

# FINAL TRANSCRIPT

**Thomson StreetEvents<sup>SM</sup>**

## **ENB - Enbridge Annual Shareholders Meeting**

**Event Date/Time: May. 06. 2009 / 1:30PM ET**

May. 06. 2009 / 1:30PM, ENB - Enbridge Annual Shareholders Meeting

**David Arledge** - Enbridge Inc. - Chairman

You've heard the motion, which has been seconded. Will those in favor please indicate your approval by holding up your shareholder question card or your hand? Contrary? Carried. I declare that PricewaterhouseCoopers LLP has been appointed as auditors.

The next item of business is a shareholder proposal submitted by the Dogwood Initiative on behalf of five shareholders, [Peter Dent], [Margarita Malek], [Brad Schlossenger], [Henry Somerfield] and [Ruth Zinger] requesting a report on the likelihood and liability of product spills associated with the proposed Northern Gateway pipelines, facilities and tankers.

Enbridge does not support this shareholder proposal for the reasons included in the Management Information Circular, including that we believe that the information as requested must be analyzed and prepared as a part of the review and approval process required by the NEB and other regulators before the Northern Gateway project can proceed. It just will not be done by September 1, 2009, the date requested in the shareholder proposal. May I have the Dogwood Initiative's representative their motion?

**Eric Swanson** - - Proxy Holder

Mr. Chairman, my name is Eric Swanson, and I am a proxy holder and I move that the Board of Directors prepare a report by September 1, 2009, on the frequency, volume and liability to the Company of product spills associated with the proposed Northern Gateway pipelines, facilities and tankers.

**David Arledge** - Enbridge Inc. - Chairman

Thank you. Is there a seconder for that motion?

**Nikki Skutz** - - Proxy Holder

Mr. Chairman, my name is [Nikki Skutz], and I'm a proxy holder and I second that motion.

**David Arledge** - Enbridge Inc. - Chairman

Thank you. I understand that a representative of the Dogwood Initiative who submitted the proposal is present and would like to make a statement at this time. Please state your name, confirm you are a shareholder or a proxy holder and please make your statement.

**Eric Swanson** - - Proxy Holder

Mr. Chairman, my name is Eric Swanson, and I stated previously I'm a proxy holder. Shareholder proposal number one requests an estimate of the frequency and volume of product spills likely to occur in the proposed Northern Gateway project and to translate this into an estimate of liability to the Company, including any new liability associated with marine operations.

In our correspondence with the Company, we have made it clear that the proposal does ask for an estimate of the financial risks posed by Gateway spills to the Company itself. The public review and approval processes do not require this as they're mandated through assessed projects and irrespective of the public interests, not the Company's interests.

This is made clear in the terms of reference for these processes that you referred to, thus contrary to the board's claim in the Management Information Circular, the regulatory and approval processes and the studies Enbridge has referred to under these processes are not responsive to the request of this proposal.

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We reiterate the benefit to shareholders of Enbridge producing a single, concise report that estimates the financial risks to the corporation itself from Gateway spills as this report can be produced independently from the public review processes, would contain only estimates and can rely heavily on historical data. We maintain that it can and should be produced for the benefit of shareholders by September 1, 2009.

**David Arledge - Enbridge Inc. - Chairman**

Thank you. To pass, this resolution must be approved by an ordinary resolution of common shareholders with an approval of a majority of the votes cast. We will conduct this vote by ballot. Miss Love, would you please explain the voting procedure?

**Alison Love - Enbridge Inc. - VP, Corporate Secretary**

Would each registered shareholder please take a moment to locate the green ballot that was given to you by the scrutineers when you registered for the meeting? As I said before, many shareholders present will have already completed their proxy, and if you do not wish to withdraw your proxy you will have completed your ballot since your shares will have been voted in accordance with your preference expressed in your proxy. Please take a moment to examine the ballot.

You are to vote either for or against on this motion to be voted upon. After completion, please sign the ballot with your usual signature and the scrutineers will collect the green ballots. To ensure that we have a proper record of all the votes, we would appreciate it if all the ballot forms that are handed out are returned to us. The scrutineers will now come forward to collect the green ballots.

**David Arledge - Enbridge Inc. - Chairman**

I have received confirmation from the scrutineers that the resolution has not passed. We will provide you with a percentage of votes for or against at the end of the meeting, and we will provide the exact number of votes for and against through a filing on SEDAR.

The next item of business is a shareholder proposal submitted by the Ethical Funds Inc., along with two co-filers, the first Affirmative Financial Network and Trillium Asset Management requesting that the board first provide a report to shareholders by October 1, 2009, that assesses the costs and benefits of adopting a policy requiring the free, prior and informed consent of impacted aboriginal communities as a necessary condition for proceeding with the construction of Enbridge projects and second, disclose through quarterly MD&A filings the status of negotiations with First Nations along the proposed pipeline and marine transportation route of the Northern Gateway project.

