Enbridge Inc.
2015 Annual and Special Meeting of Shareholders

Al Monaco, President and CEO, Enbridge Inc.

May 6, 2015
Remarks to Enbridge Inc. Shareholders
Aria Ballroom
Four Seasons Hotel Toronto
Toronto, Ontario, Canada

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Check against delivery
Introduction

Thank you Mr. Chairman – good afternoon everyone.

We’ve been looking forward to our annual meeting, not just to discuss our results . . . but to talk about what the future holds for Enbridge – which as you will see is very exciting.

And also because it’s here in Toronto.

This is the hub of our gas distribution operation, which serves more than 2 million customers.

And, it’s home to more than 2,500 Enbridge staff.

I would also like to acknowledge that this meeting is occurring . . . in the traditional territory of the Mississauga’s of the New Credit First Nation.

The Enbridge Leadership Team

With me today are other members of Enbridge management and staff.

A strong management team is critical to operating the business safely and reliably, and on executing our growth plans.

Please take the opportunity to meet them during the reception.

Forward Looking Statements

It’s a regulatory requirement that I advise you that I will be using forward-looking statements and information.

Overview

I’ll focus my comments today on 3 areas.

I’ll start with some context about Enbridge’s role in the economy and why that’s important.

I’ll then review our 2014 results and progress on executing our strategies.

Lastly, I’ll share my perspective on an issue I believe is critical to all of us.

We know that global energy demand will continue to grow.

Helping to meet the world’s energy needs represents a tremendous opportunity for Canada – and North America.
But to capitalize on that opportunity, we need infrastructure to connect our resources to key markets.

I’ll discuss the challenges to building that connectivity . . . . and the approach our Company is taking to go above and beyond in meeting those challenges.

Our Footprint

This map highlights the breadth of our asset base.

Our liquids pipelines system is a lifeblood of meeting North America’s energy needs.

We move 2.2 million barrels of crude oil across the U.S. border every day.

More than 53% of Canadian crude oil imported into the U.S. arrives through our pipelines.

Here in Toronto, you know us as the gas company.

We’re Canada’s largest gas utility and one of the fastest growing in North America.

That also goes for our natural gas transmission, gathering, and processing business . . . . from Northeast BC through to the U.S. Gulf Coast.

And we’re expanding our renewables business - in fact, we’re the third largest renewable power player in the country . . . . 2,200 megawatts of emissions-free generating capacity – nearly 500 megawatts right here in Ontario.

That’s enough energy to meet the needs of 750,000 homes.

Our Purpose

Those are the assets in the ground and the product we move.

But that’s not how our staff think about the business.

What we’re really about is delivering safe and reliable energy to North Americans.

We connect energy supply with key markets and the people who need it – 24/7.

That’s our responsibility and it’s the focus of the 11,000 people who are part of the Enbridge team.

And although energy is sometimes in the headlines . . . . we’re proud of the work we do.

That’s because we’re making a difference in the way people live their lives on this continent.

The energy we deliver heats homes, fuels cars and planes – it powers industry, schools and hospitals.

It’s the feedstock for products we use every day . . . . clothing, plastics, computers.
We’re an engine of economic growth, providing jobs and benefits that support our social safety net.

And we don’t just operate in communities – our people are part of those communities . . . . that means we have a responsibility to invest in them.

**Our Priorities**

We operate a large, complex business, but we’re driven by 3 priorities.

#1 – the safety and operational reliability of our systems. Without that, nothing else matters.

That’s because delivering energy involves risks.

And the public puts their trust in us to manage that risk . . . . with the best people, technology and discipline.

Our second priority is to execute well on our massive capital projects.

When you’re investing $8 to 10 billion each year, you need to get projects completed safely, on time and on budget.

Our customers expect that, we expect that of ourselves.

Our third priority is to focus on building Enbridge for tomorrow so that we can continue to grow 2, 3 and 4 decades from now.

That’s what shareholders expect of us. And that’s what we’re doing.

Our new growth platforms include expansion of the natural gas business . . . . electricity generation and transmission, and international where, and when, it makes sense for us.

