.

² Guidance provided by the Company on January 31, 2007 and repeated on May 2, 2007.

³ This target was approved by Enbridge's Board of Directors in November 2005 and represents an increase from the previous 50-60 per cent.

⁴ Represents total cash dividends declared plus common share price appreciation.

Investors and readers seeking more detailed information should refer to Enbridge's 2006 Annual Report available on our website at www.enbridge.com.

OPERATIONS UPDATE

Enbridge had another excellent year in 2006, delivering strong financial results while also receiving commercial support for a number of major new growth opportunities. Earnings were \$615.4 million, compared with \$556.0 million in 2005, more than 10 per cent higher than the previous year. As a result, the Company is well positioned to continue its consistent delivery of superior returns to shareholders.

Significant operating factors affecting earnings in 2006 included:

- Enbridge crude oil mainline system earnings were higher primarily due to lower oil loss costs, higher earnings from the Terrace expansion and the Incentive Tolling Settlement (ITS).
- Enbridge Energy Partners' earnings increased significantly with higher crude oil throughput, strong margins and increased volumes in the natural gas gathering and processing businesses.
- Aux Sable experienced strong natural gas processing margins throughout the year resulting in significant earnings under a sharing agreement.

ORGANIC GROWTH PROJECTS

We will continue to build on this foundation of success through an exceptional portfolio of new growth opportunities. These include more than \$8 billion of liquids pipeline projects now moving forward. We will nearly double our net investment in liquids pipelines as Enbridge embarks on the most intense capital program in our history.

MAINLINE CAPACITY EXPANSION

The Southern Access Expansion (US\$1.6 billion) is now under construction, and portions will be phased in from 2006 to 2009.

Preliminary pre-regulatory approval work has already begun on Alberta Clipper, a new pipeline from Hardisty, Alberta, to Superior, Wisconsin, with a projected in-service date by mid-2010.

UPSTREAM PIPELINE DEVELOPMENT

We have plans to build approximately \$2 billion of regional pipeline delivery infrastructure in the oil sands corridor between Fort McMurray and Edmonton. The Long Lake and Surmont Pipeline projects are completed and the Waupisoo Pipeline began construction in June 2007. Plans are also underway to expand the Athabasca system.

NEW MARKET ACCESS

The new Spearhead Pipeline began operating in March 2006, and we are already considering expanding the capacity. The Southern Access Extension (US\$0.4 billion) to Patoka, Illinois, is scheduled for completion in 2009.

Development of the Gateway pipeline from Edmonton to Kitimat, B.C., is proceeding at a reduced pace as it is now anticipated our customers will not need this capacity until 2012 to 2014.

We are working on several alternatives to expand capacity to the Gulf of Mexico and to move crude farther east from Chicago.

DILUENT SUPPLY PROJECT

The Southern Lights diluent return line (US\$1.3 billion) is under construction in the United States with a targeted in-service date of 2010.

TERMINALING AND STORAGE INFRASTRUCTURE

We are planning on increasing our investment in contract terminals over the next five years, including the Hardisty Merchant Terminal, the Stonefell Terminal near Fort Saskatchewan, and expansion of the Athabasca Terminal.

GAS PIPELINE SYSTEM EXPANSIONS

Our U.S. natural gas gathering, processing and transmission infrastructure continues to expand – particularly in Texas, where Enbridge Energy Partners has good exposure to the prolific natural gas plays in the Anadarko Basin, Barnett Shale and Bossier Sands. Vector Pipeline, in which we have a joint venture interest, is also expanding two compressor stations and considering another potential compressor expansion.

EXPANDING ONTARIO GAS DISTRIBUTION SYSTEM

Our Enbridge Gas Distribution (EGD) infrastructure in Ontario serves Canada's fastest-growing metropolitan area. We are encouraged with recent regulatory developments, and we look forward to the introduction of incentive regulation in 2008. EGD continues to be one of the fastest-growing gas utilities in North America, adding more than 40,000 new customers each year.

SUSTAINABLE ENERGY COMMITMENTS

At Enbridge, we believe in doing our part to contribute to the future by investing in renewable and alternative energy sources that complement our core operations and provide environmental benefits, thus helping reduce greenhouse gas emissions and addressing the issue of global climate change.

WIND POWER

Enbridge is involved in four wind power projects in Canada – three of which are through our sponsored investment Enbridge Income Fund, while the fourth is being planned for Ontario. Together, these projects have a combined capacity of more than 250 megawatts (MW), enough electricity to meet the power requirements for about 90,000 homes.

Wind-generated electricity is the fastest growing sector of electricity generation in North America. Substantial technological advances and government incentives have enabled wind power projects to become economically attractive investments.

As of early 2007, Enbridge's investments, along with those of our joint venture partners, represented about 4.8 per cent of Canada's installed wind power capacity.

SunBridge and Magrath wind power

In a partnership with Suncor Energy, Enbridge Income Fund owns 50 per cent of the Enbridge-operated 11-MW SunBridge wind power project near Gull Lake, Saskatchewan.

The Fund, Suncor Energy and ACCIONA Energy are equal partners in the 30-MW Magrath wind power project, located southwest of Lethbridge, Alberta. Enbridge has contracted under a 20-year agreement to purchase one-third of the project's output to supply power to our Alberta pipeline system. A long-term contract of this type reduces risk for the wind project and provides our pipelines with a source of electricity at a stable price.

The Chin Chute wind power project

In 2006, Enbridge, in partnership with Suncor Energy and ACCIONA, opened the 30-MW Chin Chute wind power plant, located west of Taber in southern Alberta. The Fund owns a one-third interest in the \$60-million project. Chin Chute is operated by Acciona Wind Energy Canada Inc., a subsidiary of Spain's ACCIONA group.

Like the Magrath project, Chin Chute consists of 20 1.5-MW wind turbines that use advanced wind power technology to combine high electrical output, low noise levels and a small footprint on the land.

Chin Chute is producing enough zero-emission electricity to power 14,000 Alberta homes and displace the equivalent of 88,000 tonnes of carbon dioxide per year – equal to taking about 13,000 vehicles off the road. With completion of the Chin Chute project, the Fund's share of electrical capacity from its three wind power plants is 25.6 MW.

The Ontario Wind Power project

In November 2005, Enbridge was the successful bidder for two contiguous wind-power contracts with the Ontario Power Authority.

Enbridge owns a 100-per-cent working interest in the \$400-million Ontario Wind Power project that will build 110 wind turbine generators in the Municipality of Kincardine on the eastern shore of Lake Huron in Bruce County, Ontario. The project will contribute almost 182 MW of emissions-free energy to Ontario's grid.

We have executed a 20-year electricity purchase agreement with the Ontario Power Authority for all of the power produced by the project, which will be enough renewable energy to supply approximately 63,000 homes and reduce greenhouse gas emissions equivalent to taking about 30,000 vehicles off the road.

Following environmental assessments, planning approval, public consultation and construction, Enbridge expects to begin commercial operations in 2008.

FUEL CELLS – EXPLORING STATIONARY FUEL CELL TECHNOLOGIES


Enbridge is demonstrating that new alternative supplies of electricity do not need to take up a lot of space to improve the environment.

Three modest structures now under construction at Enbridge Gas Distribution's Toronto headquarters will soon house a fuel cell innovation that is also a global first – the Direct FuelCell®-Energy Recovery Generation (DFC®-ERG) Power Plant. This leading-edge natural gas hybrid fuel cell pilot plant has a low visual profile and takes up only 20 parking spaces at the back of the parking lot. The power plant will eventually produce 2.2 megawatts of electricity, enough to provide power to 1,500 residences.

Enbridge worked closely with government and other industry stakeholders since 2004 to develop this technology. For the pilot plant, we partnered with Fuel Cell Energy Inc. to develop a technology that would produce ultra-clean electricity from energy that is recovered from natural gas pipeline systems. This innovative energy supply can equal the environmental benefits and emission reductions offered by many renewable technologies. Once the pilot plant is built, we plan to replicate it throughout our pipeline network in Ontario, and the DFC®-ERG will be marketed to other natural gas pipeline companies throughout North America.

Phase One, currently under construction, will use a turbo expander to produce electricity as a byproduct of our day-to-day pipeline operations. This is a proven technology, similar to that of a wind turbine operation. Simply put, natural gas is normally transported across long distances at very high pressures. In order to safely distribute this gas to homes and businesses, natural gas utilities need to reduce its pressure. They typically accomplish this by squeezing the gas through a valve. With this project, the natural gas will pass through a turbine, which rotates a generator. That generator converts the pressure energy of the natural gas into electricity and the natural gas continues to flow to homes and businesses at a safe reduced pressure.

Phase Two, scheduled to begin construction later in 2007, will integrate stationary fuel cell technology with the turbo expander to increase the environmental benefits. A chemical reaction will first convert natural gas to hydrogen, and then convert that hydrogen into additional electricity and heat energy.

The heat energy produced will reduce emissions from our existing boiler systems. The fuel cell achieves near-zero smog emissions by operating without combustion, and is so efficient that less greenhouse gas emissions are generated when compared to combustion-based power plants. The power plant's only other byproduct is water vapour.  *to read more about fuel cells.*

DISTRIBUTED ENERGY

Distributed energy sources are small-scale power generation technologies – generators fuelled by natural gas or diesel, or alternative and renewable technologies such as fuel cells and solar photovoltaic cells – located close to homes or businesses. They are an important emerging energy option that can provide customers with reliable, local energy supplies while reducing loss and lowering overall emissions of air pollutants.

Developing a market for on-site natural gas-fired generation

Enbridge Gas Distribution continued successfully in 2006 to develop a market for on-site natural-gas-fired generation in Ontario. Our work with various government and regulatory agencies over the past three years has shown positive results with the release of the latest Ontario Building Code that now references the CSA C282-05 Standard that permits utility-fed emergency generation. An early adopter is a long-term care facility, Villa Colombo Vaughan, which installed Ontario's first CHeP (combined heat and emergency power) plant. This is a 335-kW generator that develops electrical and thermal power for their facility while also meeting the CSA C282 Standard's legal requirements for emergency power loads. We worked extensively with various stakeholders to have the Villa Colombo Vaughan CHeP plant installed.

Enbridge Gas Distribution has been working closely with the Ontario Power Authority (OPA) and other stakeholders to encourage gas-fired high efficiency generation such as Combined Heat and Power (CHP), and peak-shaving demand response installations. OPA's 2006 request for CHP projects resulted in more than 240 megawatts of high-efficiency CHP generation in Enbridge Gas Distribution's service area. We helped CHP proponents determine the gas infrastructure needs of their projects and provided them with cost estimates.

 *for a report on: Supporting energy diversification in Ontario.*

HOW WE DIRECTLY BENEFIT STAKEHOLDERS

Enbridge adds value to the economy through our operating expenses and distributions.

DISTRIBUTION OF ECONOMIC VALUE ADDED – 2006

| | |
|------------------------------------|---------------|
| Payments and benefits to employees | \$517 million |
| Income taxes paid to governments | \$183 million |
| Interest payments to lenders | \$567 million |
| Dividend payments to shareholders | \$403 million |
| Retained in business | \$225 million |

INVESTOR FOCUSED

Our returns to shareholders are delivered through a combination of capital appreciation growth and dividends. In 2006, \$403 million was paid to common shareholders as dividends, compared with \$361 million in the previous year.

EMPLOYEE FOCUSED

Our business operations provide jobs and contracting opportunities in many communities in Canada, the United States and internationally. Headquartered in Calgary, we have major offices in Edmonton, Toronto and Houston, and numerous field offices located in our areas of operations, as well as in Spain and Colombia. We have more than 5,000 employees with an annual payroll of about \$370 million. In 2006, we paid about \$61 million through our annual incentive program to reward employee performance.

CUSTOMER FOCUSED

Every day through our energy transportation and distribution systems in Canada and the United States, we provide millions of customers with hydrocarbon products that are essential to quality of life. These provide fuel for transportation, heat for our homes, and the resources to manufacture plastics and a wide range of consumer products.

We also work with customers to increase the efficient use of valuable energy resources. Enbridge Gas Distribution's demand-side management (DSM) programs help customers conserve gas, saving them money and enabling them to contribute to environmental goals. Over the past decade, we have helped customers reduce their natural gas consumption by 2.9 billion cubic metres through participation in our DSM programs. This translates into the avoidance of 5.5 million tonnes of CO₂ emissions being released into the atmosphere. Measures like these move the Company closer to the realization of its emission reduction targets, despite the pressures of significant growth in Enbridge's customer base.

NATIONALLY FOCUSED

Our business activity brings other benefits to society. Some of the greatest beneficiaries are local, state, provincial and federal governments in Canada and the United States, which receive taxes from our activities. These revenues are used to help fund local public services and infrastructure. In 2006, we paid \$183 million in income taxes. This excludes other taxes, such as property taxes of \$82 million that we paid in Canada and the United States.

COMMUNITY FOCUSED

At the local level, our operations affect economies through the creation of jobs, the purchase of goods and services, and taxes paid to governments. We also invest in community programs and charitable organizations. In 2006, we invested \$5.2 million in charitable and non-profit organizations in Canada and the United States.

INVESTOR INDEXES

A number of investor indexes provide business rankings based on information about a company's social, ethical and environmental policies and practices. They are based on the concept that a company's commitment to corporate social responsibility will sustain and grow long-term shareholder value. Enbridge is included in a number of investor indexes designed to recognize responsible business practices. These include:

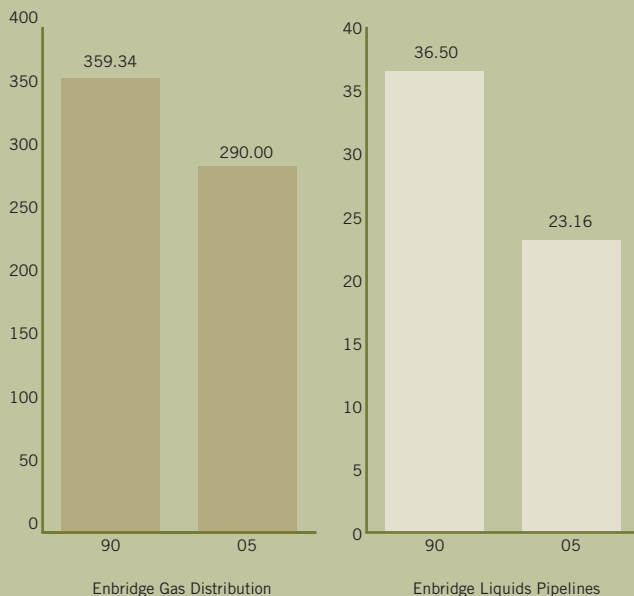
- Ethibel Sustainability Indices (ESI) – Pioneer & Excellence
- Jantzi Social Index (JSI)
- Desjardins Environment Fund

ENVIRONMENTAL PERFORMANCE

We believe that to achieve a consistently strong environmental performance – a key indicator of success – we must set clear goals, find new and better ways to operate, monitor developing trends, and constantly challenge ourselves to improve.

ENBRIDGE'S CANADIAN DIRECT GHG EMISSIONS¹ 1990 VS 2005

(Kt/yr)



¹ Includes St. Lawrence Gas.