Enbridge does not support the first part of this shareholder proposal for the reasons outlined in the Management Information Circular, including that the final decision of whether to proceed with a project is made by the regulators and is based on a determination of whether the project is in the Canadian public interest, which necessarily requires a balancing of the cost and benefits of a project with all segments of society with none having a veto.

Enbridge believes that the disclosure regarding the Gateway project is in the MD&A with additional information on Enbridge's website addresses the second part of the proposal.

May I have the Ethical Funds representative present their motion?

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**Jennifer Coulson** -- Proxy Holder

Mr. Chairman, my name is [Jennifer Coulson]. I'm a proxy holder, and I move that the Board of Directors first prepare a report by October 1, 2009, that assesses the costs and the benefits of adopting a policy of requiring the free prior and informed consent of impacted aboriginal communities as a necessary condition for proceeding with the construction of Enbridge projects and second, direct management to disclose to investors through the MD&A the status of negotiations with First Nations along the proposed pipeline and marine transportation route of the Northern Gateway project, including reference to specific opposition.

**David Arledge** - Enbridge Inc. - Chairman

Thank you. Is there a seconder of that motion?

**Tara Marsden** -- Proxy Holder

Mr. Chairman, my name is [Tara Marsden]. I am a proxy holder, and I second the motion.

**David Arledge** - Enbridge Inc. - Chairman

I understand that a representative of the Ethical Funds who submitted this proposal is present and would like to make a statement at this time. Please state your name, confirm you are a shareholder or a proxy holder and please make your statement.

**Jennifer Coulson** -- Proxy Holder

Thank you. My name is Jennifer Coulson, and I am a proxy holder. I am representing the Ethical Funds Company, a division of the Northwest and Ethical Investments, as well as representing the co-filers of this proposal, Trillium Asset Management and First Affirmative Financial Network.

As long-term shareholders of Enbridge, we have been concerned particularly about the Gateway project and the risks it may pose to investors, and I just want to briefly outline those concerns.

The first is the regulatory approval process will not provide enough certainty to investors that this project will proceed as planned. The legal landscape is increasing in complexity and continues to create significant uncertainty around the assertion that Gateway will meet no challenges or delays once regulatory approval has been granted.

Second, while Enbridge does have a [lottable] aboriginal policy and is consulting extensively, significant unmitigated risks do remain. Vocal and recent concern has been expressed by some First Nations, particularly in British Columbia. Third, a current corporate disclosure does not provide investors with enough information to adequately assess these risks. As investors, we are uncertain about which First Nations have met with Enbridge, which have signed agreements and how these agreements might relate to consent for the project.

For these reasons, our proposal asks that Enbridge consider the cost and benefits of a policy on the issue of free prior and informed consent for rights that is now embedded in the United Nations Declaration of the Rights of Indigenous Peoples. Thank you.

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**David Arledge - Enbridge Inc. - Chairman**

Thank you, very much. To pass, this resolution must be approved by an ordinary resolution of common shareholders with approval of at least a majority of the votes cast. We will conduct the vote by ballot, and I'll ask Miss Love to explain the voting procedure.

**Alison Love - Enbridge Inc. - VP, Corporate Secretary**

Would each registered shareholder please take a moment to locate the yellow ballot that was given to you when you registered for the meeting. Many shareholders present will have already filed their proxy with the Company. Please note that if you do not wish to withdraw your proxy, you will not have to complete the ballot since your shares will have been voted according to the preference that you expressed in your proxy. Please take a moment to examine the ballot.

You are to vote by placing an X either for or against on the motion to be voted upon. After completion, please sign the ballot with your usual signature and the scrutineers will collect it. We would like a proper record of all votes that have been cast. We would appreciate it if all ballot forms are returned to us. The scrutineers will now be collecting the yellow ballots.

**David Arledge - Enbridge Inc. - Chairman**

I have received confirmation from the scrutineers that the resolution has not passed. We will provide you with the percentage of votes for and against at the end of the meeting and also provide you the exact number of votes for and against through a filing on SEDAR. We have now completed all scheduled business. Thank you, for your strong show of support by attending the meeting. I now declare the formal business part of the meeting to be completed.

At this point, I would like to thank all shareholders for the opportunity to serve as director and chair for the board. I'd also like to thank my fellow directors for their advice and wisdom and the senior management team for their fine leadership.

I'm now pleased to proceed to the President's remarks and the general question period. I'm going to call on Pat Daniel, our President and CEO, to review the Company's operations over the past year and to comment on its future activities.