At Enbridge, we talk about our value proposition . . . . which is basically why shareholders want to own a piece of the company.

**Our Value Proposition**

That value proposition combines superior, industry-leading growth, increasing dividends and a reliable business model.

That’s what has worked for us over decades, through many up and down economic cycles.

And it’s proving out again right now.

At a time of uncertainty for the energy industry – and our broader economy . . . . Enbridge provides a true safe haven for investors – without giving up growth and strong returns.

That’s because our business model is based on ensuring predictability of earnings and cash flow, even in periods of volatile commodity prices.
2014 / Q1 in Review

In 2014 we extended our track record of strong growth... and we continued to build momentum for the next 5 years.

Adjusted earnings rose to nearly $1.6 billion – or $1.90 per share.

Our 5-year average annual adjusted EPS growth rate has been 10%. We’re proud of that record.

Earlier today we announced first quarter adjusted earnings, and we’re pleased with the solid quarter.

Dividend Growth

When earnings grow at Enbridge, dividends follow.

Annual dividend growth has averaged 14% over the last 5 years.

In March, we increased our dividend to $1.86/share – a 33% increase.

The size of that bump reflects the strength of our business model... strong operating performance and confidence in our future.

Total Shareholder Return

Growth in earnings and dividends helped generate a total return to shareholders of 32%... better than our peers and the broader market.

Over the past 10 years, Enbridge’s TSR has, on average, outperformed the S&P/TSX by 11 percentage points every year.

So it’s this track record that’s providing that safe haven for investors that I mentioned earlier.

Safety is our No. 1 Priority

Those are the numbers, but I’m most pleased with our progress on our goal to be the industry leader in safety, reliability and environmental protection.

Over the past five years, we’ve transformed our approach to safety.

Our Board of Directors monitors this area closely.

Safety is not about slogans, it’s about taking action.
Since 2010, we’ve invested more than $5 billion in maintenance and integrity programs across Enbridge.

Many people may have the impression that pipelining is an antiquated business . . . . that’s not the case.

We’re using the most advanced technology, working with suppliers to push the envelope on innovation.

Some examples:

- Using satellite mapping (similar to what NASA uses to map the surface of Mars) to identify the safest pipeline route;
- Investing in “smart pipe” technology that enhances pipeline design and safety;
- Using high-resolution pipeline inspection technology to inspect every millimeter of our pipelines;
- Deploying “smart balls” – inspection tools about the size of a bowling ball, that travel inside our pipelines;
- and testing new detection technologies using a state-of-the-art pipeline research simulator – the first of its kind in the world.

But to be the industry leader, it’s also about your mindset, culture and approach to safety.

That approach is built on the firm belief that every incident can be prevented.

And if we see a problem, and we need to shut down a line . . . . it means taking that extra bit of time to make sure we’re good to go.

And it means that our management team needs to be in the field listening to our people.

We report on our progress in our Operational Reliability Report, copies of which are available in the foyer.

That’s the mindset we strive to build in every person at Enbridge.

So let me turn to the progress we’re making in executing our growth strategy.

I’ll start with our Liquids business.

**Liquids Pipelines**

Frist of all, lower commodity prices are creating tremendous uncertainty for our customers.

We have an important role in supporting them . . . . by providing low cost, reliable transportation services.

And one of our biggest accomplishments last year was adding new capacity to our liquids system – some 340,000 bpd – by improving efficiency.
Opening New Market Access

The other way we’re adding value is by opening new markets.

By the end of 2017, we’ll have added incremental markets of 1.7 million barrels per day.

That includes the Flanagan South and Seaway Twin pipelines.

This was a big milestone for us because it established the first full-path, large-volume pipeline network from western Canada to the U.S. Gulf Coast.

And that’s helped strengthen prices for Canadian producers.

This quarter, we brought the $1.8 billion Edmonton-to-Hardisty pipeline into service.

We completed the full replacement of Line 6B between Chicago and Sarnia.

