ENBRIDGE PIPELINES INC.

(a subsidiary of Enbridge Inc.)

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

MANAGEMENT'S REPORT

TO THE SHAREHOLDER OF ENBRIDGE PIPELINES INC.

Financial Reporting
Management of Enbridge Pipelines Inc. (the Company) is responsible for the accompanying consolidated financial statements. The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (US GAAP) and necessarily include amounts that reflect management's judgment and best estimates.

The Board of Directors is responsible for all aspects related to governance of the Company. The Company does not have an Audit Committee, having received an exemption from such requirement.

Internal Control over Financial Reporting
Management is also responsible for establishing and maintaining adequate internal control over financial reporting. The Company’s internal control over financial reporting includes policies and procedures to facilitate the preparation of relevant, reliable and timely information, to prepare consolidated financial statements for external reporting purposes in accordance with US GAAP and to provide reasonable assurance that assets are safeguarded.

PricewaterhouseCoopers LLP, independent auditors appointed by the shareholder of the Company, have conducted an audit of the consolidated financial statements of the Company in accordance with Canadian generally accepted auditing standards and have issued an unqualified audit report, which is accompanying the consolidated financial statements.

/s/ Colin K. Gruending	/s/ Nafeesa Kassam
Colin K. Gruending	Nafeesa Kassam
President	Vice President, Finance

February 14, 2025

Independent auditor's report

To the Shareholder of Enbridge Pipelines Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Enbridge Pipelines Inc. and its subsidiaries (together, the Company) as at December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (US GAAP).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of earnings for the years ended December 31, 2024 and 2023;
- the consolidated statements of comprehensive income for the years ended December 31, 2024 and 2023;
- the consolidated statements of changes in equity for the years ended December 31, 2024 and 2023;
- the consolidated statements of cash flows for the years ended December 31, 2024 and 2023;
- the consolidated statements of financial position as at December 31, 2024 and 2023; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with US GAAP, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
February 14, 2025

ENBRIDGE PIPELINES INC.
CONSOLIDATED STATEMENTS OF EARNINGS

Year ended December 31,	**2024**	2023
(millions of Canadian dollars)		
Operating revenues		
Transportation and other services	**3,328**	3,635
Transportation and other services - affiliates *(Note 18)*	**72**	89
Electricity sales	**319**	312
Total operating revenues *(Note 4)*	**3,719**	4,036
Operating expenses		
Operating and administrative	**851**	896
Operating and administrative, net - affiliates *(Note 18)*	**379**	343
Depreciation and amortization	**640**	638
Total operating expenses	**1,870**	1,877
Operating income	**1,849**	2,159
Other income		
Interest income - affiliates	**13**	12
Dividend income - affiliates *(Note 18)*	**917**	779
Other	**48**	14
Interest expense *(Note 12)*	**(359)**	(362)
Interest expense - affiliates *(Note 12)*	**(979)**	(842)
Earnings before income taxes	**1,489**	1,760
Income tax expense *(Note 16)*	**(134)**	(365)
Earnings	**1,355**	1,395
Earnings attributable to noncontrolling interests	**(66)**	(62)
Earnings attributable to common shareholder	**1,289**	1,333

The accompanying notes are an integral part of these consolidated financial statements.

ENBRIDGE PIPELINES INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Year ended December 31,	**2024**	2023
(millions of Canadian dollars)		
Earnings	**1,355**	1,395
Other comprehensive income, net of tax		
Change in unrealized gain on cash flow hedges	**27**	58
Reclassification to earnings of loss on cash flow hedges	**16**	26
Other comprehensive income, net of tax	**43**	84
Comprehensive income	**1,398**	1,479
Comprehensive income attributable to noncontrolling interests	**(75)**	(101)
Comprehensive income attributable to common shareholder	**1,323**	1,378

The accompanying notes are an integral part of these consolidated financial statements.