**Patrick Daniel - Enbridge Inc. - President, CEO**

Well, thank you very much, Mr. Chairman, and good afternoon, everyone. It's my pleasure to again welcome you all, whether you're here live or via webcast to this annual meeting. I'd like to begin my remarks today by, first of all, giving a review of our 2008 financial performance and then comment on the results for the first three months of the year, which we announced this morning, and then finally give you a bit of an outlook as to where the strategy of the Company is aimed over the short, medium and long term.

Before I do that though, it's incumbent upon me to advise you as you can see on this slide that I'm going to be using some forward-looking information in my comments. I can assure you this is not an eye test. It is a regulatory requirement that I put it in front of you. You can find the full text in the annual report or any of the interim reports.

So, let me start by talking about how Enbridge did in 2008. All told, we had a very, very good year. Every single one of our business units performed well, and I think that's a strong statement to make at any time for a company, but it's a remarkable statement to make during the troubled times that we have in the current world economy.

Our adjusted earnings reached \$677 million in 2008, which is an increase of about 6% over 2007, and that equated to earnings per share of about \$1.88. So, I think it's fair to say that we demonstrated again in 2008 that Enbridge's value proposition of safety, income and growth delivers even very -- through very difficult economic times.

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and the lengths of their lives. There is a huge amount of passion and employee engagement within Enbridge for this initiative, and I'm very pleased to be able to announce it.

Before concluding, I would just like to acknowledge our more than 6,000 employees and thank them very much for their achievements. I'm sure many are listening on the webcast today. And I also want to acknowledge the great contribution of Bob Martin, who is retiring from the Enbridge Board effective today. Bob, it's been our great good fortune to work with you, and I'd like to thank you on behalf of management for everything that you've done and providing your guidance over the many years. It is very much appreciated.

As I noted at the outset, Enbridge had a very successful year in 2008. We look forward to maintaining that with sure and steady growth through 2009 and going forward. Our success at Enbridge comes from sticking to the basics of a very solid business model, principles that really have sustained the Company for the first 60 years of its existence, and I think principles that will deliver superior value to our shareholders going forward.

But, I would like to put it to you that I think the best is yet to come for Enbridge as shareholders reap the benefits of very strong growth, increasing dividends and what has proven to be a very safe haven for development during uncertain times.

I thank you very much for your attention today, and at this point I would like to open the floor to questions and comments.

Yes, sir?

## QUESTIONS AND ANSWERS

### Alfonse Gagnon

My name is [Chief Columgun]. I'm from northwestern BC, [Alfonse Gagnon] my English name. I come representing the Wet'suwet'en people with a membership population in and around our communities of about 5,000 people. I come with a message to Enbridge that we have -- or, I mean a message to Enbridge that we are opposing their pipeline coming through our territory.

The pipeline will be going through a tributary that feeds both north and south. It feeds the Fraser River Drainage and Skeena, and we feel that it's too risky for us to agree with this process. We -- the Wet'suwet'en did go to court, and it was finished in 1997. There was a Delgamuukw-Gisdaywa court case that we went through and did recognize our right to the land. It's 22,000 square kilometers.

We had a rally in Terrace at the Terrace Enbridge office yesterday in Terrace, and we attracted around about 125 to 150 people, but in that we had some more communities that come forward but that said that they were definitely opposing the Enbridge pipeline going through the -- through BC and then the tanker traffic that could start coming through.

So, my question is to Enbridge. How do you -- how do you propose to deal with the growing opposition to the pipeline in the north? We've got the -- I'm representing the Interior First Nations and Gerald Amos, behind me, is representing the Coastal First Nations, and we're getting a lot more people supporting. We don't want to see the line come through.

And I noticed when you were talking about helping third-world countries, we've got a situation in the oils and where the Fort Chipewyan Cree are suffering very, very difficult diseases from the Athabaskan River coming down through the oil sands. And it's something I never noticed up on your screens. Thank you.

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**Patrick Daniel** - Enbridge Inc. - President, CEO

Mr. Gagnon, just to respond if I could to your question, and first of all with regard to the latter part, we're not an operator in the oil sands, so I'll leave that to oil sands operators to respond to. But with regards to the Gateway pipeline project, I understand your concerns and issues. You and I chatted before we came into the room and have undertaken to sit down with you and get a very good understanding of exactly and precisely the issues that you are concerned about.

And I'm going to ask you as well to consider the broader context, as I mentioned, of the importance of delivering energy to people that need it, whether they are here or whether they are in southeast Asia, whether they're in Africa, wherever. Energy is absolutely critical to our survival and our way of life, as you know.

We're very concerned. We do not, at Enbridge, want to be involved in a project that is opposed and of concern to others. So, I want to be able to sit down, work with you along with my management team to make sure we can design a project that meets your needs and meets ours. So, I look forward to that dialog with you. Thank you. Yes, sir?

