



Enbridge Inc.
3000 Fifth Avenue Place
425 - 1st Street S.W.
Calgary, AB T2P 3L8
Canada
www.enbridge.com

Stephen J. Wuori
Executive Vice President, Chief Financial
Officer & Corporate Development
Tel: 403-231-5727
Fax: 403-231-5783
steve.wuori@enbridge.com

February 26, 2007

File # S7-24-06

Nancy M. Morris
Securities And Exchange Commission
Secretary
100 F Street NE
Washington, D.C. 20549-1090

Re: File No. S7-24-06 Comment on Proposed Guidance for Management's Report on Internal Control over Financial Reporting

Enbridge Inc. is pleased to provide comments regarding the proposed SEC Guidance for Management.

Our Experience To Date

Enbridge Inc. sponsors and manages three different NYSE registrants subject to Sarbanes Oxley (SOx) legislation. Enbridge Inc.'s affiliates, Enbridge Energy Partners, L.L.C. and Enbridge Energy Management L.P., are domestic filers and were first required to certify with their fiscal year-ending December 31, 2004. As a foreign private issuer, Enbridge Inc. first certified with its fiscal year-ending December 31, 2006. As such, a large proportion of the Enbridge group of companies has had over three years of experience with SOx 404 legislation and Auditing Standard No. 2 (AS2). Although we have seen some improvement in cost and effort over the past three years, we continue to experience challenges in achieving substantial benefits from the compliance process. Both management and external auditor efforts remain excessive, as the risk-based focused guidance has not been implemented as anticipated. By not focusing on areas of high risk, management feels that the effort expended on low risk areas is not the intent of SOx 404 legislation, and is unlikely to help reducing the likelihood of a material misstatement.

We believe that the PCAOB file reviews being experienced by the external auditor community are not consistent with the spirit of the guidance. The interpretation of "more than remote likelihood" has resulted in much lower materiality for testing and evaluation of controls from that used previously in the financial statement audit. This results in significantly more details and extent of documentation requirements, which has decreased the extent of professional judgment the external auditors are willing to use, in their evaluation of both management's assessment of the effectiveness of controls and their own evaluation of the controls. Hence, management's efforts must be extensive to be relied on by the external auditor, and the external auditor's efforts need to be extensive to

support their assurance opinion. The reliability of financial reporting is not enhanced by the extent of the procedures performed.

SEC Proposed Interpretive Guidance for Management's Evaluation of Internal Controls Over Financial Reporting

Enbridge views the proposed changes in the SEC guidance as favorable, specifically with respect to the following aspects, most of which appear to be consistently translated to the proposed PCAOB Auditing Standard No. 5:

- Utilizing a risk-based approach and assessing entity-level controls first in assessing overall risks,
- Selecting locations based on assessed risks,
- Reducing documentation requirements for lower risk areas,
- Eliminating the need for direct testing of lower risk areas, where monitoring controls are acceptable,
- Performing management assessments and external audits to detect only material weaknesses, based on risk assessment,
- Providing safe harbor for issuers who conduct their evaluations in accordance with the interpretive guidance,
- The recognition of the need for flexibility in management's judgment and experience in the design and evaluation of processes that meets the needs of the company and provides reasonable assurance for its assessment.

Application of Proposed Guidance Going Forward

Enbridge sees some challenges in applying the new proposed guidance going forward:

- Differences in approach between management and external auditor with respect to materiality may impact scoping, extent of testing, and the eventual evaluation of deficiencies.
- SAB 108 guidance may cause confusion for both management and the external auditor as to materiality.
- The principal audit evidence requirement is eliminated, so it is unclear as to the extent of testing required on the part of the external auditor to ensure high-risk areas are covered. This may also cause confusion for management and the external auditor as to evidence requirements.
- Management and the external auditors may have different testing approaches, which may result in excessive testing. Reduction in external audit fees may not be realized from increased reliance on the work of others, in the assessment of entity level controls first, and the elimination of the auditor opinion of management's assessment.
- What is a "reasonable" documentation requirement may be open to different interpretation by management and the external auditor.
- The requirement for the external auditor to apply an integrated audit approach may tie management's approach to the external auditors' more than anticipated.
- The timing of the implementation of the proposed guidance and audit standard will not allow for potential benefits to be realized before the 2008 year end.

Conclusions

Enbridge views the proposed SEC guidance as favorable and would recommend that the SEC clarify perceived inconsistencies with the PCAOB's proposed Audit Standard No. 5, then finalize the guidance and publish it as quickly as possible.

Sincerely,

A handwritten signature in black ink, appearing to be 'S. Wuori', with a long horizontal flourish extending to the right.

Stephen J. Wuori
Executive Vice President,
Chief Financial Officer
& Corporate Development
Enbridge Inc.