

Alison T. Love, Q.C.  
Vice President & Corporate Secretary



September 17, 2012

British Columbia Securities Commission  
Alberta Securities Commission  
Saskatchewan Financial Services Commission  
Manitoba Securities Commission  
Ontario Securities Commission  
Autorité des marchés financiers  
New Brunswick Securities Commission  
Registrar of Securities, Prince Edward Island  
Nova Scotia Securities Commission  
Superintendent of Securities, Newfoundland and Labrador  
Superintendent of Securities, Northwest Territories  
Superintendent of Securities, Yukon  
Superintendent of Securities, Nunavut

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Dear Mr. Stevenson and Me Beaudoin

**Re: CSA Consultation Paper 25-401: Potential Regulation of Proxy Advisory Firms**

This letter is submitted on behalf of Enbridge Inc., in response to the invitation to comment on a potential securities regulatory response to address issues relating to proxy advisory firms, identified by the Canadian Securities Administrators (CSA) in the CSA Paper 25-401. We have reviewed the comment letters of the Institute of Corporate Directors (the "ICD") and the Canadian Investor Relations Institute ("CIRI"), in response to the CSA Paper 25-401.

To summarize, the comments that have been made by the ICD and CIRI include:

- a) Proxy Advisory (PA) Firms should be required to disclose methodologies, sources of information, assumptions used to prepare their research reports and rationale for their voting recommendations.
- b) PA Firms should prominently identify in the research reports and voting recommendations provided to their institutional investor clients any specific potential conflicts of interest with regard to the issuer and analyst/reviewer ownership interests.
- c) We have been involved in circumstances in which the voting recommendations of PA Firms contain errors, and when the errors were brought to their attention, they declined to correct the information. We believe that PA Firms should be required to provide to all issuers draft research reports and voting recommendations for review for factual accuracy allowing 48 to 72 business hours for issuers to respond prior to the report being distributed to the PA Firm's clients. The PA Firms should provide advance notice to issuers as to when the reports will be provided for their review, to ensure that the issuer is able to respond within the 48 to 72 hour period.
- d) PA Firms should be required to include in the final report to investors any comments provided by issuers regarding the review process, the research report and the voting recommendations.
- e) PA Firms should establish an appeals process and identify an independent third party or Ombudsman to adjudicate on behalf of those issuers who have concerns about a research report that cannot be resolved through direct dialogue with the PA Firm.
- f) Institutional investors who use a PA Firm should comply or explain why they do not comply, with a requirement to disclose how they assess the advice received from the PA Firm and not automatically follow it.

Enbridge is a public company which is a listed issuer in Canada and the United States. We support and encourage good corporate governance practices and believe that regulation of Proxy Advisory Firms via the above summarized recommendations will serve to improve the transparency and efficiency of the Canadian capital markets. This regulation is long overdue.

If you have any questions, please contact the undersigned.

Sincerely,



Alison T. Love, Q.C.  
Vice President & Corporate Secretary

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