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**Paul Gernen** -- Shareholder

I'm a shareholder. My name is [Paul Gernen]. I have to say I want to commend this management on their long-term shareholder return record and even more so on their '08 return, which was a disastrous year for many. It's outstanding. I have one question. Someone said to me recently that if you got a tankful of gas in Michigan, Ohio or Indiana, it was substantially tar sands product. It -- is that -- can you quantify with any accuracy on that statement?

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**Patrick Daniel** - Enbridge Inc. - President, CEO

A very large percentage of the refined product consumed in the PADD II region, in Chicago, in Illinois, Indiana, Michigan, does come from Canada. Part of that crude oil is conventional crude oil. Part of it is heavy crude and part is mined oil sands crude. So generally speaking, a good part of the refined product there would be coming from Canada. Yes?

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**Paul Gernen** -- Shareholder

You don't have any numbers or anything?

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**Patrick Daniel** - Enbridge Inc. - President, CEO

Mr. Wuori, can you help me with numbers as to -- do you know what percentage of the refining capacity in the US Midwest would be supplied by Canadian crude? Maybe 50% at most?

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**Stephen Wuori** - Enbridge - VP, Liquid Pipelines

I think it's going to vary by region. Minnesota, for example is very heavily supplied, a very large percentage. The Chicago land area is heavily supplied by Canadian crude. Probably something like 70%, 60 to 70% and growing. So it really varies by the region, but as Mr. Daniel suggested, we have all of the northern tier states in what's called PAD II. The Dakotas, but especially Minnesota, Wisconsin, Michigan, Illinois, Indiana that are supplied by Canadian oil.

We have no better percentages for you than that except suffice to say that certainly I would think better than 50% of all of the refined product has been sourced from Canadian oil.

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**Paul Gernen** -- Shareholder

Thank you.

**Patrick Daniel** - Enbridge Inc. - President, CEO

Thank you. Yes, ma'am?

**Eleanor Lewisky**

Good afternoon. (speaking foreign language), Chairman, Mr. Patrick Daniel. Ladies and gentlemen, my name is [Eleanor Lewisky] and I am from the Nadleh Whut'en territory. And the Northern Gateway pipeline crosses more than 40 kilometers of Nadleh Whut'en traditional territory. And we are sharing with you today dried salmon that Tara is giving out from Nadleh River, as a symbol of what we are trying to protect.

Our land has not been surrendered or ceded to the Crown. The land belongs to the (inaudible) clan, which is the Owl clan. The hereditary chief for this territory, his name is [Atasian]. The main river in our territory that your company proposes to cross is the Sutherland River. In our language it is called Nat'l'ali Koh , translated as everything swims in it river.

Nadleh Whut'en fish for salmon, steelhead, dolly varden and rainbow trout in this river. This river is a main spawning ground for Babine Lake rainbow trout. Through the Sutherland Valley, there's a trail that our people have used for hunting, trapping and fishing and the valley is also rich in wildlife, such as moose, deer, bear and my great grandfather was Jack Sutherland, whom this river is named after.

Our nation, along with the Carrier Sekani neighbors have conducted research on your company and found that Enbridge pipelines have an average of between 60 and 70 spills, ruptures per year on all of your existing pipelines. This environmental cost and risk is too great in an area where people still rely on fish and other wildlife and salmon for our livelihoods.

So my question to you is can your company guarantee that there will be no spill on the Sutherland River or any streams or creeks in our traditional territories?

**Patrick Daniel** - Enbridge Inc. - President, CEO

Eleanor, thank you and thank you for that. And let me answer your question directly and then I'd like to come back and make comments on it. You know, of course, that we can never guarantee that there will never be an incident. I think, though, in doing your research on Enbridge, you'll find that we are a highly responsible operator. We -- 60 spills in any period of time is a way too many. We strive for zero. But recognize that the vast majority of those are within our own pump stations and are very small in quantity.

We, obviously, don't want to -- and would -- do not expect to have a significant spill that would involve any waterway or any significant land. I personally fly fish the Bulkley in BC for those steelhead that you're referring to. I've never been on the Sutherland. I'm assuming, Monaco, that we do cross the Sutherland and hence your concern. But I can guarantee you I will be doing everything, personally, I can to make sure that we do not do anything to disrupt that.

**Eleanor Lewisky**

Thank you.

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**Patrick Daniel** - Enbridge Inc. - President, CEO

Thank you. Yes, sir?

**Gerald Amos**

Thank you. My name is Gerald Amos. My [feed stall] name in our traditional system, our ancestral system is (inaudible-highly accented language) of the Beaver Clan. And I come from the north coast of British Columbia, central coast. And I live in an area where -- that encompasses the Heiltsuk people in Bella Bella, the Haida on Queen Charlotte - the Haida Gwaii, the Tsimshian people who are too numerous to mention in terms of time right now. They have many communities. The [Hais] of which I am one member. And while I don't speak for all of them, I know that the concern and the questions that I'm about to express are in the minds of many of those people.