IN THIS SECTION

Environmental Scorecard *page 34* | Climate Change *page 35* | Air Quality *page 39* | Ozone-depleting Substances *page 40* | Spills and Releases *page 40* | Monitoring and Remediating Past Actions *page 42* | Biodiversity *page 42* | Water *page 43* | Waste *page 43* | Energy Use *page 43* | Demand-Side Management *page 44* | Pipeline and System Integrity *page 44* | Emergency Preparedness *page 46* | Security *page 46*

ENVIRONMENTAL SCORECARD

| Objective | 2005 result | 2006 result | Target | Challenges |
|--|---|---|--|--|
| Reduce our Canadian direct greenhouse gas (GHG) emissions. | Enbridge exceeded its then corporate target to reduce its Canadian direct GHG emissions by 15 per cent below 1990 levels, registering an 18-per-cent reduction. | Based on the current estimates ¹ , Enbridge's Canadian 2006 direct GHG emissions have increased by seven per cent over our 2005 emissions. | By 2010, reduce Canadian GHG emissions to 20 per cent below 1990 levels. | Given the expansion of Enbridge's operations globally over the past few years, we are reviewing our GHG target-setting process. |
| Develop a carbon management strategy. | Expanded membership of our Climate Change Sub-Committee to include representatives of our international operations in Colombia. Laid the groundwork for developing a carbon management strategy by undertaking an independent third-party audit of GHG emissions data. | Expanded our public GHG reporting to include our sponsored investments in the United States. | Strategy to include further actions to reduce our own direct emissions. Focus on Enbridge Gas Distribution as the majority of our Canadian direct emissions emanate from that business unit. | Only when we have completed a full inventory of our emitting assets in the United States will we be able to set a reduction target encompassing all businesses over which we have operational control. |
| Help our customers use energy wisely through our more than 40 demand-side management (DSM) programs. | Saved about 97 million cubic metres of natural gas ² , enough to supply more than 31,000 homes with natural gas for one year. | Saved about 77.5 million cubic metres of natural gas, enough to supply more than 25,000 homes with natural gas for a year. | On an ongoing basis, encourage customers to adopt energy-saving equipment and reduce consumption of natural gas. | The business risks associated with our gas distribution business include obtaining timely and adequate rate relief, as well as accuracy in forecasting and realizing natural gas distribution volumes. |

| Objective | 2005 result | 2006 result | Target | Challenges |
|---|--|---|---|---|
| Prevent all spills and leaks from our energy transportation and distribution systems. | Liquids Pipelines recorded 70 spills totaling 9,825 barrels. (73 spills Company wide). | Liquids Pipelines recorded 61 spills totaling 5,363 barrels. (67 reportable spills Company wide). | Zero spills or leaks. Minimize potential environmental impact should a release occur. | Pipeline leaks are an inherent risk of operations. The Company has an extensive program to manage system integrity and remediate leak sites, and maintains comprehensive insurance coverage for significant pipeline leaks. |

1 2006 actual figures were not available in time for the publication of this report because we are publishing the 2007 CSR Report several months earlier than the 2006 report.


2 2005 DSM results are based on a 15-month period due to an adjustment in the year-end reporting.

CLIMATE CHANGE

OUR IMPACTS

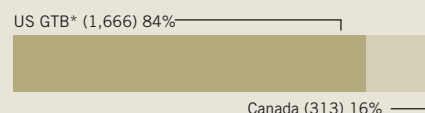
Climate change is an issue of strategic and operational importance to all Enbridge businesses, regardless of where they are located.

As one of North America's major energy delivery companies, Enbridge operates and has equity and operational control in an extensive network of pipelines and facilities to transport oil, refined oil products and natural gas to a wide variety of commercial, industrial and residential customers.

Our North American network and interests include natural gas gathering, processing, transmission, and local distribution pipelines that move natural gas from production fields located in Canada and the United States to distribution systems, gas storage facilities, and ultimately to customers in both countries. Liquids pipelines transport oil and other liquid hydrocarbons across the continent. Each of these different types of pipelines and facilities has a unique mix of greenhouse gas (GHG) emission sources, characteristics and emission reduction methodologies available.  to read Enbridge's Climate Change Policy

ENBRIDGE'S GHG FOOTPRINT IN 2005

(direct emissions, Kt/yr)



*U.S. Gas Transportation Business

OUR ACTION PLAN

Board CSR Committee

The CSR Committee of Enbridge's Board of Directors has specific oversight responsibility for all climate-change-related activities and the development of a carbon management strategy for the corporation. This Board Committee is supported by Enbridge's senior management Corporate Leadership Team, as well as our Climate Change Sub-Committee.

Climate Change Sub-Committee (CCSC)

The CCSC meets monthly and provides a technical focus for the corporation that supports all climate-change-related activities across the enterprise. The CCSC reviews business and environmental risks associated with climate change and identifies policies and actions to mitigate this risk. The CCSC comprises representatives from our business units in Canada, the United States and Colombia, with others being informally invited to participate and advise as required. This committee also oversees the

development of consistent internal methodologies for GHG inventories and reporting, and approves the reporting protocols to be used. Currently, the CCSC is overseeing an external audit of our Canadian GHG emissions data as well as preparing our CSA Canadian GHG Challenge Registry Report.

Public Reporting

We have publicly reported GHG emissions from our Canadian operations since 1995 and use internationally recognized GHG reporting protocols developed by the World Resources Institute and the World Business Council for Sustainable Development.

To provide a clearer picture of our global carbon footprint and following the guidelines of the Global Reporting Initiative, Enbridge has decided to report GHG data only for entities for which it has operational control over daily activities, including internal CSR policies and procedures. As a result, starting with this CSR Report, we are expanding our public GHG reporting to include our sponsored investments in the United States. As we do not have operational control of either CLH in Spain or OCENSA in Colombia, we are no longer publicly reporting emissions data from CLH, which is a deviation from the 2006 CSR Report, and we are not reporting OCENSA's data. However, we will continue to track their data internally.

The CCSC will continue to work across all enterprise-wide business units to clarify the assumptions being used to calculate our GHG emissions and to ensure the most appropriate calculation methodologies are being used.

Reporting To Regulators

In Canada, while there is at present no regulation limiting GHG emissions, we submit our data to the Canadian federal government's (Environment Canada's) mandatory GHG reporting program, as well as to the National Pollutant Release Inventory for all other pollutants.

Our United States operations are not currently subject to any GHG regulatory regime. However, we actively participate in the United States Environmental Protection Agency's (EPA's) voluntary Natural Gas STAR Program and report our activities to them. The Company has also voluntarily signed on as an International Partner to the EPA's Natural Gas Star Program (www.epa.gov/gasstar/partner.htm).

Reporting To Stakeholders

In Canada, we report annually to the Canadian Standards Association's Canadian GHG Challenge Registry. Our reports from all major Canadian business units are publicly available on the Registry's website (www.csa.ca/climatechange/production). Our 2006 update report gained a "Silver Champion Level Reporter" rating status.

Our Targets

The base year for our targets is 1990, when Enbridge consisted of only five Canadian-based companies that emitted 377,000 tonnes of direct carbon dioxide-equivalent (CO₂e) emissions (without adjustments). Another 899,000 tonnes of indirect emissions were a result of electricity consumed by Enbridge facilities and operations.

In 2005, Enbridge achieved its corporate target to reduce its Canadian direct GHG emissions by 15 per cent below 1990 levels. We actually achieved an 18-per-cent reduction.

Our new interim target, set by the CCSC, is to reduce our Canadian direct GHG emissions to 20 per cent below 1990 levels by 2010. Given the expansion of our company's operations globally over the past few years, we are reviewing our GHG target setting process as we continue to develop our broader corporate carbon management strategy. Once we have completed a full inventory of our emitting assets in the United States, and in conjunction with the development of our carbon management strategy, we will be able to set a reduction target encompassing all businesses over which we have operational control.

As part of this broader carbon management strategy, Enbridge has initiated a third-party independent audit of the GHG emissions data from our Canadian operations. We have selected a recognized third-party consulting company to conduct this audit and the results of this review will be used in part to help guide the Company in developing a more robust internal data management system, as well as improve the quality of data being reported. These results will be reported in 2008.

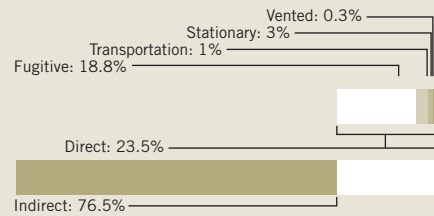
A separate audit of GHG data of Enbridge Gas Distribution and our other Canadian gas distribution assets is under way under the auspices of the Canadian Energy Partnership for Environmental Innovation as part of a Canada-wide audit program. We anticipate that the findings from this audit will not materially alter the data submitted for this business unit, as we are building on a previous similar audit of our 2000 data.

OUR PERFORMANCE IN 2006

In the Summary of Performance Indicators that appear on pages 66-71 of this CSR Report, we provide the following GHG data:

- Liquids Pipelines (Canada) and Enbridge Gas Distribution – actual figures covering the period 2002 to 2005 and forecast estimates for 2006.
- U.S. Liquids Pipelines – actual figures for 2005 and 2006.
- U.S. Gas Transportation – actual figures for 2005 based on our first annual inventory. (2006 data will be available in late 2007 or early 2008.)

ENBRIDGE CANADA 2005
TOTAL EMISSIONS
(1.332 Kt/yr CO₂e)



Direct emissions come from sources that are owned or controlled by the Company and can include emissions from stationary combustion equipment, vehicle operation, as well as vented and fugitive emissions from piping and associated equipment.

Indirect emissions are the GHG emissions associated with purchased electricity and other activities where the emission sources are not owned or controlled by the Company.

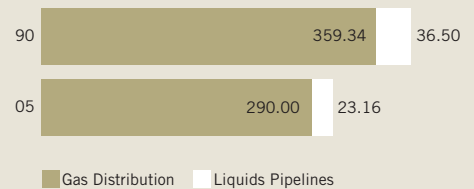
Stationary combustion emissions occur when fuels, predominantly natural gas, are burned as an energy source in the Company's operations.

Transportation emissions include the emissions from the operation of Company-owned transportation equipment. Emissions from the use of employee-owned vehicles for Company activities are counted as an indirect emissions source.

Vented emissions are releases to the atmosphere by design or operational practice. The most common sources of these emissions are gas-operated devices that use natural gas as the supply medium, equipment blowdowns and purging activities in the Company's natural gas distribution operations.

Fugitive emissions include unintentional leaks from piping and associated equipment components and releases from third-party damages to the pipeline system.

ENBRIDGE'S CANADIAN DIRECT
GHG EMISSIONS¹ 1990 VS 2005
(Kt/yr)



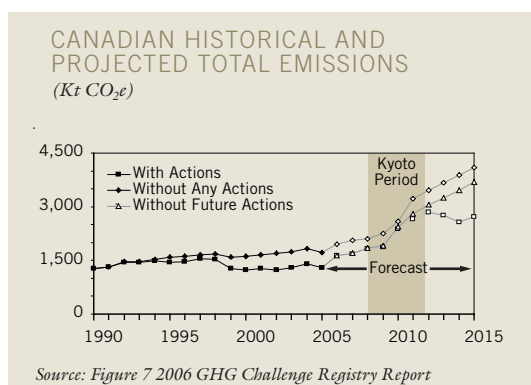
¹ Includes St. Lawrence Gas.

The 2006 actual figures for Liquids Pipelines (Canada) and Enbridge Gas Distribution were not available in time for the publication of this report because we are publishing this 2007 CSR Report several months earlier than the 2006 report (July instead of October). We are endeavouring to synchronize all our GHG data reporting with the new CSR Report publication schedule.

We have taken, or are taking, many steps to improve the quality of our GHG reporting and performance:

- We are undertaking an independent third-party audit of our GHG emissions data management system for our Canadian operations.
- We have undertaken studies to re-evaluate the emission factors being used in our GHG assessment of Enbridge Gas Distribution.
- U.S. Gas Transportation has implemented an internal GHG data management system so that it can regularly report GHG emissions data.
- We are investing in sustainable energy, including wind power and fuel cells, and we are studying the viability of deploying new technologies to help reduce our own GHG emissions, e.g. geothermal and solar.
- Enbridge Gas Distribution continues to replace the cast iron pipe from its distribution system and our United States Gas Transportation Business participates in the EPA's Natural Gas STAR Program to reduce methane emissions.
- Enbridge Inc. signed on with the EPA's Natural Gas STAR International program, an initiative to reduce global methane emissions. We attended a signing ceremony in Washington, D.C. and have submitted a report about our activities to the EPA Partnership in early 2007.

for reports on: Improving energy efficiency of our liquids pipelines; Replacing cast iron pipe in our gas distribution system; Encouraging the efficient use of natural gas by customers; Promoting renewable energy; Fixing gas leaks in gathering pipelines; and Carbon management strategy.



MEASURING AND REPORTING EMISSIONS

Enbridge will continue to publicly report our GHG emissions irrespective of local regulatory requirements. As can be seen in the figure at left, our total emissions are predicted to increase over the first Kyoto period and beyond. While significantly higher than our current emission levels (1,302 kilotonnes versus about 2,750 kilotonnes), it is also much lower than if we had not taken any actions.

Enbridge recognizes that more can be done and this emphasizes the need for the Company to develop a more comprehensive carbon management strategy, which will include further actions to reduce our own direct emissions. As the majority of our Canadian direct emissions emanate from the Enbridge Gas Distribution business, our focus will be on that business unit in the first instance to identify reduction opportunities.

While our total emissions (direct and indirect) are expected to rise as we grow the business, we expect to be able to achieve absolute reductions in our Canadian operations' direct emissions. Any targets for reducing direct emissions from other assets will be considered once we have completed an emissions inventory for these assets and developed our overall carbon management strategy.

CARBON DISCLOSURE PROJECT

In early 2006, the Carbon Disclosure Project (CDP), through the Conference Board of Canada, invited Enbridge, as one of Canada's 300 largest companies by market capitalization, to report on our GHG performance. We were pleased to respond to their request. The CDP is a secretariat for the world's largest institutional-investor collaboration on the business implications of climate change. CDP's website is the world's largest registry of corporate GHG emissions. Enbridge will report again to the CDP in 2007.

CONTRIBUTING TO CLIMATE CHANGE POLICY

Governments in both Canada and the United States have made significant public statements about GHG emissions with policies in their infant stages. The Company continues to work with its trade associations and independently to voice strongly its position on climate change and to confirm that we will help contribute towards a solution.

CO₂ SEQUESTRATION

Carbon dioxide sequestration is an emerging technology which could present opportunities for capturing and storing the greenhouse gases, as well as enhancing oil recovery from mature reservoirs. Enbridge is interested in participating in CO₂ transport and sequestration projects, and is currently evaluating the potential for participating in a number of developments.

AIR QUALITY

OUR IMPACTS

The major air emissions released by Enbridge facilities include methane, carbon monoxide, nitrogen oxides (NO_x) and volatile organic compounds (VOCs). Other contaminants released, but in much smaller quantities, include sulphur dioxide (SO₂), hydrogen sulphide and particulate matter.

We work to keep emissions to the air from our operations below regulated limits. In some cases, we have introduced environmentally friendly technologies in our plants that reduce air contaminant emissions.

On tanks, the largest source of emissions for Liquids Pipelines, we regularly inspect emission control devices and replace or repair them to ensure they meet regulatory criteria. At our Cushing, Oklahoma, terminal, we continue to replace several older, high-emission storage tanks with new, low-emission tanks.

In large urban centres, such as the Greater Toronto Area, we also take an active role in promoting cleaner fuels and vehicles.

