



MEMORANDUM

TO: SCOTT MILLER
SENIOR ANALYST, CORPORATE FINANCE - ENBRIDGE INC.

FROM: JAMIE WETMORE – DIRECTOR

DATE: JUNE 10, 2013

SUBJECT: GAZIFÈRE INC. – INDICATIVE CREDIT SPREAD

Dear Scott:

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\$5.0 million Gazifère private placement offering is 3.72% - 4.22% for the 5 year term and 4.66% to 5.16% for the 10 year term (as at June 10, 2013).

- (i) Principal amount of CAD\$5.0 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-	+72bps	+102bps
Union Gas Limited	A		BBB+	+78bps	+107bps
Westcoast Energy Inc.	A(low)		BBB+	+93bps	+124bps
EPCOR Utilities Inc.	A(low)		BBB+	+90bps	+122bps
Nova Scotia Power Incorporated	A(low)		BBB+	+83bps	+114bps
FortisBC Energy Inc.	A	A3		+75bps	+104bps
TransCanada Pipelines Limited	A	A3	A-	+82bps	+112bps
Gaz Metropolitan Inc.	A		A-	+86bps	+114bps

Indicative spreads as at June 10, 2013.

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

Gazifère		
	5yr	10yr
Enbridge Gas Distribution Inc. new issue spread	72 bps	102 bps
BBB-/BBB corporate rating category adjustment	115 bps - 140bps	125 bps - 150bps
Negotiated private placement (liquidity premium)	25 bps - 50bps	25 bps - 50bps
Indicative Spread	212 bps - 262 bps	252 bps - 302 bps
GoC Yield	1.60%	2.14%
<i>Approx. Indicative Coupon</i>	3.72% - 4.22%	4.66% - 5.16%

As at June 10, 2013

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