I suppose, Mr. Chairman, what really concerns us most is history and how it tends to repeat itself. Many of you here -- and it's you I would like to speak to. Many of you remember the Exxon disaster. The largest corporation in the world and they refused to honor a decision of the US courts following that disaster they called an oil spill.

So in so far as compensating communities for the spill, they chose instead to fight it. And they did so for 17 years while the communities in Alaska suffered the consequences of that disaster. So its been 20 years, I understand, since the Valdez disaster and now Enbridge, your company, wants to bring oil tankers to northern BC, to one of the most dangers and valuable coasts in the world.

And if I was able -- we were able to put graphs and charts up there, like you just did, regarding that which we hold dear in terms of resources, you'd find the abalone going extinct, declared almost extinct. You'd find the eulachon, in my river, (inaudible-highly accented language) all but extinct. You'll find pink salmon in some instances in really bad shape. So our graph is going the other way, whereas your profits are going up.

So with these concerns, the question I guess that we have is will Enbridge commit to fully compensating the communities impacted by spills and agree to have the commitment legislated into law? Even if it requires liquidation of Enbridge's assets in order to do so? You are all asking us to place the very foundations of our cultures and our communities at further risk -- terrible risk. So we're asking, will you accept that same risk?

**Patrick Daniel** - Enbridge Inc. - President, CEO

Thank you, Mr. Amos. And as you know, I'm going to come out in June to visit with you and make sure that you and I have got a good understanding of one another's positions with regard to the project. First of all, I can't speak for Exxon Mobil and I won't attempt to. That was a number of years ago.

There have been very significant advances in technology, whether it's navigational technology and GPS systems, whether, in our case, all tankers into and out of Kitimat would be escorted with tugs and/or tethered with tugs and hence, we feel, a dramatically safer operation just due to the evolution of technology over time.

With regard to the liability and responsibility, you know that Enbridge's name is attached to this project. I think you know and have heard today the reputation of Enbridge. We obviously don't want to have any type of an incident associated with the project that would in any way damage the outstanding reputation of this Company. So you have our word to work as responsibly as we possibly can to ensure that nothing like that every happens.

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**Gerald Amos**

If I can, Mr. Chairman.

**Patrick Daniel - Enbridge Inc. - President, CEO**

Yes.

**Gerald Amos**

I think that technology is a wonderful thing, it saves lives, it does a lot of good things for us. However, the one thing that really kind of comes through with technology is human error. And you speak to the people in a little village in Hartley Bay, the Gitga'at community, and tell them about technology and how wonderful it is. Somebody forgot to stay at the controls of the big ship and it's now still polluting some of their cockle beds and food that they hold dear. It's still there. The BC Ferries hit Gil Island because of human error. So with due respect to technology, it's us who makes the mistakes, not technology.

**Patrick Daniel - Enbridge Inc. - President, CEO**

Well, and again, I can't speak for BC Ferries and won't attempt to, but when I come out to see you in June, I'm going to ask you to -- in order to try to understand my position and what I think is our corporate social responsibility in terms of delivering energy to people who need it, to then turn around and come with me to Africa with this new foundation that we founded to see what it's like for people that live without any energy. And I will do my very best to understand your position if you'll do your very best to understand mine. And I look forward to that dialogue with you.

Yes, sir?

**Doug Towers**

My name is [Doug Towers]. I come with three questions that were brought to me and the lady sitting in the second row has solved the problems, but I think that you should be aware of it. The one is over billing, where they're stacking the amount of gas we are using and adding more to the bill than we are getting. And I'd like to know where the money has gone from this over billing. This is question one.

Question two is a lot of us are still -- and 27% of Ontario, still has rotary phones. We cannot get the push -- touch tone and we are not guaranteed them until 2015. And when we dial-in, sometimes it's up to an hour and a half before we can get a live person to talk to us.

And my third question, when you go to the regional office, you are kept outside. You are never allowed in. Yet the beer, liquor, soft drinks, catering can go in, you're kept out on the street. And I -- the last time I was there, I was in the snow. And I -- some snotty nosed brat come to the door, said phone in and slammed the door in my face.

The good lady sitting there, the second row, is going to solve your problem for you, but I would still like to know where that money's gone that we paid extra. Your signature is on this book.

**Patrick Daniel - Enbridge Inc. - President, CEO**

Right. And Debbie did apprise me of your concerns and I'm pleased to hear, as you're indicating, that she is going to solve your problems. First of all, in terms of over billing, I think what you're referring to, based on the very quick briefing I had today, is the

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**Patrick Daniel** - Enbridge Inc. - President, CEO

Ma'am? Thank you.