OUR PERFORMANCE

Reporting Criteria Air Contaminants

Criteria air contaminants are a group of common air pollutants released from sources, including incineration, industrial production, fuel combustion and transportation vehicles. We have established programs setting our roles, responsibilities and timelines for reporting our criteria air contaminant emissions to various government agencies in Canada and the United States.

In Canada, Enbridge Gas Distribution and Liquids Pipelines track and report annual criteria air contaminant emissions under the National Pollutant Release Inventory. The air contaminants covered under the regulation include NO_x, SO₂, VOCs, carbon monoxide and particulate matter.


In the United States, we track and report to state regulators VOC emissions for liquids pipeline terminals; and NO_x, SO₂, particulate matter, and carbon monoxide emissions for our natural gas system.

Managing Emissions from Gas Plants


U.S. Gas Transportation operates 12 gas processing plants, seven gas treating plants and nine processing and treating plants in Mississippi and Texas. These facilities release various air emissions, including sulphur dioxide and nitric oxides.

We continually look for opportunities to upgrade our gas facilities and pipelines in ways that contribute to operating, environmental and safety goals. One example is acid gas injection, which uses advanced technology to compress acid gas, primarily hydrogen sulphide and carbon dioxide, and inject the gases into suitable underground reservoirs, thereby avoiding emissions to the atmosphere.

Our first acid gas injection plant, which opened in 2004 in Wayne County, Mississippi, cut sulphur dioxide emissions by about 276 tonnes in 2006, compared with a traditional treating plant. The facility also injected 1,470 tonnes of carbon dioxide that would have otherwise been released to the atmosphere. We opened our second acid gas injection plant in 2006 in East Texas. When working at full capacity, this US\$8.4 million facility is expected to cut annual emissions of carbon dioxide by about 50,000 tonnes and sulphur dioxide by about 78 tonnes, compared with a traditional gas treating facility.

 *for reports on: Promoting markets for cleaner vehicles; Encouraging alternate transportation options for employees; Air quality monitoring in Athabasca; and Natural gas fuel benefits northern air quality.*

OZONE-DEPLETING SUBSTANCES

We have eliminated ozone-depleting substances from most of our operations.  *for more information on our 2006 performance.*

SPILLS AND RELEASES

Our goal is to prevent all spills and releases from our energy transportation and distribution systems. We carry out spill prevention and detection preventive maintenance programs as part of comprehensive integrity management of our pipelines and facilities. Our communication programs also keep property owners and neighbours along our rights-of-way informed about our system and enlist their help in the prevention, detection and safe response to pipeline spills. When a spill does occur, we routinely conduct a formal post-mortem, which is a valuable tool to share lessons learned both locally and across the Company.

OUR IMPACTS

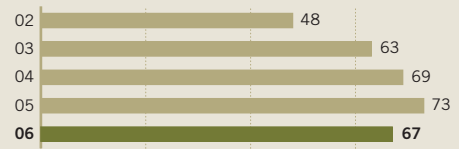
A reportable spill is any spill reportable to a regulatory jurisdiction. In the case of any spill, we carry out emergency response procedures to immediately shut down the system, contain the spill and manage potential impacts to the environment and public safety. We also work closely with landowners, regulatory agencies and other concerned parties to develop remediation and monitoring plans, collecting as much of the product as possible and verifying that residual contaminants are appropriately managed.

OUR PERFORMANCE

In 2006, Liquids Pipelines recorded 61 reportable liquid spills totaling 5,363 barrels from our transmission pipelines in Canada and the United States.

Our goal is zero releases and to minimize potential environmental impact should a release occur. That is why, in addition to rigorous system-wide integrity programs and processes, we have implemented additional focused programs including the Small Piping Integrity Program and spill containment enhancements, which are described in the Pipeline and System Integrity section of this report. (See *Pipeline and System Integrity on page 40.*)

REPORTABLE SPILLS
(number, Company wide)



Sheridan County, Montana

On December 22, 2006, approximately 2,000 barrels of oil were released when a two-inch nipple failed downstream of a pump at a lease site on our North Dakota System in Sheridan County, Montana. The released oil gathered in a low spot in a pasture approximately 150 yards from the pump. Approximately 1,950 barrels of oil were recovered and reinjected into the pipeline, and another 45 barrels of oil were collected by vacuum trucks and transferred to a waste processing facility in Alexander, North Dakota. The remaining five barrels of released oil were burned under a state-issued burn permit and the remaining contaminated soil was collected and hauled to the Sheridan County Solid Waste Facility. Final site restoration and sampling will be completed in accordance with Montana Department of Environmental Quality requirements.

Willmar, Saskatchewan

On March 18, 2006, an estimated 613 barrels of crude oil were released when a pump failed at Enbridge Pipelines (Saskatchewan) Inc.'s Willmar Terminal.

Approximately 308 barrels of product were recovered during initial spill response and containment. During clean-up activities, 338.5 cubic metres of contaminated material was hauled away for disposal and additional recovery of product. We initiated a Remedial Action Plan in 2006 following sampling of off-site impacts outside the terminal property. Additional reclamation activities and monitoring are planned for off-site impacts during the 2007 season.

Other Business Units

U.S. Gas Transportation recorded six reportable spills in 2006 totaling 300 barrels equivalent.

Enbridge Gas Distribution did not incur any spills in 2006 that resulted in violations or enforcement actions by environmental authorities. However, the business unit did record two non-reportable spills, both of which occurred in the vicinity of watercourses north of Toronto. Both spills involved the release of bentonite drilling slurry during gas distribution drilling operations. We notified regulatory agencies of both incidents, but no enforcement actions were taken as a result. Follow-up aquatic assessments of the affected areas found no lasting effects on the watercourses. To prevent similar spills in the future, we have adjusted mitigation measures for horizontal directional drilling operations and conducted refresher training of staff associated with these types of drilling operations with an emphasis on spill prevention.


Spills In Early 2007

In early 2007, Liquids Pipelines recorded two crude oil spills on our Lakehead System in Wisconsin. In January, a pipeline ruptured and leaked about 1,250 barrels of oil into a farm field. No wetland or drinking water was impacted. Within a week of the spill, the site had been thoroughly cleaned up with all oil and contaminated soil removed and the pipeline repaired and returned to service. In February, a section of pipe was struck and damaged during excavation work, resulting in the release of 3,000 barrels

of oil, nearly all of which was contained in the excavation ditch and recovered. Subsequently, a large amount of oily soil was removed, and longer-term monitoring implemented to address any remaining contamination. These two spills will be reflected in our “reportable spills” statistics in our 2008 Corporate Social Responsibility Report.

In April 2007, approximately 6,227 barrels of crude oil spilled in a field downstream of Liquids Pipelines’ pumping station at Glenavon, Saskatchewan. The line is a 34-inch, 490,000 barrel-per-day line transporting heavy and medium crude oil from Edmonton, Alberta, to Superior, Wisconsin. The oil was contained in a low area at the site, and initial clean up was completed within a few days in compliance with all government regulations. Long-term site remediation will be undertaken in consultation with regulators with the objective of returning the site to as close as possible to its original condition. The cause of the release has not yet been determined and is being investigated.


MONITORING AND REMEDIATING PAST ACTIONS

Throughout our Canadian and United States Liquids Pipeline systems, we conduct programs to assess historic leak sites. Some of these sites have been in existence for more than 50 years and, in many instances, the contamination has resulted from practices that were the standard of the day but are no longer acceptable. We assess historic release locations systematically and take further actions where warranted.  *for more information on our 2006 performance.*

BIODIVERSITY


We view biodiversity conservation as an important part of responsible environmental management and incorporate ways to conserve wildlife habitat into our project planning and maintenance activities.

We carry out detailed environmental impact assessments for new pipeline projects to comply with regulations and meet our own standards. These studies include review of potential routing alternatives and routing or work space restrictions to avoid, minimize or mitigate impact to sensitive resources. For example, in consultation with natural resource management agencies, it may be determined that minor changes in alignment for a pipeline or modifications in work space will potentially eliminate or greatly reduce both short- and long-term impacts from construction. In past projects, this has included preserving old-growth pines or avoiding specific locations of endangered species or their habitat, and similar reviews are under way for projects such as the expansion of our Southern Access pipeline.

We also evaluate water-body crossings on a case-by-case basis to minimize impacts to rivers and streams. We incorporate environmental review procedures into all sizes of projects and provide related training or guidelines to employees and contractors.  *for reports on: Mapping pipelines for species at risk; Managing vegetation; and Protecting and restoring habitats and waterways.*

WATER

OUR IMPACTS


Enbridge recognizes the potential impacts our operations can have on surface water and groundwater resources.  *for more information on our 2006 performance.*

WASTE

OUR IMPACTS

Our operations produce mostly non-hazardous wastes, consisting of paper, scrap metals, package materials and construction-related materials. Typically, our operations generate only limited amounts of hazardous wastes. Overall, we make every effort to reduce our waste volumes, regardless of hazard classification, through measurement and management programs at our various facilities.

OUR PERFORMANCE


We minimize the amount of waste from our operations, wherever possible, by reducing the amount of waste we generate or by finding beneficial ways to reuse waste by-products. One of our priorities is to promote consistent waste management practices across our businesses. The development of waste management tracking and training programs helps our employees achieve better waste recovery and meet regulations.  *for reports on: Waste management and minimization in the U.S.; Tracking waste at Enbridge Gas Distribution; and Employee commitment to recycling.*

ENERGY USE

OUR IMPACTS

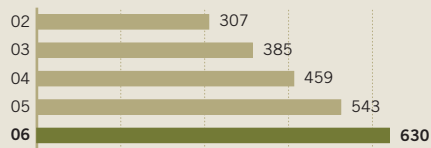
Our liquids pipeline transportation systems in Canada and the United States primarily use electrical pumps, while our natural gas gathering and transmission systems mainly use natural gas as fuel. In Alberta, about nine per cent of Enbridge's pipeline electricity requirement is supplied by the Magrath wind power project, in which Enbridge Income Fund holds a 33.3 per cent share. Our Enbridge Gas Distribution system in Ontario is powered by electricity and natural gas. Diesel fuel and natural gas are used to drive pumps in remote locations along the Enbridge Norman Wells (NW) system in the Northwest Territories.

OUR PERFORMANCE

We strive to reduce energy use through efficiency improvements and conservation efforts.  *for reports on: Increased electricity use in Liquids Pipelines; Optimizing natural flow rates for pipelines; and Managing energy use at Enbridge Gas Distribution.*

DEMAND-SIDE MANAGEMENT

NATURAL GAS SAVINGS THROUGH DEMAND-SIDE MANAGEMENT PROGRAMS (cumulative, million cubic metres)




Note: 2005 results are based on a 15-month period due to an adjustment in the year-end reporting

At Enbridge, we are committed to helping our customers use energy wisely. Enbridge Gas Distribution has more than 40 demand-side management (DSM) programs that encourage customers to adopt energy-saving equipment and reduce consumption of natural gas.

We do this in different ways:

- we conduct energy audits of commercial and industrial customers' operations to identify opportunities to improve energy efficiency;
- we provide financial rebates and incentives to all types of customers – from homeowners to large industrial customers – to encourage them to adopt energy-saving equipment;
- we work with industry and trade associations in various sectors – such as chemicals, construction, automotives, food and beverage, and pulp and paper – to promote DSM programs and contribute to industry standards; and
- we partner with governments, suppliers and equipment manufacturers to invest in new energy-efficient technologies that benefit our ratepayers and enhance the competitiveness of our business.

 for reports on: *Providing energy savings and environmental benefits; Serving small commercial customers; and Contributing to policy on DSM.*

PIPELINE AND SYSTEM INTEGRITY

Pipelines are proven to be the safest, most efficient way to transport petroleum products. Our ongoing monitoring and maintenance programs contribute to that safe operation.

At Enbridge, we endeavour to be a leader in pipeline and system integrity by:

- implementing rigorous preventive maintenance programs;
- pursuing and supporting technology research;
- participating in industry forums to share and exchange knowledge;
- contributing to the development of national pipeline safety standards and industry recommended practices;
- providing technical advisory and training services to pipeline operators around the world; and
- supporting state and provincial excavation one-call efforts to reduce the risk of third-party damage to pipelines.

By undertaking these initiatives, we maintain high standards of operating and environmental, health and safety (EH&S) performance and contribute to public confidence in our systems.

OUR PERFORMANCE

Broadening System Integrity in Liquids Pipelines

Many federal regulations governing our liquids pipelines operations in Canada and the United States focus on system integrity issues. We have set corporate leak-reduction targets across our Liquids Pipelines system, and performance goals are now linked to corporate and individual performance and compensation.


Since our leak-reduction initiatives began in 2004, Enbridge has seen a continuous decline in the number of reportable leaks at pipeline facilities across our mainline Liquids Pipelines system. Leak-reduction teams, small-piping-integrity initiatives, and changes to engineering standards have all contributed to the reductions achieved to date. Enbridge continues to focus on leak reduction, and we are planning to expand our initiatives to focus on valves, pumps and other sources of potential leaks.

| YEAR | FACILITY LEAKS |
|------|----------------|
| 04 | 54 |
| 05 | 51 |
| 06 | 42 |

Enbridge's strong focus on advancing pipeline integrity is aimed at technological advances, as well as understanding the science of how to find, mitigate and prevent leaks or ruptures on the pipeline systems. To accomplish this, we are actively involved with industry research and standards organizations such as the Pipeline Research Council International, the Canadian Standards Association, the National Association of Corrosion Engineers (NACE) and the American Petroleum Institute. We actively participate in industry forums and workshops aimed at communicating and sharing information on how to manage the integrity of the pipeline systems. In 2006, we: presented technical and research papers; participated on industry panels; and participated as workshop-session leaders at the International Pipeline Conference, the Pipeline and Hazardous Materials Safety Administration's R&D Forum, and the NACE International Conference.

To aid industry and to advance pipeline safety, Enbridge is actively involved in supporting and completing research that will improve our understanding of pipeline hazards, and of methods to prevent, monitor and repair potential defects on the pipeline system. In 2006, we provided financial support or initiated research into advanced understanding of internal corrosion and mitigation techniques for large-diameter transmission pipelines, and for advanced loading-rate analysis for stress corrosion cracking on liquids pipelines.

In 2006, we also completed field research with one of our in-line inspection vendors to test the use of magnetic signal characterization of dents to look for possible cracking. This research was successful in extending the use of an existing technology to find these defects, and we jointly presented our findings to the pipeline industry at the 2006 International Pipeline Conference.

 *for reports on: Identifying Canadian high-consequence areas; Upgrading containment features; Carrying out pipeline integrity "digs"; Integrity management at Enbridge Gas Distribution; Integrity management in the United States; Enbridge Pipeline Data Management System; and Integrity Compliance Activity Manager.*

EMERGENCY PREPAREDNESS

To be truly effective in our response to emergency threats or risks, we verify that we have an appropriate emergency response infrastructure in place and that emergency preparedness plans are optimized.

Our emergency and crisis preparedness plans are designed to minimize the impact of an incident and comply with regulatory requirements. In addition, employees throughout our business units participate in regular emergency response drills and simulations to test and improve procedures. All our operating facilities maintain regular contact with communities and first responder organizations to keep them up to date and coordinated with Enbridge's contingency plans.

for reports on: Conducting emergency response exercises; Surveying staff on emergency preparedness; Cross-border emergency response; Cooperative emergency exercises; Enbridge Gas Distribution emergency exercises in Ontario; Participating in industry initiatives; and Emergency preparedness in Canada's north.

