



**TO:** PRAMOD BHATIA  
MANAGER, TREASURY - ENBRIDGE INC.

**FROM:** JAMIE WETMORE – DIRECTOR

**DATE:** JUNE 8, 2012

**SUBJECT: GAZIFÈRE INC. – INDICATIVE CREDIT SPREAD**

Dear Pramod,

In response to your request for an indication on financing costs for Gazifère Inc. (“Gazifère”), this letter outlines the assumptions and methodology that RBC Capital Markets (“RBC CM”) employed in deriving our pricing indication. RBC CM’s views are based on our debt capital markets expertise, our experience in financing corporations from the energy utility sector in Canada and our ongoing knowledge of the Enbridge group of companies.

Based on the following assumptions, the estimated coupon for a CAD\$5 million Gazifère private placement offering is 3.76-4.26% for the 5 year term and 4.78-5.28% for the 10 year term (as at June 8, 2012).

- (i) Principal amount of CAD\$5 million;
- (ii) Term to maturity of 5 or 10 years;
- (iii) Senior unsecured debentures;
- (iv) Negotiated unrated private placement offering to Canadian institutional investors;
- (v) Assumed investment grade rating of BBB/BBB(low)

The following table outlines comparable public spreads in the energy utility industry:

Company	Credit Rating			Indicative Spreads	
	DBRS	Moody's	S&P	5yr	10yr
Enbridge Gas Distribution Inc	A		A-	+100	+123
Union Gas Limited	A		BBB+	+102	+132
Westcoast Energy Inc.	A(low)		BBB+	+114	+147
EPCOR Utilities Inc.	A(low)		BBB+	+136	+166
Nova Scotia Power Incorporated	A(low)		BBB+	+112	+145
FortisBC Energy Inc.	A	A3	A	+100	+128
TransCanada Pipelines Limited	A	A3	A-	+105	+130
Gaz Metropolitan Inc.	A		A	+103	+133

*Indicative spreads as at June 8, 2012. .*

The following table summarizes how RBC derived the indicative credit spread for Gazifère:

<b>Gazifère</b>		
	<b>5yr</b>	<b>10yr</b>
Enbridge Gas Distribution Inc. new issue spread	100 bps	123 bps
BBB-/BBB corporate rating category adjustment	125 bps - 150bps	130 bps - 155bps
Negotiated private placement (liquidity premium)	25 bps - 50bps	50 bps - 75bps
Indicative Spread	250 bps - 300 bps	303 bps - 353 bps
GoC Yield	1.26%	1.75%
<b><i>Approx. Indicative Coupon</i></b>	<b>3.76 - 4.26%</b>	<b>4.78 - 5.28%</b>

*As at June 8, 2012*

At the time of issuance, pricing may be affected by other competing transactions and / or general market tone. There can be no assurance that our pricing indication will in fact result in a successfully placed offering until the terms of the transaction, validation of investment grade quality and the indicative coupon have been analyzed and accepted by fixed income investors.

We hope this clarifies the pricing methodology that was applied in arriving at an indicative coupon for Gazifère. Should you have any questions or require further clarification on any matter don't hesitate contacting me. We are pleased to have assisted you in this matter.

Best Regards,

Jamie Wetmore  
Debt Capital Markets  
RBC Capital Markets