



**Al Monaco, President and CEO,
Enbridge, Inc.**

**Canadian Federal Governor-in-Council
Decision on Northern Gateway Project**

Media Conference Call

June 17, 2014

Al Monaco:

Good afternoon everyone and thanks for joining the call on short notice.

As you all know by now, earlier this afternoon the federal government announced Governor in Council approval for the Northern Gateway Pipeline Project.

At the outset, let me say that we're pleased with the decision and it's an important milestone for Gateway.

But we still have some work ahead of us, which we'll come back to in a few minutes.

There is obviously a lot of interest in today's announcement.

As we've just received the decision ourselves we'll need time to review it, but we'll do our best to answer your questions after our opening comments.

I'll begin with a few thoughts on how Gateway fits within the broader Canadian context and our market access strategies, then discuss the bigger picture implications of today's decision.

I'll then turn it over to Janet Holder, who leads our western access strategy, to outline what we'll be focused on in the months to come.

History and Context of NGP

No one would disagree that diversification of export markets is critical to the health of our natural resources industry, Canada's economic wellbeing and all Canadians.

Gateway is a key element of our company's goal to open up new markets to handle growing supply of Canadian crude over the next few years.

But we're making excellent progress on that strategy today.

Nearing completion right now is our \$6.5 billion Gulf Coast market access program that will provide 850,000 bpd of pipeline capacity to the US Gulf Coast.

The Gulf coast is home to one of the largest refining markets in the world and is ideally suited to process growing supplies of Canadian crude.

Also in execution is some \$9 billion in projects that will move product into eastern Canadian and US Midwest markets.

And another \$7 billion to replace Line 3 that will provide increased flexibility and reliability for our industry.

So we've been very focused on improving market access and we're seeing the positive effects of that already.

In fact, all-in with projects in execution today we're opening up 1.7 million bpd of new markets within North America.

But it's clear we need to take the next step to bolster our export capability – to connect Canada with global markets.

We first conceived of the idea of opening access to Asian markets more than a decade ago now.

If anything, since then that need has grown into an even greater strategic imperative for our country.

What's also grown over that time is the level of passion and emotion around the project.

It's prompted debate, tough questions for us and legitimate concerns.

The scrutiny on our industry is sometimes difficult, but it's broadened the discussion around energy issues and engaged more people in a key question:

How do we achieve the right balance between the need for energy and ensuring safety and protection of the environment?

There's no doubt that the debate has helped to make Northern Gateway better than it would have been.

Key to this is that we've been open to change - and we'll continue to welcome ideas that will make the project even better.

The economic case for Northern Gateway is straightforward.

With growing North American supply, we simply can't continue to rely on a single customer, the United States, which is growing its own production at a fast clip.

The impact of discounted prices because of constrained pipeline capacity doesn't just impact our industry.

It means lower royalties, tax revenues and investment, all of which impact our ability to fund our social safety net that we want in Canada.

So, there's not much disagreement about the economic benefits.

But, more importantly, what's crystal clear to us is that safety and environmental protection have to come first.

If we can't prove out safety and environmental protection on these projects, the economic benefits won't matter.

In other words, the economic benefits alone are not enough to sustain public support.

Our team has worked extremely hard to make sure we're addressing concerns by building in additional safeguards, not just meeting, but exceeding, requirements to give people an extra measure of comfort.

The goal is simple - build the safest project practically possible; and that means grading ourselves against world class standards.

That's what the people of BC want, but it's also what all Canadians want and deserve.

The Joint Review Panel report was very positive on that count.

In fact, it noted several areas where our extra initiatives and commitments are industry-leading -- marine risk mitigation, consultation, engineering, safety and emergency response and economic benefits.

The federal government's actions to enhance tanker and pipeline safety and in response to Doug Eyford's report also help to hit the world class mark.

This is coupled with excellent input from the government and communities of BC, where their framework of 5 areas for oil pipelines will also help to make this a better project.

We've received tremendous input from Aboriginal communities drawn from their traditional knowledge and stewardship of their lands and waters.

And we've made good progress in other areas as well – from signing agreements with national unions, to equity ownership for

Aboriginal communities to innovative training and community engagement programs.