SECURITY

Enbridge has a long history of developing relevant business security practices to protect its critical infrastructure. Our company has also developed trusted partnerships with federal, provincial, state and local safety, emergency response and law enforcement authorities whose collective goal is to protect North America, its people and its many critical facilities, as well as minimize the disruption to our energy supply system.

We strive for continuous improvement in our understanding and management of security best practices to:

- protect and enhance the Company's reputation and provide assurance to customers and shareholders;
- protect and educate employees and business partners to provide a safe and secure working environment;
- protect Company assets and information to prevent loss or damage;
- support efficient business practices by anticipation of risk and avoidance of cost;
- comply with legal obligations and regulatory targets; and
- promote business continuity and emergency preparedness.

Our security programs rely on the diligence of our employees to protect the public and Enbridge's people, assets and reputation.

OUR PERFORMANCE

Corporate Security Steering Committee

We established our Corporate Security Steering Committee in 2004 to provide overall planning, direction, and prioritization of the strategic security requirements of Enbridge. Made up of managers in our various business units and chaired by Bonnie DuPont, Group Vice President, Corporate Resources, the committee communicates on an ongoing basis, and meets at least twice a year to review changing security issues such as regulations, security vulnerabilities, emergency response capabilities and the global threat environment.

All Enbridge business units and the corporate head office have been and continue to be involved in advanced planning in the event of a widespread public health emergency. The Company recently subscribed to the SOS International Pandemic Information Service, which provides the Company with instant access to the most recent news, developments and issues related to avian influenza through the

SOS International Avian Flu and Pandemic Preparedness member website. We have an active program including employee awareness communications and training, along with other preventive measures such as the distribution of hand sanitizer and flu shots.

Assessing security levels in our business

Our business units assess their systems every year for security weaknesses and areas for improvement. We apply a risk-based, performance-oriented management systems approach by considering site-specific circumstances that identify and analyze security threats and vulnerabilities, and to evaluate the adequacy of countermeasures to mitigate the threats. The need for and type of security enhancements required is determined based on site-specific factors such as degree of threat, the degree of vulnerability, the potential consequences of a security event, and the attractiveness of an asset to an adversary.

We also closely monitor global security issues facing the energy delivery industry through our active participation in trade associations such as the American Petroleum Institute, the American Gas Association, and the Canadian Gas Association. This activity forms an integral part of a collaborative mechanism working to protect the energy delivery system in North America. Communication as an industry with many government entities – including the United States Department of Homeland Security, Department of Energy and Coast Guard; Natural Resources Canada; the National Energy Board; and other agencies – is essential. This process helps Enbridge, other member companies and the government work more efficiently.

International security

We are committed to maintaining protective measures for Enbridge employees and contractors supporting our investments, delivering consulting services, and conducting business development activities outside of North America at a level consistent with the risk. Security assessments consider multiple factors, including crime, security services, civil unrest, terrorism, kidnapping and geopolitical stability. To obtain the necessary specialized expertise, we have retained International SOS to provide daily security updates and emergency evacuation services and Grant Thornton LLP to provide ongoing country risk analysis, employee travel preparation and assistance with in-country security support. With the help of these service providers, Enbridge continuously monitors the security situation in each country where Enbridge carries out activities and has the ability to respond should the security situation shift abruptly.

Participating in national and cross-border security discussions

We look for opportunities to contribute to the safety and security of the communities in which we work. In 2006, we participated in numerous forums dedicated to security and public-private sector partnerships:

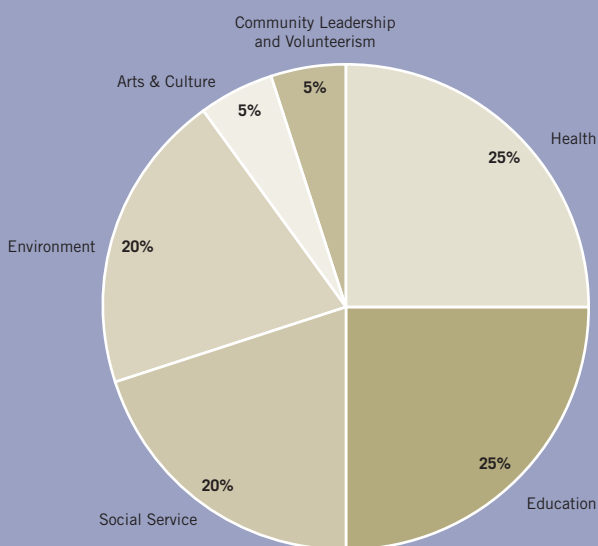
- Since Sept. 11, 2001, governments and corporations have been focusing more attention than ever on security issues. In 2006, with support from Enbridge, the two sectors had a rare opportunity to come together to discuss the threats and vulnerabilities they face and the measures they must use to protect themselves. The occasion was the second Public-Private Sector Summit on National Security, held in Ottawa in May. The meeting was organized by the Conference Board of Canada and sponsored in part by Enbridge.
- Members of our Corporate Security Steering Committee participated in an International Pipeline Security Forum, jointly sponsored by the United States Transportation Security Administration and Natural Resources Canada. The forum provided an opportunity for public- and private-sector leaders to enhance their knowledge of security planning and execution at critical pipeline sites, establish and maintain relationships, and identify and share smart security practices throughout the industry to collectively address today's shared security challenges.

SOCIAL PERFORMANCE

At Enbridge, we are always looking for new opportunities to enhance the quality of life of our employees and stakeholders through a wide range of comprehensive programs including: workplace health and safety; employee health and wellness; human resources management; support for universal human rights; and community investment.

COMMUNITY INVESTMENT FOCUS

(% of total)



Kevin is a proud homeowner with a good job and a great future. But it wasn't always that way. Not so long ago, Kevin, left, and his sons Wesley (11), middle, and Patrick (15), on the right, were facing very difficult circumstances.

Kevin turned to Families in Transition, an organization that helps provide more stable living conditions to families who are homeless or at risk of becoming homeless. Enbridge has funded the program since its inception eight years ago, and many of our employees have volunteered their time in support.

Kevin worked hard to graduate the program, found a good job, and was accepted for a new home from Habitat For Humanity, which Enbridge also supports.



IN THIS SECTION

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SOCIAL SCORECARD

| Objective | 2005 result | 2006 result | Target | Challenges |
|--|--|--|---|---|
| Be best-in-class in operational health and safety in all our geographic regions. | Liquids Pipelines received the Canadian Energy Pipelines Association (CEPA) 2005 award for the lowest injury frequency rate in Canada in the large pipeline category. | Liquids Pipelines received the CEPA 2006 award for the lowest injury frequency rate in Canada in the large pipeline category. Enbridge Gas Distribution won the 2006 American Gas Association (AGA) Safety Achievement Award. | Zero accidents, injuries or incidents. | We deeply regret that in 2006 a contract worker died after he was accidentally run over by a truck driven by a worker from the same contracting company. Also, two Liquids Pipelines employees and one contractor suffered days-away injuries when two batch pigs ¹ unexpectedly launched from a receiving trap. |
| Set and communicate targets for days-away injury frequency and severity, reportable vehicle accidents, emergency response, inspections, leak repairs, and third-party damages. | Enbridge Gas Distribution added two safety measurements to their annual “scorecard”, through which the business unit informs employees about the annual strategic objectives and key performance indicators. | Both Liquids Pipelines and our United States Gas Transportation Business added safety performance categories to their “scorecard” for their short-term incentive reward plans. | Zero accidents, injuries or incidents. | Our approach emphasizes the importance of: management participation; engaging employees; maintaining open communication; training; and prevention. |
| Invest in an integrated set of talent management initiatives. | We launched the Enbridge People Strategy, which articulates five principles by which we proactively manage our relationship with our people. | In our annual employee survey, Enbridge’s employee engagement score exceeded the North American average and, in some business units, exceeded the benchmarks of “U.S. High Performing Organizations” and Canadian “Best Employers”. We began formalizing the Women @ Enbridge Community, an initiative focusing on leadership development for women in leadership roles and emerging leaders. | Attract the best talent and develop, engage and retain our workforce. | Enbridge is embarking on a major construction phase at a time when the labour market continues to be very tight. |

| Objective | 2005 result | 2006 result | Target | Challenges |
|---|---|---|--|--|
| Communicate with our stakeholders to identify and address issues. | Enbridge engaged with more than 70 First Nations and Métis communities and organizations to verify that we remain respectful of traditional ways and land use, heritage sites, the environment and traditional knowledge. | Liquids Pipelines created a unique website dedicated to information about the business unit's expansion projects to help landowners and all stakeholders understand the projects. Also, we held a series of open houses for landowners in late 2006 and early 2007 in Alberta, Saskatchewan and Manitoba regarding our Southern Lights and Alberta Clipper projects. In the U.S., we launched our largest direct mailing program to date, sending comprehensive pipeline awareness information packets to more than 1.1 million addresses along our 22,530 kilometres (14,000 miles) of pipeline systems. | Verify that communication is open, transparent, proactive, frequent and ongoing. | As the Company grows, we will need to build relationships with new stakeholder groups and continue to manage complex issues. Finding ways to manage information and best share this information will be crucial to our stakeholder engagement work. |

1 A batch pig is a tool used to separate different products that flow through a pipeline to prevent the products from mixing together.

WORKPLACE HEALTH AND SAFETY

Enbridge values the health and safety of our employees, contractors and the public. We continue to focus our Health and Safety Management System on being “best in class” for operations and construction activities across our geographic regions.

Our approach emphasizes the importance of management participation; engaging employees; maintaining open communication; training; and prevention, which requires identifying and addressing safety risks before incidents occur.

OUR PERFORMANCE

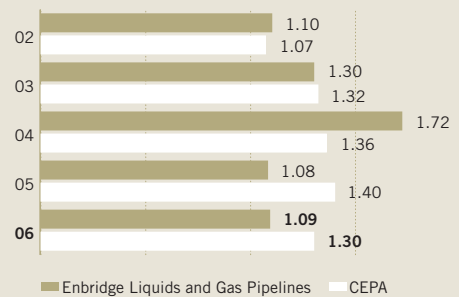
Rates of Injury, Lost Days and Work-related Fatalities

We deeply regret that in early 2006 a contract worker on an Enbridge pipeline construction project in northern Texas died after he was accidentally run over by a truck driven by a worker from the same contracting company. The federal Occupational Safety and Health Administration (OSHA) conducted an on-site investigation with the cooperation of the contracting company and Enbridge. The OSHA identified no issues of non-compliance.

Two Liquids Pipelines employees and one contractor suffered days-away injuries in November 2006 when two, 12-inch pipeline batch pigs unexpectedly launched from a receiving trap. All three workers were transported to hospital. One Enbridge employee and the contractor were treated and released. The other Enbridge employee was hospitalized and

EMPLOYEE RECORDABLE INJURY FREQUENCY¹

Enbridge Liquids and Gas Pipelines vs Canadian Energy Pipeline Association (CEPA) (per 200,000 hours worked)



1 Includes both days away and medical aids.

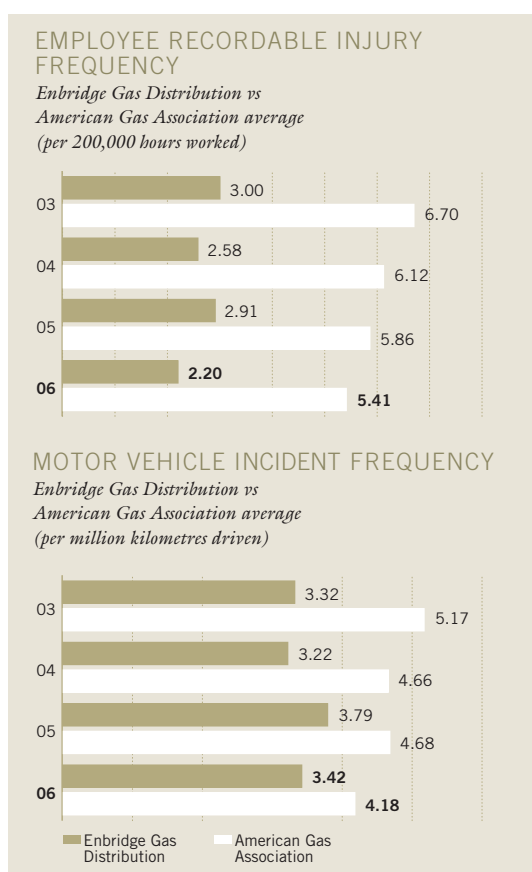
required an extended leave of absence to recover from his injuries. Canada's Transportation Safety Board, the National Energy Board, and Manitoba Workplace Health and Safety conducted investigations parallel to our own internal incident investigation and measures have been implemented to prevent a recurrence.

Days-away injury frequency and severity and total recordable injury frequency are the statistical comparative industry measures used to gauge performance.

The following table shows the combined totals for Liquids Pipelines, Enbridge Gas Distribution and U.S. Gas Transportation for 2006 and the previous four years:

| | 2006 | 2005 | 2004 | 2003 | 2002 |
|-----------------------------------|-------------|------|------|------|------|
| Days Away Injury Frequency | 0.28 | 0.42 | 0.29 | 0.31 | 0.66 |
| Days Away Injury Severity | 6.67 | 4.14 | 4.42 | 3.87 | 9.89 |
| Total Recordable Injury Frequency | 1.63 | 1.95 | 2.11 | 2.21 | 1.74 |

Note: A days-away injury is any work-related injury that prevents a worker from reporting to work on the next calendar day. Total recordable injury includes days-away and medical-aid injuries.



Reducing Injury Frequency

It is our goal to have our whole workforce pay close attention on an ongoing basis to injury prevention. Liquids Pipelines received the Canadian Energy Pipelines Association's 2006 award for the lowest injury frequency rate in Canada in the large pipeline category. In addition, Enbridge received the American Gas Association Safety Achievement Award in recognition of having achieved the lowest DART (Days Away, Restricted or Transferred) severity rate, or the greatest number of work hours without disabling injury or illness, in 2006 in the category of very large sized member local distribution companies. We believe this recognition is indicative of the high priority everyone at Enbridge is giving to health and safety.

Enbridge Gas Distribution also measures its safety performance through its Public Safety and Reliability Index (PSRI), which gauges the effectiveness of the business unit's programs to deliver natural gas safely and reliably to customers. Our PSRI result for 2006 was 1.87, placing this measure substantially below our year-end target of 3.00 by more than 35 per cent, reflecting our excellent performance in the areas of emergency

response, customer-equipment compliance, and managing cast iron main breaks.

Enbridge Gas Distribution maintains representation on the health and safety committees of both the Canadian Gas Association and the American Gas Association. On these committees, safety and health professionals from gas industry companies join forces to consolidate and compare safety performance statistics to identify cross-industry safety trends and industry-leading loss-prevention strategies. In 2006, these committees placed significant focus on understanding and improving gas utility contractor safety and corporate safety culture.

for information on the 2003 Bloor Street Incident and the Remediation of Discontinued Manufactured Gas Plant Sites.