And we’ve expanded our regional systems in Alberta with the Norealis pipeline and new tankage to support the Surmont project.

Last year we announced the Line 3 Replacement Program – at $7.5 billion, the largest in our history.

Looking ahead, we have more opportunities to continue to increase market access . . . . through low-cost, phased expansions and new initiatives to connect to markets like the eastern Gulf Coast.

So let me turn now to natural gas.

Gas Distribution

We see tremendous potential in the future of natural gas . . . . it’s abundant, low cost, has flexibility for many uses, and it’s lower in emissions.

Natural gas will supply a growing share of North American and global energy demand.

Two decades ago, we made our initial entry into the natural gas business right here in Toronto . . . . by acquiring what is now Enbridge Gas Distribution.

Today, it’s one of the fastest-growing gas companies in North America (average of 35,000 new customers each year).

Last winter was the coldest we’ve experienced in over 30 years – but our team didn’t miss a beat in moving the energy our customers needed.

Construction on the largest project in the history of this franchise – the GTA project . . . . is underway and on track for completion by the year end.

That expansion will provide more people access to low-cost, reliable natural gas.
Gas Pipelines & Processing

Our U.S. gas gathering and processing business is going through tough times right now because of reduced drilling and low gas prices.

Late last year, our Houston team took steps to ensure we can work through that challenge.

And we made progress on several fronts.

We completed the Beckville Processing Plant in Texas, and we brought on new facilities in the Marble Falls play.

We’re seeing volumes ramp up on the Texas Express pipeline.

And we’ve leveraged our U.S. team to build our Canadian midstream gas business.

Offshore

We’ve built both our natural gas and crude oil gathering systems.

The offshore Gulf of Mexico has been a great turnaround story and we’ve successfully repositioned that business to grow.

Just a few months ago, we brought the Jack St. Malo segment of the Walker Ridge Gas Gathering system into service … and we’re on track to complete the Big Foot Gas segment and Big Foot oil pipeline later this year.

Customers value our proven expertise laying pipe in the ultra-deep waters of the Gulf.

In January we were selected to build, own and operate a new line to connect Hess’ planned Stampede development.

Power Generation

We continue to grow our power generation business.

It checks all the boxes for us – solid economics, strategic fit, building for the future.

Our investments in renewable energy position us well to be part of the transition to a lower carbon future.

We were excited to add two new wind farms, one in Texas, one in Indiana; and our Keechi wind farm, also in Texas, began operations in January.

So as you can see, we moved the strategic ball forward in all of our 4 business units.

But those were just the highlights.

Today we’re undertaking the largest capital program in our history.
That program should allow us to generate average annual EPS growth of 10 – 12% through 2018.

But our job is to look for opportunities to increase the value of that growth program.

So, in December we announced a financial optimization plan that will drive more value for shareholders.

As a key player in an industry that’s under the spotlight . . . we’re mindful of the bigger issues influencing the energy landscape and our future.

So let me now move to the third area – a critical challenge facing North America’s future.

**Capturing North America’s Energy Advantage**

While volatile oil prices are a near term challenge . . . we should see a return to price stability.

But there’s a much broader, longer term challenge and opportunity in front of us.

Here’s how we see it.

**North America’s Opportunity**

Canada – and North America – have an unprecedented opportunity.

It’s highly certain that global energy demand will continue to grow (population growth, urbanization and increasing standards of living).

At the same time, the ability of North America to increase energy supply has never been stronger.

That’s because this continent has:

- massive unconventional energy reserves;
- the skills and technology to unlock those reserves;
- and the capital markets and funding to develop them.

And, we have what I think is the most robust regulatory process in the world.

In my view, that combination equates to a powerful global energy competitive advantage.

But what we’re still lacking is the ability to connect this supply to markets in a timely and effective way.

And that puts the opportunity, and our global competitive advantage at risk.
The Need for Connectivity

The location and speed of resource development is driving the need for new infrastructure.

The North American pipeline grid is in transformation, but it’s too slow.

It’s no longer about moving energy inland from coastal markets – it’s about connecting domestic supply to coastal markets where it can capture a world price.