**Nikki Skutz** - - Proxy Holder

Hi there. Thank you. My name is Nikki Skutz and I'm a proxy holder here. I work for the organization, Forest Ethics. But I also live in Smithers, British Columbia, and you've been up there yourself fly fishing. It's a beautiful environment and I'm really concerned about the impacts of the proposed Gateway pipeline on both the local land and water. But I'm also concerned about the impacts that the pipeline will have upstream in Alberta and also globally.

The proposed Gateway pipeline would allow the expansion of the tar sands, which as we know is Canada's fastest growing of global warming pollution. The expansion resulting from this particular pipeline is the equivalent of putting 1.6 million cars on the road a year. And this does not include the actual burning of the tar sands oil produced, which makes up roughly 70% of the global warming impact.

The expansion of tar sands associated with this project is particularly risky at this time, given the current movement by the US to tackle global warming, including setting carbon tariffs and low-carbon fuel standards as well as the upcoming negotiations for a post-Kyoto climate deal. The federal government has announced that they'll develop the cap-and-trade system this fall. So at a time when the world is moving to tackle global warming, it seems risky to build new infrastructure to supported expanded and particularly unconventional fossil fuel use.

The Gateway is not a low-risk project. Enbridge may be a pipeline company, but the impacts of building new pipelines have a direct and significant impact on global warming that the Company needs to include in its decisions. So will Enbridge assess the environmental and climate change impacts of expanding tar sands, resulting from the Gateway pipeline when considering whether or not to proceed?

**Patrick Daniel** - Enbridge Inc. - President, CEO

Enbridge, of course, is not an oil sands operator. We're not an upstream operator. We're a midstream transporter. And I don't think it's probably fair to say, Nikki, that if it -- for example, if we didn't do Gateway, the oil sands development would go or not.

There are a lot of other markets, places where that oil sands crude could move and it really isn't our decision to make. We just want to be in a position as what we think is the most responsible crude oil pipeline operator in the world, to get as much of that business as we can for our shareholders because we think we can do it very safely and reliably.

The oil sands are a relatively new technology, in the overall scheme of things, in terms of oil and gas production. And I think it's incumbent on all of us to give an opportunity to oil sands operators to improve the technology to the point that they address a lot of the environmental concerns that are being expressed. And we're seeing significant advances in tailings pond technology. We're seeing significant advances in restoration of oil sands leases. We're -- we ourselves are leading a group of 38 companies looking at a CO2 sequestration project that would ultimately sequester the CO2 produced in the oil sands and address one of the concerns you indicate.

So it's incumbent on all of us in the industry to try to induce -- reduce the environmental and CO2 impact. But all I'm saying is give the industry a bit of chance. It's relatively new. They are scrambling hard and I must admit, from my personal experience, I find the CEOs of the oil and gas companies involved in the oil sands to be as engaged, if not more so, in this greenhouse gas emission issue than the consumers. Which is where the majority of the emissions come from.

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So great advances being made and ultimately I believe we will be able to meet the environmental standard. And as I said earlier, I don't think there is any better place in the world for that resource to be located. It's the second largest resource in the world in the hands of Canadians and we're responsibly developing it.

Yes, ma'am?

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**Lori Gillis** - - *Proxy Holder*

My name is [Lori Gillis], I'm a proxy holder. The evidence is growing, linking the adverse health effects with industrial wind complexes. Premier McGinty has recently acknowledged the need to look into these concerns and Liberal MPP, Laurel Broten, publicly stated to one victim, I am sorry that the wind farm has caused you these health issues and has caused grief for your family. What steps has our Board taken to assess the contingent liabilities, which we will face from the wind complex we have established in Kincardine?

Also, have you not considered the potential risks because you have protected us from lawsuits, for example, by having the wind turbine host assume all and any potential liabilities? That is, the wind turbine host contractually assumes all the risks to protect us. Is that the case?

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**Patrick Daniel** - *Enbridge Inc. - President, CEO*

I'm -- for the latter part of the question, if Jim Shultz is here, I'll call on him. But let me just come back and provide a little bit of a background before we address the host liability issue. I'm not sure how to say this, but you can't win for losing, okay? It -- where there is such a strong demand for renewable energy in North America and such a strong push to move away from hydrocarbons, which we're hearing from different quarters.

So a company embarks on a move that we think is very socially responsible by getting involved in wind development and we're strongly encouraged by the Ontario government to do that under a policy where they intend to phase out coal-fired power generation in this province. And if they're going to phase it out, they're going to have to rely on some other source of energy, wind being a renewable and green source.

So we're involved in a project that we think provides significant social benefit. And from our studies, we have not been able to correlate any health issues at all to wind turbine presence or proximity. So I -- like I say, it's a challenge because it seems like everything we do in trying to provide energy meets some level of opposition and we're aware, obviously, that there was some near Kincardine.

I would like though, either -- Jim, could you maybe address the issue with regard to liability? Because I think that was the specific question.

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**Jim Schultz** - *Enbridge - SVP, New Ventures*

Mind, just repeating that to make sure I fully understand your question?