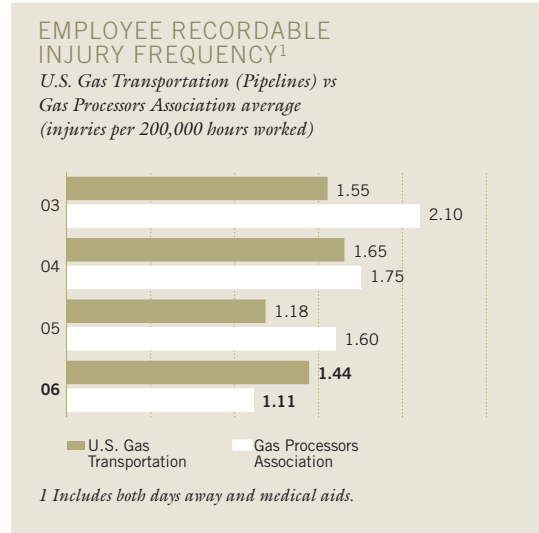
EMPLOYEE AWARENESS AND TRAINING

Rewarding Safety Performance

Enbridge’s approach to employee compensation includes a mix of base pay, short- and longer-term incentives, benefits, pension and savings programs and recognition programs.

The short-term element, called the Short-term Incentive Plan (STIP), is focused on rewarding individual, business-unit and Company-wide performance over a one-year period of time.

In 2006, both Liquids Pipelines and U.S. Gas Transportation included a safety performance category in their STIP “scorecard” that included specific frequency targets for ‘Days-Away’ and ‘Medical Aid’ incidents. Liquids Pipelines also included ‘Motor Vehicle’ type incidents in their measure. Liquids Pipelines set a challenging target and achieved an overall above-target rating based on all measures. U.S. Gas Transportation also set a challenging goal and while its safety performance was less than targeted, it compared very well against accepted industry averages.



Engaging Employees

We believe strongly in the value of a grassroots approach to engaging our employees on health and safety issues. We do this through training, communication programs and our well-established network of local and regional safety committees that provide input from our front-line staff and reinforce a safety culture within the organization. 🧠 for some examples.

Average Hours of EH&S Training Per Year Per Employee

Leadership development is an important element of effective talent management at Enbridge. In 2006, we expanded programs and services to support leadership development. Enhancements included formal learning programs, expanded mentorship programs and expansion or creation of leadership forums.

In each business unit, to support employee development planning, a variety of employee development programs are open to all employees. We offer both onsite training programs and tuition reimbursement for learning programs available locally.

Environment, health and safety training is a priority across our company. Average training hours per employee consistently demonstrate that we are focused on improving our safety results through the awareness and training programs.

For example, in our United States Gas Transportation Business in 2006, pipeline employees received an average of 29 hours of EH&S training, and our drivers received an average of 19 hours. Safety training is mandatory for all field-based employees, who make up about 61 per cent of the business unit’s staff. Each area within the business unit has a safety coordinator who works with Operations to schedule and present safety training. We use a variety of training methods, including classroom, web-based and safety meetings.


Enbridge Gas Distribution delivered approximately 6,990 EH&S-related training hours to 1,086 Operations field staff in 2006, or about 6.4 hours per person. During the year, the business unit placed additional emphasis on fire-extinguisher training, fall-protection training, defensive driving, and first-aid and CPR training.

Employees at Inuvik Gas Ltd., in which Enbridge has a 33 per cent interest, received an average of 29 hours of EH&S training each in 2006.

Percentage of Employees Receiving Regular Performance and Career Development Reviews

All Enbridge employees participate in annual individual performance reviews. The performance management and review process varies by business unit and may include individual performance data and/or team-based scorecard-tracked performance data.


Individual development plans by employees are becoming increasingly central to our Performance Management Program. These plans promote talent development and employee engagement in career advancement.

 for reports on: *Addressing soft tissue injuries; Promoting safe driving practices; Increasing hydrogen-sulphide awareness; Managing contractor safety; and Addressing emerging issues (Coker naphtha; Industrial hygiene; and Ergonomics assessments and training for new field-based laptop computers).*

EMPLOYEE HEALTH AND WELLNESS

OUR PERFORMANCE

We tailor our health and wellness programs so that they are relevant to all of our employees and their families, as well as in response to changing demographics and emerging issues. Across Enbridge's geographic business centres, we sponsor selected programs to enhance the work-life balance of our employees. Outlined below are some of the programs we offer throughout the enterprise to address work-related stress, health, fitness and current topics of interest to our employees.

 for reports on programs we have in place: *Providing solutions to work-related stress; Encouraging personal health and fitness; Increasing health awareness among employees; and Dealing proactively with emerging concerns.*

OUR PEOPLE

At Enbridge, we believe that people are the basis of our success and the foundation of our vision to be North America's energy delivery leader. Of critical importance to achieving this vision is the engagement, retention and ongoing development of a highly skilled workforce across our enterprise.

Once again in 2006, through our annual employee engagement survey, employees have confirmed that ethics and the integrity with which Enbridge manages its businesses are key strengths at Enbridge. In addition, challenging and rewarding career opportunities are seen as highly valued by employees.

At Enbridge, we are focused on the quality of our relationship with our employees throughout the employment life cycle – as we welcome newcomers to Enbridge, as we develop leaders of today and as we develop tomorrow's leaders. We also are creating initiatives to effectively support individuals and the organization as some senior members of our workforce approach retirement, to ensure their knowledge is retained.

 to view our *People Strategy*.

ORGANIZATION OF HUMAN RESOURCES

At Enbridge, Human Resources is a significant partner in the guidance and operation of our business. The Human Resources (HR) Council, consisting of senior HR professionals representing all business units, is an enterprise-wide council through which we steward our commitment to effective human resource policy and programs. Our human resources programs help to facilitate the management of human capital.

Within our business units, Enbridge leaders manage people. The role of the individual leader to lead both the business operations and the team organization is central to our future workforce development. Individual leaders contribute daily to our employee engagement through effective employee relations, active development of employees, and the creation of positive and supportive work environments.

TALENT MANAGEMENT AND WORKFORCE PLANNING

In 2006, Enbridge continued to expand its workforce through organic growth in alignment with and to effectively enable business growth. At year-end, the Enbridge workforce comprised more than 5,000 regular employees (both full time and part time), across Canada and the United States. In addition to our regular workforce, Enbridge also employs temporary and contract employees to support seasonal and project work in alignment with specific project needs.

In 2006, Enbridge's workforce was 71 per cent male and 29 per cent female, with an average age of 43.8 years. For the year ending December 31, 2006, voluntary turnover as a percentage of total workforce population was five per cent. Enbridge continues to actively monitor and manage workforce attraction, retention and transition due to turnover or retirement, complemented by an enhanced focus on talent management practices in employee engagement, development, succession management and knowledge transfer.

Enbridge has recently undertaken a number of new initiatives in support of the effective management of talent, including:

- a dedicated expansion of leadership and employee development programs and facilities;
- expansion of internal mentorship programs;
- development of communities of practice; and
- integration of succession management across business units and functional talent pools.

For example, in 2006, Enbridge began formalization of the Women @ Enbridge Community, an initiative focusing on leadership development for women in leadership roles and emerging leaders. This Community is led by a formal steering committee that facilitates active planning for and governance of this talent management initiative within Enbridge.

At Enbridge, we are committed to advancing our culture of leadership and employee development at all levels of our organization. Succession management continues to be a significant focus as we seek to attract, develop, engage, retain and promote our leadership of today and our leaders of tomorrow.

In addition to a broad offering of in-house leadership and employee development programs, Enbridge offers a Tuition Reimbursement Program. This program provides financial support to employees who continue to advance their education through external learning programs in support of their career advancement. Enbridge also offers a Company-wide scholarship program to support access to post-secondary education for children of employees.

for reports on: Performance Management; Total Compensation; Positive Work Environment – Enbridge's commitment to a diverse and inclusive work environment; and Employee Communications.

Alternative Work Arrangements

Enbridge has recognized the critical interplay between workplace flexibility and productivity, employee engagement and long-term commitment to the organization. In the tight labour market conditions under which we currently and will likely continue to operate for the next few years, attracting quality candidates is becoming more and more difficult. To attract top talent and assist employees in fulfilling their multiple responsibilities at work, home and in the community, Enbridge has embraced the following alternative work arrangements: variable work hours, compressed work week, and regular part time.

Introduced widely throughout the organization this year, the initial uptake has been very positive. Enbridge expects to maintain flexible work arrangements and monitor the success of this program in achieving both business and employee benefits.

ANNUAL EMPLOYEE SURVEY

As a central component of Enbridge's commitment to our people, the annual Employee Perspectives Survey offers a dedicated channel for communication to our employees. Through the use of a Company-wide employee engagement survey, Enbridge annually invites employees to contribute feedback and their perspectives through a confidential third-party-supported survey process. The project is a focused initiative through which Enbridge leaders apply and integrate insights gained from employee input into their daily management of their organizations and their deployment of

programs and practices. On an ongoing basis, leaders monitor and communicate their activities in support of enhancing our employee engagement and delivering against our People Strategy.

Perspectives 2006 Employee Engagement Survey – Key Results

- Participation in the confidential survey was very high, with 81 per cent of Enbridge employees across all business units participating. Hewitt Associates administered the survey.
- Enbridge's employee engagement score exceeded the North American average and, in some business units, exceeded the benchmarks of "U.S. High Performing Organizations" and Canadian "Best Employers".
- Engagement scores in the leadership population continue to be very high. This is an important pre-condition for maintaining and positively influencing employee engagement.
- Organizational reputation, organizational ethics and integrity continue to be key strengths as reported by Enbridge employees.
- Challenging work and the enjoyment of day-to-day roles continue to be strong sources of engagement as reported by Enbridge employees.
- Key areas for continued focus and action are the management of performance, employee recognition and the communication of career opportunities.

LABOUR RELATIONS AND COLLECTIVE BARGAINING

At Enbridge, we believe that healthy and cooperative labour relations that are built on trust, respect and integrity will successfully contribute to the Company's goals and objectives. We continue to maintain and foster a cooperative approach to the union/management relationship through the use of union/management committees with our various unions and joint industrial councils. These committees meet on a regular basis to resolve outstanding matters as well as advise and discuss issues of mutual concern.

Pursuant to our long-term labour-relations strategy, we continue to provide our managers and supervisors with labour relations training and education that supports this cooperative approach and their day-to-day goals. In 2006, 20 managers and supervisors received this training.

On the collective bargaining front, Liquids Pipelines in Canada successfully negotiated a new four-year contract with the joint industry councils in 2006. In January 2007, Enbridge Gas Distribution and Local 975 of the Communications, Energy and Paperworkers Union of Canada (CEP) were successful in negotiating a new two-year collective agreement.

Currently, 23 per cent of the workforce at Enbridge is represented by a union or a joint industrial council.

Enbridge Business Unit Union and Joint Industrial Councils

| Business Unit | Bargaining Unit | Geographical Area | Number of Employees |
|--|--|---|---------------------|
| Enbridge Gas Distribution | Local 975, Communications, Energy and Paperworkers Union of Canada (CEP) | Ontario (Franchise Area) | 800 |
| Enbridge Gas Storage | Joint Industrial Council | Sarnia, Ontario | 20 |
| Enbridge Liquids Pipelines - Canada | Joint Industrial Councils (4) | Northwest Territories, Alberta, Saskatchewan, Ontario, Quebec | 145 |
| Enbridge Liquids Pipelines - United States: Chicago and Superior Regions | Local 2003, United Steel Workers of America (USW) | Minnesota, Wisconsin, Michigan, Illinois, Indiana | 110 |
| Enbridge Liquids Pipelines - United States: Cushing Region | United Steel Workers of America (USW) | Kansas, Oklahoma, Missouri | 14 |
| St. Lawrence Gas | International Brotherhood of Electrical Workers (IBEW) | Massena, New York | 20 |
| Total Employees | | | 1,109 |

HUMAN RIGHTS

Support for universal human rights is one of our core corporate social responsibility principles. We reinforce this with comprehensive policies and practices addressing human rights.

UNITED NATIONS GLOBAL COMPACT

Enbridge is a signatory of the United Nations Global Compact, which brings companies together with UN agencies, labour and civil society to embrace, support and enact, within their sphere of influence, 10 principles in the areas of human rights, labour standards, the environment and anti-corruption. Regarding human rights, the principles state that businesses should support and respect the protection of internationally proclaimed human rights, and ensure that they are not complicit in human rights abuses.

VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS

Enbridge was one of the first Canadian companies to adopt the Voluntary Principles on Security and Human Rights, which were launched in 2000 through a multi-stakeholder process initially convened by the governments of the United States and the United Kingdom. Participating non-governmental organizations included Amnesty International and Human Rights Watch.

The Voluntary Principles stress the importance of promoting and protecting human rights throughout the world and the constructive role business and civil society – including non-governmental organizations, labour and trade unions, and local communities – can play in advancing these goals. The Voluntary Principles guide companies in maintaining the safety and security of their operations within an operating framework that promotes respect for human rights and fundamental freedoms.

The Voluntary Principles are now an integral part of our comprehensive Statement of Business Conduct, which applies to everyone working for us – our employees, our senior management team and our Board of Directors. All of them are required to read and sign our Statement of Business Conduct annually as a condition of employment.

Responsibility for human rights is also part of the mandate of our Board of Directors' CSR Committee, which provides strategic oversight to senior management on CSR issues.

ENBRIDGE IN COLOMBIA

Enbridge owns 24.7 per cent of Oleoducto Central S.A. (OCENSA), a consortium that built Colombia's largest pipeline system, which stretches from oilfields in the central interior of the country to the Caribbean coast. Enbridge provides technical and management services to the pipeline, which has a 550,000 barrels-per-day capacity.

We entered into this investment in 1994 as our first international venture, and Enbridge has since transferred to Colombia technology, skills and technical know-how as well as environment, health and safety standards. Enbridge and its OCENSA partners have taken action in Colombia to create economic, social and environmental value by:

- creating awareness, understanding and respect for human rights;
- making corporate social responsibility a priority; and
- engaging all levels of stakeholders – local communities, governments, landowners, NGOs, contractors, employees and others.



OCENSA's Susan Miller with some of the children from the Medellín kindergarten.

Making a Difference in Colombia

Four years ago, OCENSA provided funding for the construction and operation of a kindergarten in the poorest area of Medellín, Colombia. It has since become an oasis of support for 120 children and their parents.

For most of the children, this school is their first experience with new clothes, running water, books, and a television. They learn about hygiene, children's rights, how to colour and how to laugh.

"Visiting was an experience so uplifting that it takes my breath away," said OCENSA's Susan Miller.

"The kids were in lessons when we arrived and slowly emerged from the classroom, shy, tentative and inquisitive. In less than two minutes, they were in our arms, wrapped around our legs and hanging from our shoulders, giggling and grinning. They love to be held, they like to touch your face and they want to whisper little secrets in your ear."

PROMOTING HUMAN RIGHTS

In cooperation with our OCENSA partners, we have taken action to create awareness, understanding and respect for human rights in Colombia, a long-established democracy but also a country with an ongoing conflict involving guerilla rebel groups and paramilitary groups.

OCENSA adopted a detailed Human Rights Policy and Code of Conduct in 2004 for all employees to follow. The Human Rights Policy specifically commits OCENSA to respect human rights, and obligates employees and contractors to reject violence and to avoid associating with any of the illegal armed groups that are fuelling Colombia's ongoing conflict. OCENSA's Code of Conduct reinforces the Human Rights Policy. All OCENSA employees are required to sign the Code annually to indicate their understanding and acceptance of the Code.

OCENSA has appointed a Human Rights Coordinator, who tracks and audits the company's human rights practices and monitors employees' and contractors' compliance with the Human Rights Policy.