ENBRIDGE PIPELINES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended December 31,	**2024**	2023
(millions of Canadian dollars)		
Common shares *(Note 14)*		
Balance at beginning of year	**7,902**	7,902
Shares issued	**500**	750
Return of capital	**(500)**	(750)
Balance at end of year	**7,902**	7,902
Additional paid-in capital		
Balance at beginning and end of year	**43**	43
Deficit		
Balance at beginning of year	**(708)**	(563)
Earnings attributable to common shareholder	**1,289**	1,333
Common share dividends declared	**(1,413)**	(1,478)
Balance at end of year	**(832)**	(708)
Accumulated other comprehensive loss		
Balance at beginning of year	**(161)**	(206)
Other comprehensive income attributable to common shareholder, net of tax	**34**	45
Balance at end of year	**(127)**	(161)
Total Enbridge Pipelines Inc. shareholder's equity	**6,986**	7,076
Noncontrolling interests		
Balance at beginning of year	**767**	792
Earnings attributable to noncontrolling interests	**66**	62
Other comprehensive income attributable to noncontrolling interests, net of tax	**9**	39
Distributions to noncontrolling interests	**(125)**	(126)
Balance at end of year	**717**	767
Total equity	**7,703**	7,843

The accompanying notes are an integral part of these consolidated financial statements.

ENBRIDGE PIPELINES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended December 31,	**2024**	2023
(millions of Canadian dollars)		
Operating activities		
Earnings	**1,355**	1,395
Adjustments to reconcile earnings to net cash provided by operating activities:		
Depreciation and amortization	**640**	638
Deferred income tax expense *(Note 16)*	**26**	352
Unrealized derivative fair value loss/(gain), net *(Note 15)*	**19**	(617)
Other	**45**	(9)
Changes in operating assets and liabilities *(Note 17)*	**(88)**	59
Net cash provided by operating activities	**1,997**	1,818
Investing activities		
Capital expenditures *(Note 5)*	**(231)**	(269)
Investment in affiliate *(Note 18)*	**(8,464)**	—
Redemption of investment in affiliate *(Note 18)*	**7,353**	—
Affiliate loan repayment *(Note 18)*	**(243)**	—
Affiliate loan issuance *(Note 18)*	**243**	—
Restricted long-term investments	**(73)**	(75)
Net cash used in investing activities	**(1,415)**	(344)
Financing activities		
Affiliate loans repayments *(Note 18)*	**(7,371)**	(16)
Affiliate loans issuances *(Note 18)*	**8,464**	—
Net change in commercial paper and credit facility draws	**59**	136
Term note issues, net of issue costs	**—**	348
Term note repayments *(Note 12)*	**(231)**	(359)
Common shares issued *(Note 14)*	**500**	750
Return of capital *(Note 14)*	**(500)**	(750)
Common share dividends	**(1,413)**	(1,478)
Distributions to noncontrolling interests	**(125)**	(126)
Net cash used in financing activities	**(617)**	(1,495)
Net change in cash and restricted cash	**(35)**	(21)
Cash and restricted cash at beginning of year	**73**	94
Cash and restricted cash at end of year	**38**	73
Supplementary cash flow information		
Cash (received)/paid for income taxes	**(56)**	78
Cash paid for interest, net of amount capitalized	**1,264**	1,162
Property, plant and equipment and intangibles non-cash accruals	**67**	60

The accompanying notes are an integral part of these consolidated financial statements.

ENBRIDGE PIPELINES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31,	**2024**	2023
(millions of Canadian dollars; number of shares in millions)		
Assets		
Current assets		
Cash	**21**	52
Restricted cash	**17**	21
Accounts receivable and other *(Note 7)*	**407**	471
Accounts receivable from affiliates	**388**	207
Loan to affiliate *(Note 18)*	**—**	243
	833	994
Property, plant and equipment, net *(Note 8)*	**15,132**	15,532
Loan to affiliate *(Note 18)*	**243**	—
Investments in affiliates *(Note 18)*	**18,825**	17,714
Restricted long-term investments	**470**	421
Deferred amounts and other assets	**1,970**	1,919
Intangible assets, net *(Note 10)*	**67**	69
Total assets	**37,540**	36,649
Liabilities and equity		
Current liabilities		
Accounts payable and other *(Note 11)*	**363**	570
Accounts payable to affiliates	**316**	289
Interest payable	**65**	76
Loan from affiliate *(Note 18)*	**16**	19
Current portion of long-term debt *(Note 12)*	**613**	230
	1,373	1,184
Long-term debt *(Note 12)*	**5,482**	6,033
Other long-term liabilities	**848**	650
Loans from affiliates *(Note 18)*	**19,830**	18,734
Deferred income taxes *(Note 16)*	**2,304**	2,205
	29,837	28,806
Commitments and contingencies *(Note 19)*		
Equity		
Share capital *(Note 14)*		
Common shares *(55 outstanding at December 31, 2024 and 2023)*	**7,902**	7,902
Additional paid-in capital	**43**	43
Deficit	**(832)**	(708)
Accumulated other comprehensive loss	**(127)**	(161)
Total Enbridge Pipelines Inc. shareholder's equity	**6,986**	7,076
Noncontrolling interests	**717**	767
	7,703	7,843
Total liabilities and equity	**37,540**	36,649