We've added to our team on the ground in BC through our offices in Prince George (Janet Holder's home town and where she lives now), Kitimat and Vancouver – and that's helped us more fully understand the issues first hand.

You simply can't run a project like this from Alberta.

And as our BC team has worked in communities responding to concerns and sharing how we approach safety and environmental protection, we've seen strengthened support.

Several polls, including a recent one by the BC Chamber of Commerce, found that more British Columbians support the project than oppose.

That's a major shift from where we were 18 months ago.

So here's what today's decision means.

Today's Decision and What it Means

Essentially, the decision confirms the conclusion of the JRP that Northern Gateway can be built and operated safely and that the project is in Canada's national interest.

The decision marks the completion of the regulatory phase and gives us greater confidence in developing a world class project.

We don't see the decision as the final step, but one more step in the process.

It's a process that requires a considered and respectful approach; and one that takes time to do right.

In line with that, our focus will be on three priorities from here:

- First, completing work to satisfy the JRP conditions and reviewing the additional conditions in today's federal government decision;
- Second, continue to work with the Province of B.C. to respond to their framework for supporting oil pipelines; and,

- Third, and equally important, continuing to engage with BC communities Aboriginal bands to further build trust.

We will also continue to work closely with our upstream customers that have supported the project.

I'll now turn the call to Janet to provide more detail about what's next.

Janet Holder:

Thank you AI and good afternoon everyone.

First, with respect to the 209 conditions put forward by the independent JRP, we are working hard on those – we are required to meet that and we intend to do that.

That will take some time because it needs to be done right and we're utilizing world-leading engineers that we've had on this project, and supporting it, from Day One.

With respect to BC's framework for oil pipelines outlined by Premier Clark, we have always been supportive of BC's five conditions - they reflect the interest of British Columbians.

The federal decision meets the Premier's first condition – successful completion of a formal environmental review process.

And we look forward to working with the BC Government to meet the other conditions.

Our review will include completing the work required to update our cost estimate for the project, which we anticipate, as we've previously noted, will be shared later this year.

Based on where we are today, we anticipate our review and our work to respond to the federal and provincial conditions will take approximately 12 to 15 months.

During that time, we will also continue to work to further build trust with right-of-way and Aboriginal communities.

We know we have more work to do to re-engage with some First Nations communities along the proposed route and to continue our engagement with British Columbians and Canadians.

We are committed to doing that work.

We look forward to building on the progress we've made with the 26 First Nations who will be our partners in the project. As owners, they'll have a seat at the table as well as long term, sustainable benefits.

We will continue to listen to people in their communities, because it is strength of their opinions that has helped to shape this project and make it better.

Our Community Advisory Boards have been invaluable in engaging community members and providing a platform for discussion.

We'd like to thank the members of the CABs for their participation over the past four years. We look forward to continuing to work with you.

Over the last two years I have travelled throughout B.C. and Canada talking about Northern Gateway.

Time and again, people have told me that Northern Gateway is important to our future.

But only if we do it right.

That is because in Canada – and particularly in British Columbia - we believe that a strong economy, good jobs and good

paycheques must go hand in hand with protecting our environment.

From the very beginning that's been our goal: to build a safer, better pipeline.

The regulatory process has been the most rigorous and thorough of its kind in Canadian history.

Our team is in every community along the right-of-way working to deliver skills training programs and good economic opportunities to local businesses.

With that, let me hand it back over to Al.

Al Monaco:

Thanks Janet,

Just a final comment in closing before we take your questions

While today is an important day for our project, Janet and her team will be very focused on the work we still need to do.

I think it's fair to say that we all learn things through life and as a company we've certainly learned a lot from our engagement with stakeholders on this project.

We've acknowledged we've made mistakes. We continue to learn and to change

And we know there's more we need to do to build trust with First Nations where our relationships are not where we'd like them to be. We're making this our priority.

We are holding out our hand to have further engagement in a respectful way.

We'd like an opportunity to sit down and engage in dialogue.

We hope that we can demonstrate to you that we can build trust without looking at our watch or our calendar. Over time, we're hopeful that we can get to a better place on this issue.

Our company's commitment is that we will not only meet our own high standards in carrying out the project, but the expectations set by all Canadians.

Thank you, we'll now take some questions.