In the last four years, an extensive education and awareness program on human rights has been implemented, with seminars and training programs facilitated by Latin American institutions accredited in human rights. In 2006, the University Sergio Arboleda designed and conducted 12 human rights conferences specifically for OCENSA's employees and contractors, focusing on increasing knowledge

of rights and obligations under international law and the constitution of Colombia.

The OCENSA pipeline traverses an extensive portion of Colombia's geography, which includes zones of conflict. The Colombian constitution requires energy companies to establish contracts with military personnel as part of the government's obligation to protect the people who live and work in Colombia, as well as to protect the infrastructure and the resources. In 2006, 1,400 soldiers, airmen and marines

from 17 military bases stationed near OCENSA’s pipeline assets participated in our human rights awareness training programs. Since the implementation of these programs, more than 4,000 military personnel have received extensive training, designed to achieve a strict application of international humanitarian law and respectful conduct towards the people in communities close to our facilities.

OCENSA has also conducted human rights workshops and meetings with community leaders in communities along our pipeline right-of-way.

Making CSR a Priority and Engaging Stakeholders

OCENSA is seeing tangible results from its CSR program. Stakeholders are improving the way they live and work. New forests are growing along the OCENSA pipeline right-of-way. OCENSA employees and their families, as well as contractors and communities and other groups we interact with on a daily basis have a greater awareness of the importance of respecting human rights and improving society and the environment. OCENSA will continue to work with these stakeholders. This is a long-term commitment.

for reports from OCENSA on: Helping communities and individuals; Emergency preparedness and response; Reforestation; Workplace safety; HSE Management System; and Spills and releases.

COMMUNITY INVESTMENT

Enbridge makes voluntary contributions to charitable and non-profit organizations in our different geographic regions in Canada and the United States. We focus on using our dollars, our partnerships and our human capital to support organizations that contribute to the economic and social development of communities where we live and work.

In 2006, we invested \$5.2 million in charitable and non-profit organizations. Our contributions benefited more than 750 organizations in Canada and the United States. Our community investments in Canada qualified Enbridge as an Imagine Canada Caring Company by contributing one per cent of our pre-tax Canadian profits.

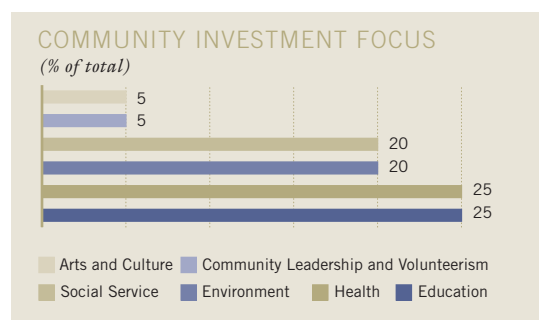
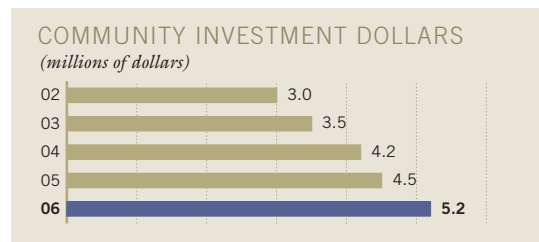
Enbridge has been successful in managing a holistic model of community support that attempts to benefit the community and, by extension, society at large.

Our Social Vision Statement, developed in 2001 and created by a professionally facilitated cross-functional workshop in Canada, has been included on most external communication vehicles including the Enbridge website, Corporate Social Responsibility Report and Annual Reports:

We’re Enbridge. In partnership with our communities, we deliver more than energy; we deliver on our commitment to enhance the quality of life in our communities by supporting programs in health, education, social services, arts & culture, community leadership and volunteerism, and the environment. Together with our employees we have the energy to make a difference.

Overall, we consider potential investments that are: based in the communities where we operate, or within reasonable right-of-way proximity; of significant interest and importance to our communities; where possible of benefit to the greatest number of people, and of long-term impact to the community.

In addition, our methodology has included identifying and supporting innovative programs and initiatives within our program portfolio. This approach has generated strong brand profile and recognition, underscoring our values and commitment to supporting community-based programs and



issues. It has also generated a number of community awards over the past seven years, including recognition by *Alberta Venture Magazine* as The Most Respected Corporation in Alberta for Community Involvement and Support. This year will mark the fourth year that we have been honoured with this recognition.



The Alberta Ballet

At Enbridge, we believe that helping to grow and sustain arts and culture matters greatly. As a long standing sponsor over the past 10 seasons, Enbridge has been proud to support the artistic work of Alberta Ballet. Most recently, we supported Alberta

Ballet's 40th Anniversary as a Subscription Sponsor resulting in over 85,000 people attending more than 25 performances in eight cities throughout North America.

In 2005, Enbridge signed on as one of 10 founding members to the London Benchmarking Group Canada (LBG Canada). LBG Canada is a member-driven association working toward a higher standard in the management, valuation and performance measurement of corporate community involvement. Through the LBG model, Enbridge is able to value community contributions consistently and maximize the impact of our corporate community involvement programs. LBG is a structured process that includes goal setting, clarity on the investment required to achieve a desired outcome and then performance measurement of the result.

for more information on some of our key 2006 community investments, including the United Way, and for a complete list of our community investment partner organizations.

STAKEHOLDER ENGAGEMENT

Enbridge's stakeholders include all sectors of society affected by our operations: employees; contractors; suppliers; customers; investors; environmental groups; business partners; government agencies and regulators; provincial, state and federal legislators; local officials; community residents; and the media.

Enbridge believes that by communicating with our stakeholders, we can both identify and address issues – whether it is before a project is approved by regulators; during project construction; or after a pipeline, facility or service is operational.

We also believe the time and effort we put into developing and maintaining positive relationships with our stakeholders is an essential part of being a good neighbour and operator in our different geographic regions.

Our goal is communication that is open, transparent, proactive, frequent and ongoing. Enbridge benefits by learning about issues as early as possible so that we can respond quickly and effectively. Our stakeholders benefit by having the opportunity to provide meaningful input.

We engage with stakeholders in many ways, including: consultations regarding new projects; public awareness regarding existing facilities; communicating with customers; and building relations with indigenous peoples.

We use a range of communication means to maintain an open dialogue with stakeholders, including: mailings; surveys; public forums such as open houses; briefings; training programs; information and feedback; 1-800 telephone lines; printed materials; websites; and advertisements.

Each Enbridge stakeholder engagement program is adapted for the project, facility or service concerned as well as the uniqueness of a community's expectations and issues.

STAKEHOLDER CONSULTATION

Enbridge engages in proactive public communication and consultation programs to support the unprecedented number of new construction projects we are undertaking in North America, whether the project is new pipe along a new or existing pipeline right-of-way, construction of a wind farm or new crude oil tanks, or the acquisition of land as we extend our pipeline system to new markets.

The names of Liquids Pipelines' expansion projects – Southern Access, Southern Lights and Alberta Clipper – are well known to our employees and customers but less so to the landowners affected. With that in mind, we created in 2006 a unique website (www.enbridge-expansion.com) dedicated to information about the expansions in Canada and the United States that help landowners and all our stakeholders better understand the projects.

Southern Access

Southern Access is an expansion and extension of Enbridge's existing pipeline system, including pump station modifications in Alberta, Saskatchewan, and Manitoba, and new pipeline running from northern Wisconsin through Illinois, to increase crude oil capacity to U.S. Midwest refineries and beyond. The program is planned in three stages to meet the needs of our shippers as they require more capacity.

In the United States, 216 kilometres (134 miles) of the more than 805-kilometre (500-mile) pipeline are in rural farming areas where no other pipelines are located. Consequently, landowners and local officials in these areas often have little prior knowledge of the pipeline industry.

We began construction of Stage 1 of Southern Access in Wisconsin in December 2006 to take advantage of winter weather to lessen temporary environmental impacts. In Stage 2, we will extend the pipeline from southern Wisconsin to the west Chicago area and then, in the final stage, we will extend the system along a new route to southern Illinois.

Through our land offices in central Wisconsin and northern and southern Illinois, we are engaged in extensive, ongoing stakeholder outreach. We are identifying and addressing issues early through face-to-face contact with landowners, meetings with local public officials, group meetings hosted by farm bureaus or environmental agencies, and daily phone calls to answer questions.

Enbridge developed an agricultural impact mitigation plan and, after agreement with the State of Illinois' Department of Agriculture, developed a summary and "frequently asked questions" to address the issues that are most important to this region of large farming operations. Our public outreach plan also includes information briefings with state and federal legislators, who often tell us how helpful it is to receive information early about projects so that they can answer questions from local residents.

By getting out early with straightforward information about the project, learning of local issues and concerns so that we can address them quickly, and verifying stakeholders have access to experienced project team members, we have established good initial rapport with key stakeholders. This helps them understand the project, how they are impacted and how they can voice issues they may need resolved. It also helps Enbridge keep major projects on track by avoiding major opposition.

Southern Lights and Alberta Clipper

Southern Lights is a liquid petroleum pipeline from Chicago through Wisconsin, Minnesota and North Dakota used to transport light hydrocarbons, or "diluent" to the Canadian oil sands area of Alberta. Alberta Clipper is a new crude oil pipeline from Alberta to Superior, Wisconsin, to increase capacity of the Enbridge system by 450,000 barrels per day (bpd), and it can later be expanded up to 800,000 bpd.

In the United States, Enbridge began consultations on the Southern Lights project early because much of the project will be constructed in conjunction with the Southern Access expansion project and/or Alberta Clipper.

We initially contacted landowners and public officials in 2006 by mail, and they have since received periodic updates. Enbridge personnel met with county boards and farm bureaus during the early fine-tuning of the pipeline route to identify issues. Such early contact drove a route deviation to avoid a development in northern Illinois and a planned intermodal transportation facility near Chicago. Early consultations also contributed significantly to developing the agricultural impact mitigation plan because we learned more about the farming issues important to those who lived and worked along the planned


route. For example, Enbridge has now modified its progressive agriculture protection plan to add procedures to protect certified organic farm operations.

In Canada, more than 400 landowners and stakeholders attended a series of 12 open houses in late 2006 and early 2007 in Alberta, Saskatchewan and Manitoba regarding both Southern Lights and Alberta Clipper. Enbridge filed the Southern Lights application to the National Energy Board in March 2007 and filed the Alberta Clipper application in May 2007.

At each open house, a team of Enbridge personnel representing a variety of disciplines – project engineering, lands and right-of-way, environment, and community relations – provided information and answered questions regarding both projects, as well as about Enbridge as a whole. The open houses also gave residents in communities along the rights-of-way an opportunity to provide direct input or comment about the proposed projects.

In response to interests and concerns identified through the project consultation program, Enbridge has proposed the re-routing of some sections of the pipelines in Saskatchewan and Manitoba.

Additionally, in response to a variety of issues raised at the open houses by individual landowners and landowner groups in Manitoba, Enbridge held a series of workshops in early 2007 especially for these landowners to directly address their concerns and seek understanding. These landowners' concerns included aspects of pipeline operations, abandonment, integrity, future right-of-way usage and access, and compensation for pipeline integrity digs and right-of-way easements.

 *for reports on stakeholder consultation for: Gateway Project; and Ontario Wind Power.*

PUBLIC AWARENESS

Enbridge actively promoted public awareness in the United States in 2006 through several initiatives:

- We submitted the pipeline public awareness plan for our petroleum liquids and natural gas systems as required by United States Department of Transportation regulations.
- In December, we launched our largest direct mailing program to date, sending comprehensive pipeline awareness information packets to more than 1.1 million addresses along our 22,530 kilometres (14,000 miles) of pipeline systems. The mailing serves as a baseline program for sharing information about Enbridge operations with local residents and businesses, excavators, emergency responders, and public officials.
- We participated in more than 50 training sessions for emergency responders and engaged in a wide variety of supplemental communication activities to promote public awareness about pipeline operations and safety.
- Working with other industry leaders, we increased our involvement in the Common Ground Alliance, a member-driven association dedicated to preventing damage to all kinds of underground facilities.
- We also continue to participate in a nationwide survey to help evaluate public awareness of oil and natural gas transmission pipelines. Slated for completion in 2007, the first round of this industry collaborative program will survey residents and businesses located near pipeline rights-of-way, as well as local officials and excavators, along 322,000 kilometres (200,000 miles) of pipe in the United States.

CUSTOMER ENGAGEMENT

We operate Canada's largest natural gas distribution company and deliver gas to 155,000 business customers and more than 1.6 million residential customers in Ontario. Enbridge Gas Distribution is committed to providing fair and reasonable service to our customers. Customer feedback gathered through regular surveys helps us gauge our performance against our commitment and to adjust service where necessary.

Enbridge Gas Distribution conducts annual surveys of business customers and monthly surveys of residential customers. These surveys are used to better understand customer needs. We also discuss industry and customer issues with an Enbridge-led industry advisory council, consisting of heating, ventilating and air conditioning contractors, manufacturers and industry associations.

During the past six years, Enbridge Gas Distribution's customer satisfaction levels have remained relatively stable. Despite the changing Ontario energy marketplace, this stability illustrates customers' continued attraction to natural gas as a reliable and safe energy product.

RELATIONS WITH INDIGENOUS PEOPLES

Enbridge is committed to respectful relations, early engagement and meaningful dialogue with our First Nation, Inuit and Métis neighbors in Canada and Native American neighbours in the United States, where we have existing operations or new projects that may in some way affect them. We share a high regard for the environment, and Enbridge is committed to respecting the land, indigenous peoples' heritage sites, and traditional knowledge and land use. Enbridge remains committed to fair and equal access by indigenous peoples to employment opportunities that result from our operations, and we will foster their greater participation in our operations and projects.

Enbridge's commitment is clearly stated in our Indigenous Peoples Policy, which expresses key principles for relations with indigenous peoples and was established to guide Enbridge and its employees to conduct business in a manner that recognizes and respects indigenous peoples.

In the United States, our Southern Access, Southern Lights and Alberta Clipper mainline expansion projects cross through or near three Native American reservations. New or expanded easements across these sovereign nations require permits and land agreements from the respective band governments. In 2006, we consulted with representatives of the Leech Lake Band of the Ojibwe, the Fond du Lac Band of the Ojibwe and the Lac Courte Oreilles Band of the Ojibwe. Consultations with the Leech Lake and Fond du Lac bands will continue in 2007 as planning for the expansion projects progresses.

In Canada, we received regulatory approval for the Waupisoo Pipeline, Stonefell Terminal and Hardisty Merchant Tank projects. We also advanced field engagement and consultation activity in preparation for the Alberta Clipper and Southern Lights mainline expansions and developed plans for Aboriginal engagement for new upstream development initiatives.

The Waupisoo Pipeline project is now underway and proceeding with the participation of First Nations and Métis communities. Some rather unique participation initiatives were developed to take into account the high value that Aboriginal communities place on the environment and arising from traditional land use studies that were carried out during the regulatory processes.

Our mainline system crosses through the Swan Lake First Nation in Manitoba. The Southern Lights and Alberta Clipper mainline expansion projects would also cross this land, and we are consulting with Chief and Council of the Swan Lake First Nation government and with the federal government regarding land agreements or expanded easements.