And that’s critical for energy investments.

Without that connectivity, North American prices will continue to be discounted to world prices.

And without the right price signals there’s less incentive for continued investment and development.

That has significant implications for our economy in terms of jobs and tax revenues that support our social programs.

And a significant opportunity cost if that investment goes elsewhere.

Now, we are making some progress.

In fact, Enbridge is at the heart of the transformation.

As you’ve seen, we are bringing projects into service.

But a challenging permitting and regulatory environment across North America is increasing costs across our industry and delaying access to needed markets.

Public Concerns over Energy Infrastructure

The root cause is driven by a confluence of 3 factors:

- Legitimate concerns over climate change and what we’re doing about it;
- A few high profile incidents that have shaken public confidence in what has always been a strong system; and
- Opposition targeted at infrastructure as a means to halt fossil fuel development.

All of that is putting greater pressure on regulators, who are now also the center of attention.

There’s greater demand from stakeholders to participate in regulatory review.

More players – municipalities, counties, provinces – want to have a say.

Let’s be clear, that’s not to say this is a bad thing.

We benefit from an inclusive process.

And it’s in all of our interests to have rigorous, expert regulatory review and oversight.

This is all to say that the energy landscape in North America has changed.
And we’re leading that change.
Here’s how Enbridge is approaching the business today.

**Engaging Communities and Landowners**

First of all, the most important thing we emphasize – listen to what communities are saying!
We’re using that input to make our projects better.
It’s important for our staff, but that also applies to me as CEO.
Over the past year, I’ve had the opportunity to visit a number of communities.
It’s critical to build strong relationships with our landowners and communities – and through that, we build trust.
The value of constructive relationships is evident in our Line 3 Replacement Project.
I’d like to acknowledge the involvement of Mr. David Core the president of CAEPLA (Canadian Association of Energy and Pipeline Landowner Associations).
Dave is here today. He’s been at our Annual General Meeting before.
He does a good job of holding us to account, but also in finding solutions to make projects better.
In 2009, a key factor enabling construction of our Alberta Clipper pipeline was a landowner agreement we developed working with Dave and his membership.
More recently, Dave was instrumental in pioneering an environmental protection protocol with Enbridge to prevent the spread of club root.
In Q1 2015, we were successful in reaching an agreement – and support -- for Line 3.
That collaboration is testament to the ability of both groups to find common ground.

**Aboriginal and Native American Engagement**

Aboriginal and Native Americans are important communities to us as well.
And we’re proud of relationships and partnerships with many First Nations along our pipeline systems.
We’ve dedicated $200 million of direct and indirect spending on Aboriginal businesses . . . . and invested more than $10 million in community initiatives in the last 3 years alone.
We support training and employment programs to enable Aboriginal people to work on our projects – and we work with our suppliers to make sure jobs are available.
But we can do more.

We want to be part of creating an even stronger relationship that engages Aboriginal communities in development . . . while respecting their strong ties to the land and to the natural environment.

Exceeding Requirements and Setting our own Standards

On all of our projects, our goal is to not just meet requirements, but exceed them.

Line 9 is a good example.

The process to review our Line 9 pipeline has been one of the most rigorous in our company’s history.

We’ve committed to actions, shaped by community input, that go over and above what’s required.

They include:

- Even more inspections;
- Additional water crossing measures;
- More response equipment;
- Sharing our plans and being fully transparent.

We’re also continuing community consultation and engagement over the life of the project.

Another example is Northern Gateway.

We were pleased to receive the government’s approval of our project last June . . . but we’re most proud of the affirmation by the Joint Review Panel – after months of analysis and deliberation – that our efforts went above and beyond in several key areas from engineering and design, marine safety, economic benefits and to consultation.

The Panel said we exceeded regulatory requirements – using words like “stands out” and “international best practice”.

Protecting the Environment

Going above and beyond also applies to how we approach protection of the environment.

It was here in Toronto in 2009 that we committed to reducing our environmental footprint.