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**Lori Gillis** - - *Proxy Holder*

The second question was, have you not considered the potential risks? Because you have protected us from lawsuits, the shareholders. For example, by having wind turbine hosts assume all and any potential liabilities. That is, the wind turbine host contractually assumes all the risks to protect us. Is that the case?

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**Jim Schultz** - Enbridge - SVP, New Ventures

I'm afraid I can't answer that one directly, offhand. I will look into that because that's something that I understand as clear as what you described. So I wouldn't mind following up with you on that.

**Patrick Daniel** - Enbridge Inc. - President, CEO

Maybe we can get a business card and contact so we can follow-up. Because I must admit, I'm not sure, with regard to liability around wind turbine host as well. So if we could follow-up with you.

**Lori Gillis** - - Proxy Holder

So to be clear, Enbridge's position on health effects and wind turbines is that there are none?

**Patrick Daniel** - Enbridge Inc. - President, CEO

That's right. There are no significant health effects that we've been able to correlate to proximity to wind farms.

**Lori Gillis** - - Proxy Holder

Thank you.

**Patrick Daniel** - Enbridge Inc. - President, CEO

Thank you.

Yes, ma'am?

**Tara Marsden** - - Proxy Holder

Hello. My name is Tara Marsden, I am also with the Nadleh Whut'en along with Eleanor, who spoke earlier. Nadleh Whut'en, along with seven other First Nations of the Carrier and Sekani Tribal Council in north central British Columbia have called for a separate and parallel review process for the proposed Northern Gateway pipeline to address aboriginal rights and title and to reflect the principle of free, prior and informed consent.

We have tabled this process with Northern Gateway pipelines to address the deficiencies of the proposed federal joint review panel process. We believe that the federal process does not uphold the honor of the Crown, nor does it fulfill the duty of meaningful consultation.

Your company has stated that it must follow the federal joint review panel process and that the only way for Nadleh Whut'en to review this project and to have a say in it is to participate in the joint review panel. In turn, the federal government has indicated that it is relying on Enbridge Gateway, on the Company, to conduct the bulk of the consultations, with respect to the proposed pipeline.

Given that your shareholders have just voted against the resolution to conduct an assessment of the potential risks and benefits of adopting a policy of free, prior and informed consent for First Nations peoples, how does your company plan to address our requirements for consent, the development -- for consent to develop on our lands? Thank you.

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**Patrick Daniel - Enbridge Inc. - President, CEO**

Thank you. As indicated in our proxy, in response to the shareholders' proposal, we don't feel that it's a workable environment where we provide the right of veto to an individual group in developing a project. We work under the direction of the government appointed National Energy Board, who sets out a process, as you referred, for consultation and which we intend to sit down and address as many, if not all, of the concerns that we -- that you possibly have with regard to the project as part of that formal process.

To run a parallel process, in addition to that, is a very challenging thing for a company like ours. We would rather that we work with you to go to the regulator and modify the process if in fact it needs to be modified, rather than trying to run a parallel process.

We do commit to sitting, working with you, consulting with you, and we don't want to proceed on a project that you're opposed to. Are we in a position to give everybody the right to veto? No, we're not. Because often a project will be reviewed, and this is the responsibility of the National Energy Board, to be in the public's best interests to proceed.

Does that mean that they'll get 100% consent? No, they may not. I'm sure we've all had that kind of experience, whether it's with a highway or a power line or whatever. In the national best interest, the NEB must make its decision and we abide by that as Enbridge. If they decide against this, then we don't build the project.

We do undertake to consult with you, though, and we do want to make sure that you're happy before we proceed with the project.

**Tara Marsden -- Proxy Holder**

Thank you.

**Patrick Daniel - Enbridge Inc. - President, CEO**

Thank you.

[William]?

**Winfried Fruehauf -- Shareholder**

I'm Winfried Fruehauf, a shareholder. Enbridge has had an enviable record of growth in assets, cash flow, earnings and dividends. As you mentioned earlier, you expect a slowdown in growth of your liquids pipeline past 2012. So the question I have is, what do you expect to happen in order to sustain this growth record past 2012 in areas other than liquids pipelines?

**Patrick Daniel - Enbridge Inc. - President, CEO**

Thank you. A number of things. First of all, we're seeing a very significant up tick in the gas opportunities available to us, whether they're offshore, deepwater Gulf of Mexico or they're a number of new discoveries that we've got the closest infrastructure to. So we think that will provide growth. All of these gas shale play developments in the US are going to require pipeline facilities to tie them into consumers. So we think that there will be significant growth there that we hadn't previously expected.

At the same time, there will be some of the oil sands projects that can go ahead. For example, reference was made by Imperial Oil at their recent annual meeting that they expected to proceed with Kearn -- Kearn Lake. They haven't officially sanctioned it

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yet, but they did intend to proceed at some point. So I think there'll be a number of liquids pipeline opportunities. More gas opportunities than we thought.