In the fourth quarter of 2006, Enbridge announced a slowdown on the Gateway project. Enbridge Gateway Pipelines had signed 15 agreements involving 25 Aboriginal communities and associations along the proposed right of way. In addition, Enbridge has an agreement with the Carrier Sekani Tribal Council, who conducted and completed an Aboriginal Interest and Use Study in 2006. We remain committed to Aboriginal skills development and training in cooperation with existing institutions and programs to ensure that Aboriginal people will have the skills necessary to participate in the Gateway project or other opportunities.

Enbridge Gateway Pipelines joined with Royal Roads University and the Government of British Columbia to support a 10-month community governance and employment readiness program with Yekooche First Nation. Also, Enbridge Gateway Pipelines has entered into a three-year commitment

to assist the Haisla Capacity Development Society to support Haisla students enrolled in training at the Kitimat Valley Institute.

In 2006, Enbridge again was the lead corporate sponsor of the Dominion Institute of Canada's Aboriginal Writing Challenge, a national short-story contest through which young Aboriginal Canadians representing two age categories showcase their creative writing talent and compete for cash prizes. The 2006 winners were Sable Sweetgrass (age 19-29 category) from Kainai First Nation (Blood Tribe) in southern Alberta for her story "Maternal Ties"; and Alicia Elliott (age 14-18 category) from Osweken, Ontario, for her story "Across the Barricade".

For many years, Enbridge has provided funding for scholarships at the Leech Lake and Fond Du Lac Tribal Colleges in northern Minnesota. In addition, an Enbridge grant helps underwrite the participation of Leech Lake band members in the wildland firefighting school offered at Itasca Community College, also in Minnesota.



The Inuit and Dene Games 2007

History was made in Whitehorse in the winter of 2007. For the first time, traditional Inuit and Dene games were included as demonstration sports in the Canada Winter Games. It was also the first time the games were hosted north of the 60th parallel. Enbridge was extremely proud, as the official sponsor of the traditional games, to celebrate and showcase the history, culture, athleticism and sportsmanship the athletes demonstrated. As the only pipeline company operating in Canada's north, we are also very proud that our participation in the games will help provide all Canadians with a better understanding of the diversity of our vast country.

In 2006, Enbridge provided funding of \$200,000 in support of the establishment of the Chair in Aboriginal Economic Development in the faculties of Business and Law at the University of Victoria. The Chair will work with Aboriginal communities, businesses and governments to foster Aboriginal economic development across Canada. This initiative was endorsed by the First Nations Summit, the B.C. Treaty Commission, the B.C. Business Council, and the National Aboriginal Economic Development Board. Specifically, the Enbridge Outreach Fund will be used to support a number of projects, symposiums and other programs of the Chair.

In 2001, Enbridge provided \$150,000 in support of the Northern Alberta Institute of Technology scholarship program called the Enbridge Northern Student Entrance Awards and the Enbridge Northern Student Apprenticeship Awards. In 2006, 15 scholarships were awarded for \$2,750 each. In 2002, Enbridge established the endowed Enbridge Scholarship for Aboriginal Leadership at Calgary's Mount Royal College in perpetuity in recognition of aboriginal students assuming a civic leadership role in their communities. This scholarship for \$2,000 is awarded annually.

In 2003, Enbridge established the Enbridge Inc. Scholarships at York University in Toronto to support talented undergraduate students in financial need. When fully endowed in 2010, the awards will benefit annually three second-year undergraduate students: a Canadian Aboriginal student in any course of study; an Environmental Studies student; and a student in the faculty of Science and Engineering. The award is valued at \$2,500.

In 2007, Enbridge was a sponsor of the traditional Inuit and Dene Games as showcased in the 2007 Canada Winter Games. In recognition of all gold medal winners, athletic scholarships were awarded to winning athletes to pursue further athletic training and cultural and personal development opportunities. Bursaries totalling \$52,500 were provided to the winners.

ASSURANCE STATEMENT FROM ENBRIDGE'S INTERNAL AUDIT

TO: THE BOARD OF DIRECTORS AND MANAGEMENT OF ENBRIDGE INC.

The management of Enbridge Inc. prepared the Enbridge Inc. 2007 CSR Report. It met its responsibility to collect and prepare the information in the Report and requested that Audit Services review the Summary of Performance Indicators (*included in pages 66 to 71, as outlined below*) to provide conclusions on the collection, consolidation and reporting at the business unit level.

We did not attempt to review all information in the report. Our responsibility is to indicate whether anything has come to our attention that would suggest that the selected performance indicators are inaccurate or misleadingly presented.

Scope

We reviewed the following 2006 performance indicators as summarized for Liquids Pipelines, Gas Pipelines, United States Gas Transportation Business and Enbridge Gas Distribution.

| Liquids Pipelines | Gas Pipelines | US Gas Transportation Business | Enbridge Gas Distribution |
|---|---|--|--|
| <ul style="list-style-type: none"> • Operations • EH&S Management • Environmental Performance • Health and Safety | <ul style="list-style-type: none"> • Operations • EH&S Management • Environmental Performance • Health and Safety | <ul style="list-style-type: none"> • Operations • EH&S Management • EH&S Training • Environmental Performance • Health and Safety | <ul style="list-style-type: none"> • Operations • EH&S Management • EH&S Training • Environmental Performance • Health and Safety |

We did not review the narrative sections of the report.

Methodology

We planned and performed our work to provide reasonable, rather than absolute, assurance with respect to the selected quantitative information. Our procedures included obtaining, examining and evaluating evidence supporting the collection, consolidation and reporting of the performance indicators at a business unit level. As well, we interviewed a selection of Enbridge managers and professional staff involved in the process. We believe our work provides a reasonable basis for our conclusion.

Conclusion

Based on our review procedures of these selected quantitative performance indicators, we conclude the information as reported is accurate and fairly presented.



Barry Yuzwa,
Senior Director, Audit Services
Enbridge Inc.

SUMMARY OF PERFORMANCE INDICATORS

The following pages include summaries of information on systems operated by Enbridge. Any changes from the previous year in measurement methods applied to key information have been footnoted.

LIQUIDS PIPELINES

| | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|---------------|--------|--------|--------|--------|
| OPERATIONS ¹ | | | | | |
| Deliveries (<i>thousands of barrels/day</i>) ^{2, 3} | 2,166 | 2,008 | 2,138 | 2,189 | 2,088 |
| Barrel miles (<i>billions</i>) ^{3, 4} | 794 | 695 | 757 | 710 | 705 |
| Kilometres of right-of-way ⁵ | 12,175 | 11,082 | 11,074 | 10,240 | 10,309 |
| Number of employees ⁶ | 1,497 | 1,293 | 1,213 | 1,148 | 1,124 |
| EH&S MANAGEMENT | | | | | |
| Major incidents ⁷ | 8 | 6 | 3 | 7 | 9 |
| Regulatory notifications ⁸ | 2 | 4 | 5 | 7 | 1 |
| EH&S fines and penalties (<i>thousands of dollars</i>) ⁹ | 0 | 0 | 6 | 0 | 0 |
| EH&S professionals (<i>full-time</i>) | 39 | 32 | 28 | 25 | 22 |
| ENVIRONMENTAL PERFORMANCE | | | | | |
| Greenhouse gas emissions | | | | | |
| Direct emissions—Canada (<i>thousand tonnes of CO₂ equivalent</i>) ^{10, 11, 12} | 47 | 23 | 25 | 24 | 36 |
| Direct emissions—U.S. (<i>thousand tonnes of CO₂ equivalent</i>) ^{13, 14} | 7 | 7 | NA | NA | NA |
| Indirect emissions—Canada (<i>thousand tonnes of CO₂ equivalent</i>) ^{10, 11, 12} | 1,325 | 1,012 | 1,062 | 942 | 879 |
| Indirect emissions—U.S. (<i>thousand tonnes of CO₂ equivalent</i>) ^{13, 14} | 1,270 | 920 | NA | NA | NA |
| Net emissions intensity—Canada (<i>tonnes of CO₂ equivalent/petajoule of throughput</i>) ^{10, 11, 12, 15} | 214 | 177 | 176 | 168 | 164 |
| Net emissions intensity—U.S. (<i>tonnes of CO₂ equivalent/petajoule of throughput</i>) ^{13, 14, 15} | 10,802 | 9,012 | NA | NA | NA |
| Direct emissions intensity—Canada (<i>tCO₂e/pj</i>) ^{10, 11, 12} | 7.5 | 4.0 | 4.1 | 4.2 | 6.4 |
| Direct emissions intensity—U.S. (<i>tCO₂e/pj</i>) ^{13, 14} | 61.5 | 69.0 | NA | NA | NA |
| Energy | | | | | |
| Energy use—Canada (<i>thousand gigajoules</i>) ^{10, 11, 12, 16} | 8,286 | 5,751 | 6,123 | 5,440 | 5,246 |
| Energy use—U.S. (<i>thousand gigajoules</i>) ^{13, 16} | 6,686 | 4,883 | NA | NA | NA |
| Energy intensity—Canada (<i>thousand gigajoules/million cubic metres of throughput</i>) ^{10, 11, 12, 16} | 51 | 39 | 38 | 37 | 36 |
| Energy intensity—U.S. (<i>thousand gigajoules/million cubic metres of throughput</i>) ^{13, 16} | 58 | 49 | NA | NA | NA |
| Reportable Spills ¹⁷ | | | | | |
| Number of spills | 61 | 70 | 64 | 58 | 46 |
| Spill volume (<i>barrels</i>) | 5,363 | 9,825 | 3,114 | 6,377 | 14,680 |
| Spill volume rate (<i>barrels/billion barrel miles of throughput</i>) | 6.09 | 12.98 | 3.84 | 8.68 | 20.22 |
| Waste | | | | | |
| Recycled material (<i>tonnes</i>) ^{10, 11, 12, 18} | 41 | 41 | 54 | 46 | 48 |

(see next page)

LIQUIDS PIPELINES (Continued)

| | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|------|------|------|------|------|
| HEALTH AND SAFETY | | | | | |
| Personal injuries ¹⁹ | | | | | |
| Employee days away injury frequency ²⁰ (days away injuries/200,000 hours worked) | 0.22 | 0.25 | 0.52 | 0.09 | 0.18 |
| Employee days away injury severity (days away/200,000 hours worked) | 2.85 | 1.33 | 8.15 | 0.09 | 4.25 |
| Employee recordable injury frequency (recordable injuries/200,000 hours worked) ²¹ | 1.10 | 1.00 | 1.65 | 1.31 | 1.11 |
| Contractor days away injury frequency (days away injuries/200,000 hours worked) ^{20, 22} | 0.14 | 0.25 | 1.69 | 0.83 | 1.07 |
| Contractor recordable injury frequency (recordable injuries/200,000 hours worked) ^{21,22} | 3.60 | 3.24 | 5.07 | 4.14 | 4.70 |
| Absenteeism ²³ | | | | | |
| Absenteeism (number of days absent/employee) | 2.57 | 2.94 | 2.84 | 3.15 | 2.72 |
| Motor vehicle incidents | | | | | |
| Reportable motor vehicle incident frequency (incidents/1,000,000 kilometres driven) ²⁴ | 2.19 | 2.59 | 3.73 | 3.22 | 2.17 |

1 Unless otherwise noted, data covers Enbridge Pipelines Inc., Enbridge Energy, Limited Partnership (Lakehead and North Dakota Systems), Enbridge Pipelines (NW) Inc., Enbridge Pipelines (Saskatchewan) Inc., Enbridge Pipelines (Athabasca) Inc., and Enbridge Pipelines (Toledo) Inc. Results for the Mid-Continent system acquired from Shell on March 1, 2004 are also included in this report.

2 1 barrel = 0.159 cubic metres or 42 U.S. gallons.

3 Includes Enbridge Pipelines Inc., Enbridge Energy, Limited Partnership (Lakehead System), Enbridge Pipelines (NW) Inc., Enbridge Pipelines (Saskatchewan) Inc. and Enbridge Pipelines (Toledo) Inc.

4 Barrel-miles are the number of barrels delivered multiplied by the distance traveled in miles.

5 Includes main line and gathering line right-of-way.

6 Includes Liquids Pipelines and Enbridge Energy Company North U.S. Operations permanent full time equivalents, and Enbridge Energy Company Shared Services permanent full time equivalents working in Superior Office.

7 Major incidents are EH&S events that result in a critical employee or contractor injury or fatality, significant regulatory enforcement action, a liquid spill in excess of 100 barrels, or significant adverse impact to the environment.

8 A regulatory notification is a formal written notification by a regulator that Enbridge may not be adhering to the legal, regulation or permit requirements. Examples of notifications include formal warnings, enforcement actions, summonses and charges, notices of violation, and stop and control orders. Notifications do not include field inspection reports or other informal communications. Notifications may result in fines or penalties.

9 EH&S fines and penalties are levied against the Company as a result of regulatory notifications. Fines and penalties in a particular year often relate to activities in prior years. Reported in Canadian dollars.

10 Includes Enbridge Pipelines Inc., Enbridge Pipelines (NW) Inc., Enbridge Pipelines (Saskatchewan) Inc., Enbridge Pipelines (Athabasca) Inc. and Enbridge Midcoast Canada Operating Corp.

11 Data is from Enbridge Inc.'s Canadian GHG Challenge Registry Update 2006.

12 2006 data is projected based on data from Enbridge's Canadian GHG Challenge Registry Update 2006.

13 The U.S. data for 2005 and 2006 are actual figures and include: Enbridge Pipelines (Toledo) Inc.; Enbridge Pipelines (North Dakota) L.L.C.; Enbridge Energy, Limited Partnership; Enbridge Pipelines (Ozark) L.L.C.; and Enbridge Storage (Patoka) L.L.C. Data for CCPS Transportation, L.L.C. is also included in the 2006 figures but not in the 2005 figures because it was not in operation during 2005.

14 Direct, indirect and net emissions were calculated using the American Petroleum Institute Emission Estimating System (SANGEA™ Version 3.04).

15 Net emissions include reductions related to any offset project.

16 Energy use includes electricity and fuel.

17 A reportable spill is any spill reportable to a regulatory jurisdiction.

18 Includes office paper, aluminum, glass, metal and newspaper. Materials such as wax, waste oil, rags and batteries are recycled but not tracked.

19 Personal injury classifications are based on the OSHA's Recordkeeping Guidelines for Occupational Injuries and Illnesses.

20 Measure of any work-related injury that prevents a worker from reporting to work on the next calendar day.

21 Includes days-away and medical-aid injuries.

22 Contractor days-away and recordable-injury-frequencies include engineering project contractors. They do not include operations contractors because hours were not tracked for the full year in 2006, so are not reportable.

23 Includes Liquids and Gas Pipelines data.

24 Motor vehicle incident frequency rates do not include incidents that occurred at office locations in Edmonton, Alberta, and Duluth, Minnesota/Superior, Wisconsin, because mileage is not tracked for these locations. This does not include contractors as mileage is not tracked for them.