Through our Neutral Footprint program, we replace the trees we remove and conserve acres of land . . . to match the acres of land we disturb during construction of our pipelines and facilities.

We generate renewable energy to match the energy we use in our liquids pipelines business.
Six years later, I’m proud to say we’re exceeding our commitment.

Since January 2009 we’ve planted nearly 750,000 trees.

We’ve disturbed a little over 2,000 acres of land . . . . but helped conserve more than 45,000 acres.

And we’ve generated nearly 2,800 gigawatts of renewable electricity – twice the consumption of our liquids operations.

We’re now looking at how we can expand this initiative beyond trees and land.

We know water is especially critical to our communities.

We want to learn more and advance everyone’s thinking on water.

To do that, I’ve asked our Chief Sustainability Officer, Linda Coady, who’s here today . . . . to reach out to individuals and organizations developing new approaches to water stewardship.

**Climate Change**

We know concerns over climate change drive questions about energy infrastructure and our energy future.

We share those concerns.

Although we’re not a large emitter, we have a responsibility to help advance solutions.

We have reduced our direct emissions by 21% from 1990 levels . . . . and are currently looking at setting new targets for carbon reduction and energy efficiency.

Over the past 2 decades, our DSM programs have resulted in our customers saving approximately 8.9 billion cubic metres of natural gas . . . . avoiding 16.5 million tonnes of CO2 emissions.

That’s the equivalent of taking approximately 3.2 million cars off the road for a year.

And we’re pursuing opportunities to further reduce emissions including using natural gas to fuel vehicle fleets (our own fleet is 75% natural gas).

And we’ve invested $4 billion in renewable and alternative energy projects across Canada and the U.S.

**Call to Action**

Ultimately, the need for connectivity is not just Enbridge’s issue, nor is it just an energy industry issue.
Gaps in our infrastructure will have long-term consequences for our economy and for all Canadians.

We’ve heard recently from people outside of our industry – speaking out on this issue.

We’re going to need more of that to increase the dialogue about this issue – and the consequences if we can’t find a way to resolve it.

For example, on our Sandpiper and Line 9 projects, coalitions of supporters are demonstrating the power of communities speaking up.

Landowners, union, business and community leaders are helping explain the project, its benefits, and most important, our commitment to safety.

I opened by talking about the risks if we can’t find a way to move energy projects forward.

But what do we stand to gain? Why not leave it in the ground?

The prize is huge: energy security, massive economic development and social prosperity.

Energy is an important driver of growth in Canada.

And North America has a tremendous opportunity to lead in the safe, reliable and responsible delivery of the energy our world needs.

I’ve shared how Enbridge is stepping up – to go above and beyond what’s expected of us.

I call on our industry peers, business and government leaders, our communities, to be part of the conversation on realizing our global energy advantage.

Conclusion

To wrap up . . .

Our vision is to be the leading energy delivery company in North America.

By continuing to deliver against our key priorities – safety and operational reliability, good execution and extending our growth – we’re confident we’ll achieve that vision.

Our earnings and dividend growth outlook to 2018 and beyond remains strong.

We continue to see opportunities to expand and extend our liquids pipelines.

And as I noted, we see tremendous opportunity in natural gas as the energy mix shifts over time.

Similarly, we’ve built a strong base in renewable energy that we plan to grow.

Closing
I would like to thank the members of our Board of Directors who continue to provide sound guidance and excellent support on behalf of the shareholders.

As David Arledge noted, we have had changes to our Board of Directors.

On behalf of shareholders and management . . . . I would like to extend our appreciation and congratulations to Lorne Braithwaite and Chuck Shultz who have retired from our Board . . . . and to welcome new directors Marcel Coutu and Becky Roberts.

But what really drives our success – what makes things happen – are the more than 11,000 people on the Enbridge team.

They’re on the front lines – the people the public puts their trust in to safely and reliably deliver the energy they need.

The people who exemplify our values of Integrity, Safety and Respect.

Thank you to the Enbridge team for your hard work and dedication to our Company.

We will now open the floor to questions.