But maybe most importantly, for a company with our positioning in terms of the very strong balance sheet that we've got, we think that we'll be able to go out there and do accretive acquisitions to fill in any lack of growth that we've got. And our track record over the years of sustaining that kind of growth record has been pretty good. So even though it may fall off a little on the crude oil side of the business, we do expect to pick it up in other areas.

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**Winfried Fruehauf** - - *Shareholder*

So do you expect then sort of an interruption in the growth rate past 2012 overall? Until you have found other places to invest in?

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**Patrick Daniel** - *Enbridge Inc. - President, CEO*

I'm not prepared to get there yet, no. I think that we may well be able to sustain that post-2012. And remember again the positioning that we're going to have at Enbridge, we currently generate about \$700 million a year of free cash flow. As a result of projects that are coming on stream today, that will grow to about \$1.4 billion by 2012. So we're in a very strong position then to redeploy that capital. And even if you model this out on a share buyback basis, which we're not suggesting we would do, because we've always found the investment opportunities, you can see perpetuating that growth beyond 2012.

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**Winfried Fruehauf** - - *Shareholder*

Thanks very much.

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**Patrick Daniel** - *Enbridge Inc. - President, CEO*

Thank you.

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**Eric Swanson** - - *Proxy Holder*

Mr. Daniel, my name is [Eric Swanson]. I'm a proxy holder. In Enbridge's Northern Gateway materials, the Company has made claims as to the safety of the proposed tankers that would travel the waterways of BC's north coast and in response to Gerald, you mentioned a number of those. However, it's our understanding from a meeting with you previously that in the event of a tanker spill, anywhere along BC's coast, from the Gateway project, under most circumstances, Enbridge would not in fact be financially responsible or liable for cleaning up the spill or compensating for the damage. Can you please confirm this?

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**Patrick Daniel** - *Enbridge Inc. - President, CEO*

Our responsibility is for what we operate, Eric. And as you know, we will operate up to the terminal. We are going to put in place a number of requirements around the tanker activity. As I mentioned, the piloting, the qualification of the pilots, the tug tethering and guidance into Kitimat and ensure that those are clearly in place and in effect at all times.

In terms of financial responsibility or a spill at sea, when we're not the operator, that's something that we can't take on. But as I mentioned to you when we met a few weeks ago, there is an international fund that's been established to provide that funding in the event that there is an incident and hence there is financial support in the event of a spill.

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**Eric Swanson** -- Proxy Holder

Okay. Thanks for clarifying. I just thought it was important for communities along the route who may not be aware of that, the Company would in fact not be responsible.

And one quick follow-up on Gerald Amos's --

**Patrick Daniel** - Enbridge Inc. - President, CEO

Yes. If you wouldn't mind, financial responsibility and moral responsibility, this is a very important project to us. And obviously we don't want to have a spill and I know you and I know Gerald and I know Alfonse are going to hold Enbridge responsible, maybe not financially, but responsible, if something happens. So I'm not trying to duck the responsibility, don't misunderstand, it's just not a financial responsibility because of the existence of this international fund.

**Eric Swanson** -- Proxy Holder

Okay. I appreciate that. And then -- so Gerald could potentially get clarification on his question, which I'm not sure was given. He asked, and this is related to what I just asked, if Enbridge would in fact guarantee to compensate communities affected by a spill from either the pipeline or the tank route in the event of an accident?

**Patrick Daniel** - Enbridge Inc. - President, CEO

And we understand that that financial support is available through this international fund that we discussed with you, rather than through Enbridge.

**Eric Swanson** -- Proxy Holder

Okay. So the answer is no. Thank you very much.

**Patrick Daniel** - Enbridge Inc. - President, CEO

Great. Thank you. I do have one question that was submitted by card, and I wish you had read it for me, Alison, but --. How is CN Rail proposed to something oil and rail affect the Company? I think this refers to a CN Rail proposal to move crude oil and I believe it was to the Gulf of Mexico, but there have been also suggestions that CN might move crude oil from western Canada out to the west coast.

And, first of all, we applaud CN for taking the initiative to work with customers to try to help them get product to the market. Because that's very important to pricing and to addressing the issues that I spoke to earlier on and the importance of energy. Generally speaking, rail transfer in the long term is not as cost effective as pipelining. In small volumes and for a short period of time, it may well be. But in large volume and over a long period of time, a pipeline project is going to be more economic.

So as volume builds, generally speaking, a pipeline is built in place of what might have been rail transfer before. I understand right now that, I believe it's CN that's moving condensate from Kitimat through to Alberta for use as diluent and moving heavy crude, and so obviously they're able to do that. But once the volume builds to a certain point, a pipeline would be required.

Are there any other questions?