GAS PIPELINES¹

| | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|------|-------|-------|------|------|
| OPERATIONS | | | | | |
| Deliveries (billion cubic feet) ^{2,3} | 382 | 389 | 375 | 376 | 281 |
| Kilometres of right-of-way | 466 | 466 | 466 | 466 | 466 |
| Number of employees ⁴ | 6 | 6 | 6 | 6 | 5 |
| EH&S MANAGEMENT | | | | | |
| Major incidents ⁵ | 0 | 0 | 2 | 0 | 0 |
| Regulatory notifications ⁶ | 0 | 0 | 2 | 0 | 0 |
| EH&S fines and penalties (thousands of dollars) ⁷ | 0 | 69.3 | 0 | 0 | 0 |
| ENVIRONMENTAL PERFORMANCE | | | | | |
| Reportable Spills ⁸ | | | | | |
| Number of spills | 0 | 0 | 0 | 0 | 0 |
| HEALTH AND SAFETY | | | | | |
| Personal injuries ⁹ | | | | | |
| Employee days away injury frequency (days away injuries/200,000 hours worked) ¹⁰ | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Employee injury severity (days lost/200,000 hours worked) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Employee recordable injury frequency (recordable injuries/200,000 hours worked) ¹¹ | 0.00 | 17.50 | 17.46 | 0.00 | 0.00 |
| Contractor days away injury frequency (days away injuries/200,000 hours worked) ^{10,12} | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Contractor recordable injury frequency (recordable injuries/200,000 hours worked) ^{11,12} | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Motor vehicle incidents | | | | | |
| Reportable motor vehicle incident frequency (incidents/1,000,000 kilometres driven) | 0.00 | 0.00 | 0.00 | 4.38 | 0.00 |

1 Data covers Enbridge-operated portion of Vector Pipeline.

2 One thousand cubic feet = one dekatherm.

3 Source: FERC Form 2, Major Natural Gas Pipeline Annual Report

4 Includes Enbridge Energy Company North U.S. Operations permanent full time equivalents.

5 Major incidents are EH&S events that result in a critical employee or contractor injury or fatality, significant regulatory enforcement action, a liquid spill in excess of 100 barrels, or significant adverse impact to the environment.

6 A regulatory notification is a formal written notification by a regulator that Enbridge may not be adhering to the legal, regulation or permit requirements. Examples of notifications include formal warnings, enforcement actions, summonses and charges, notices of violation, and stop and control orders. Notifications do not include field inspection reports or other informal communications. Notifications may result in fines or penalties.

7 EH&S fines and penalties are levied against the Company as a result of regulatory notifications. Fines and penalties in a particular year often relate to activities in prior years. Reported in U.S. dollars.

8 A reportable spill is any spill reportable to a regulatory jurisdiction.

9 Personal injury classifications are based on the OSHA's Recordkeeping Guidelines for Occupational Injuries and Illnesses.

10 Measure of any work-related injury that prevents a worker from reporting to work on the next calendar day.

11 Includes days-away and medical-aid injuries.

12 Contractor days-away and recordable-injury-frequency rates include engineering project contractors. They do not include operations contractors because hours were not tracked for the full year in 2006, so are not reportable.

UNITED STATES GAS TRANSPORTATION BUSINESS

| | 2006 Pipeline | 2006 Trucking | 2005 Pipeline | 2005 Trucking | 2004 Pipeline | 2004 Trucking |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| OPERATIONS ¹ | | | | | | |
| Gas transmission volume (billion cubic feet per day) ² | 4.7 | – | 3.71 | NA | 2.03 | – |
| Deliveries (barrels per day) ³ | 49,700 | 18,339 | 48,900 | 15,000 | 35,695 | 21,376 |
| Length of pipeline (miles) ⁴ | 12,876 | 45 | 13,081 | 45 | 9,200 | 45 |
| Employees | 1,051 | 162 | 896 | 144 | 694 | 160 |
| EH&S MANAGEMENT | | | | | | |
| Major incidents ⁵ | 2 | 1 | 0 | 0 | 2 | 0 |
| Regulatory notifications ⁶ | 6 | 2 | 5 | 0 | 18 | 0 |
| EH&S fines and penalties (thousand dollars) ⁷ | 3.1 | 0.5 | 31.8 | 0 | 202.3 | 0 |
| EH&S TRAINING | | | | | | |
| Total hours | 16,697 | 3,119 | 13,080 | 2,137 | 11,471 | 1,997 |
| Hours per employee ⁸ | 28.8 | 19.3 | 14.6 | 14.8 | 16.5 | 12.5 |
| EH&S professionals (full-time) | 21 | 1 | 16 | 1 | 11 | 1 |
| ENVIRONMENTAL PERFORMANCE ⁹ | | | | | | |
| Greenhouse gas emissions ¹⁰ | | | | | | |
| Total direct emissions (thousand tonnes of CO ₂ equivalent) | – | – | 1,654 | 12 | – | – |
| Direct emissions intensity (tCO ₂ e/pj) ¹¹ | – | – | 995 | – | – | – |
| Reportable spills ¹² | | | | | | |
| Spills (number) ¹³ | 4 | 2 | 3 | 0 | 5 | 0 |
| Spill volume (barrels) | 15 | 285 | 48 | 0 | 138 | 0 |
| HEALTH AND SAFETY ¹⁴ | | | | | | |
| Employee days away injury frequency (days away injuries per 200,000 hours worked) ¹⁵ | 0.31 | 1.81 | 0.24 | 0.95 | 0.30 | 1.88 |
| Employee days away severity (days away per 200,000 hours worked) | 15.38 | 123 | 3.06 | 10.93 | 1.80 | 33.82 |
| Employee recordable injury frequency (recordable injuries per 200,000 hours worked) ¹⁶ | 1.44 | 1.81 | 1.18 | 0.95 | 1.65 | 2.35 |
| Preventable motor vehicle incident frequency (incidents per million miles driven) | 1.17 | 0.86 | 0.85 | 0.68 | 1.68 | 2.23 |

1 Unless otherwise noted, data covers natural gas transmission, gathering, processing and trucking operations of Enbridge Energy Partners, L.P. and Enbridge Offshore operated by Enbridge Inc.

2 Reflects aggregate throughput of Enbridge Energy Partners, L.P., natural gas transmission, gathering and processing lines and Enbridge Offshore operated by Enbridge Inc.

3 1 barrel = 0.159 cubic metres or 42 United States gallons (all liquid products).

4 Includes pipeline miles for transmission, processing, gathering, and Dufour Petroleum, our U.S. trucking services business. In past CSR reports we included statistics for both 'length of right-of-way' and 'length of pipeline'. These two measurements are similar. However, 'length of pipeline' is all inclusive as it measures multiple pipelines in the same right-of-way. Therefore, starting with this CSR Report, we are reporting only 'length of pipeline'.

5 Major incidents are EH&S events that result in a critical employee or contractor injury or fatality, significant regulatory enforcement action, a liquid spill in excess of 100 barrels, or significant adverse impact to the environment.

6 A regulatory notification is a formal written notification by regulators that Enbridge may not be adhering to legal, regulation or permit requirements. Examples of notifications include formal warnings, enforcement actions, summonses and charges, notices of violation, and stop and control orders. Notifications do not include field inspection reports or other informal communications. Notifications may result in fines or penalties.

7 EH&S fines and penalties are levied against the Company as a result of regulatory notifications. Fines and penalties in a particular year often relate to activities in prior years. Reported in United States dollars.

8 Measures hours of EH&S training per operations employee. Does not include additional training provided to office employees.

9 Because of different regulatory requirements and business needs, our United States Gas Transportation Business does not track some corporate performance indicators. A key priority of this business operation is full compliance with existing regulatory requirements. The Company's management system provides accountability for achieving this performance.

10 Figures cover all assets under the operational control of the United States Gas Transportation Business. Given the preliminary nature of this inventory, Enbridge cannot warrant the accuracy or completeness of this information. 2005 GHG data are actual figures based on our first annual inventory. 2006 data will be available in late 2007 or early 2008. The inventory was conducted according to methodology outlined in the API Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Gas Industry (February 2004). Enbridge utilized equipment level calculations for its plants and compressor stations and facility level estimates for all other facilities. The inventory can be considered as between a Tier I and a Tier II inventory as widely described and recognized among industry groups.

11 Direct emissions intensity numbers are not available for Trucking (Dufour Petroleum) as this is not a useful measure in the case of the trucking business.

12 A reportable spill is any spill reportable to a regulatory jurisdiction.

13 Includes liquid spills from gas transmission and the limited number of liquids pipelines that are included in the United States Gas Transportation Business segment.

14 Health and safety statistics refer only to Enbridge employees. Personal injury classifications are based on United States Occupational Safety and Health Administration (OSHA) reporting guidelines for occupational injuries and illnesses.

15 Measure of any work-related injury or illness that prevents a worker from reporting to work on the next calendar day.

16 Includes days-away and medical-aid injuries.

ENBRIDGE GAS DISTRIBUTION

| | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|----------------------------|-------------------|-------------------|-------|-------|
| OPERATIONS¹ | | | | | |
| Gas distribution volumes (<i>billion cubic feet</i>) ² | 408 | 438 | 575 ³ | 458 | 410 |
| Gas distribution volumes (<i>petajoules</i>) | 446 | 479 | 629 | 501 | 448 |
| Length of pipeline (<i>thousand kilometres</i>) ⁴ | 33.0 | 32.9 | 31.4 | 30.5 | 29.0 |
| Number of employees | 1,898 | 1,799 | 1,607 | 1,682 | 2,008 |
| EH&S MANAGEMENT | | | | | |
| Major incidents ⁵ | 0 | 1 | 0 | 3 | 1 |
| Regulatory notifications ⁶ | 0 | 1 | 3 | 3 | 3 |
| EH&S fines and penalties (<i>thousands of dollars</i>) ⁷ | 0 | 0 | 0 | 0 | 0 |
| EH&S TRAINING | | | | | |
| Total hours ⁸ | 6,990 | 5,849 | 4,646 | 4,166 | 4,939 |
| Hours per employee ⁹ | 6.4 | 5.66 | 5.30 | 4.03 | 2.46 |
| EH&S professionals (<i>full-time</i>) ¹⁰ | 10 | 10 | 10 | 10 | 11 |
| ENVIRONMENTAL PERFORMANCE | | | | | |
| Greenhouse gas emissions^{11,12} | | | | | |
| Direct emissions (<i>thousand tonnes of CO₂e</i>) ¹³ | 288 | 290 | 300 | 319 | 317 |
| Indirect emissions (<i>thousand tonnes of CO₂e</i>) ¹⁴ | 7 | 7 | 7 ¹¹ | 7 | 8 |
| Net emissions intensity (<i>tonnes of CO₂e per petajoule of energy delivered</i>) ¹⁵ | 661 | 605 | 489 | 651 | 725 |
| Direct emissions intensity (<i>tCO₂e/pj</i>) ¹⁵ | 645 | 605 | 478 | 636 | 708 |
| Energy^{12,16} | | | | | |
| Energy use (<i>thousand gigajoules</i>) | 1,000 | 913 | 949 | 938 | 911 |
| Energy intensity (<i>thousand gigajoules per billion cubic feet of throughput</i>) | 2.5 | 2.1 | 1.7 | 2.1 | 2.2 |
| Reportable spills¹⁷ | | | | | |
| Number of spills (<i>gas</i>) | 0 | 0 | 0 | 1 | 0 |
| Number of spills (<i>liquid</i>) | 0 | 0 | 0 | 0 | 1 |
| Spill volume (<i>litres of liquid</i>) | 0 | 0 | 0 | 0 | 180 |
| Spill volume rate (<i>barrels per billion cubic feet of throughput</i>) | 0 | 0 | n/a | n/a | 0.45 |
| Waste | | | | | |
| Waste to offsite disposal | | | | | |
| Total non-hazardous waste (tonnes) | 1,148 | 1,098 | 998 | 958 | 565 |
| Total liquid Ontario Ministry of Environment registerable waste (<i>thousand litres</i>) ¹⁸ | 151 | 908 ¹⁹ | 230 ²⁰ | 196 | 132 |
| Total solid Ontario Ministry of Environment registerable waste (<i>kilograms</i>) ¹⁸ | 11,736²¹ | 1,053 | 2,296 | 2,202 | 7,789 |
| Recycled material (tonnes) | 428 | 497 | 469 | 444 | 431 |

(see next page)

ENBRIDGE GAS DISTRIBUTION (Continued)

| | 2006 | 2005 | 2004 | 2003 | 2002 |
|--|-------------|------|------|------|-------|
| HEALTH AND SAFETY | | | | | |
| Employee days away injury frequency (days away injuries per 200,000 hours worked) ²² | 0.30 | 0.62 | 0.13 | 0.48 | 1.21 |
| Employee days away injury severity (days away per 200,000 hours worked) | 4.69 | 6.57 | 2.83 | 7.45 | 11.27 |
| Employee recordable injury frequency (recordable injuries per 200,000 hours worked) ²³ | 2.20 | 2.91 | 2.58 | 3.00 | 3.42 |
| Absenteeism (days absent per employee) | 3.79 | 3.84 | 3.85 | 4.51 | 4.44 |
| Motor vehicle incident frequency (incidents per million kilometres driven) | 3.42 | 3.79 | 3.22 | 3.32 | 2.75 |

1 Includes overall distribution system of Enbridge Gas Distribution.

2 The data for the years 2002 to 2005 were incorrectly reported in the 2005 and 2006 CSR Report.

3 Covers the 15-month period ended December 31, 2004, due to a change in Enbridge Gas Distribution's fiscal year end from September 30 to December 31 to be consistent with Enbridge.

4 Does not include gas services (pipe required from the main to serve residential, commercial or industrial buildings).

5 Major incidents are EH&S events that result in a critical employee or contractor injury or fatality, significant regulatory enforcement action or significant adverse impact to the environment.

6 A regulatory notification is formal written notification by regulators that Enbridge is not adhering to legal, regulation or permit requirements. Examples of notifications include formal warnings, enforcement actions, summonses and charges, notices of violation, and stop and control orders. Notifications do not include field inspection reports or other informal communications. Notifications may result in fines or penalties.

7 EH&S fines and penalties are levied against the Company as a result of regulatory notifications. Fines and penalties in a particular year often relate to activities in prior years. Reported in Canadian dollars.

8 Includes EH&S training for operations employees such as driver safety, pipeline excavation safety and WHMIS (Workplace Hazardous Material Information System).

9 Measures hours of EH&S training per operations employee. Does not include additional training provided to office employees.

10 Includes nursing staff in the Company's Wellness Centre.

11 Data for the year 2002 and onwards includes Enbridge Gas Distribution, Enbridge Gas New Brunswick, and Gazifère. Data for 2004 onwards also includes St. Lawrence Gas.

12 2006 data is projected based on data from Enbridge's Canadian GHG Challenge Registry Update 2006. While Enbridge conducted the calculation of its Canadian GHG emissions in accordance with the methodologies outlined in the API Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Gas Industry (February 2004), the total emission calculation for numerous facilities are difficult of precise and exact determination and thereby Enbridge cannot warrant the accuracy or completeness of this information.

13 Does not include customer emissions.

14 Data excludes St. Lawrence Gas.

15 Annual data varies from that reported in previous CSR reports due to a change of methodology in calculating our GHG emissions.

16 Data includes Enbridge Gas Distribution, Enbridge Gas New Brunswick, and Gazifère, but excludes St. Lawrence Gas.

17 Reportable spills are spills reportable to a regulatory jurisdiction.

18 Includes wastes registered under the Ontario Hazardous Waste Information Network.

19 This increase was largely due to disposal of water (including rain water) that came into contact with soil that was deemed contaminated at a former manufactured gas plant.

20 This increase was largely due to a water utility main break which caused water to flow into gas utility lines and resulted in Enbridge Gas Distribution having to dispose of pumped-out water as hazardous waste.

21 This increase is due primarily to a one-time project that required the removal and disposal of over 10,000 kilograms of pipe coating.

22 Measure of any work-related injury or illness that prevents a worker from reporting to work on the next calendar day or subsequent days.

23 Includes days away and medical aid injuries.

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