Variable Interest Entities (VIEs) *(Note 9)*
The accompanying notes are an integral part of these consolidated financial statements.

Approved by the Board of Directors:

/s/ Colin K. Gruending	**/s/ Melissa M. LaForge**
Colin K. Gruending	Melissa M. LaForge
Director	Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BUSINESS OVERVIEW

The terms "we", "our", "us" and "EPI" as used in these financial statements refer collectively to Enbridge Pipelines Inc. and its subsidiaries unless the context suggests otherwise. We are a wholly-owned indirect subsidiary of Enbridge Inc. (Enbridge). Enbridge provides administrative and general support services to us.

We are primarily a transporter of western Canadian crude oil, United States (US) crude oil, refined petroleum products and natural gas liquids. The Canadian Mainline transports crude oil from western Canada to the Midwest region of the US and eastern Canada and serves all of the major refining centers in Ontario. We also operate the Southern Lights Canada Pipeline (Southern Lights Canada), which transports diluent from the Canada/US border to western Canada, and hold investments in renewable and alternative power generation assets.

We conduct our business through two business segments: Liquids Pipelines and Renewable Power Generation. These reporting segments are strategic business units established by senior management to facilitate the achievement of our long-term objectives, to aid in resource allocation decisions and to assess operational performance.

LIQUIDS PIPELINES

Liquids Pipelines consists of common carrier and contract pipelines and related terminals in Canada that transport various grades of crude oil and other liquid hydrocarbons, including the Canadian Mainline and Southern Lights Canada. Our Mainline System and other pipeline assets are components of Enbridge's Liquids Pipelines segment.

RENEWABLE POWER GENERATION

Renewable Power Generation consists of investments in wind and solar assets in the provinces of Alberta, Ontario and Québec. Our investments in renewable assets are components of Enbridge's Renewable Power Generation segment.

ELIMINATIONS AND OTHER

In addition to the segments described above, Eliminations and Other includes operating and administrative costs that are not allocated to business segments, including new business development activities, general corporate investments and elimination of transactions between segments required to present our financial performance and financial position on a consolidated basis.

EPI's chief operating decision makers (CODMs) are the President and Chief Executive Officer of Enbridge, the President of EPI, and the Executive Vice President, Corporate Strategy and President, Power of Enbridge. The CODMs use earnings before interest, income taxes and depreciation and amortization (EBITDA), disaggregated by line of business, to assess segment performance and to set targets predominantly in the annual and long-term budgeting and forecasting process. Budget-to-actual and actual-to-actual variances in EBITDA are considered when making decisions about the allocation of resources to the segments and to meet our strategic priorities. Refer to *Note 5 - Segmented Information* for a reconciliation of EBITDA to earnings before income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP). Amounts are stated in Canadian dollars unless otherwise noted.

We are permitted to prepare our consolidated financial statements in accordance with US GAAP for the purpose of meeting our Canadian continuous disclosure requirements under an exemption granted by Canadian securities regulators until the earliest of January 1, 2027, the first day of our financial year that commences if and after we cease to have activities subject to rate regulation, or the effective date prescribed by the International Accounting Standards Board for the application of a Mandatory Rate-regulated Standard specific to entities with activities subject to rate regulation.

BASIS OF PRESENTATION AND USE OF ESTIMATES

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities in the consolidated financial statements. Significant estimates and assumptions used in the preparation of the consolidated financial statements include, but are not limited to: variable consideration included in revenue *(Note 4);* carrying values of regulatory assets and liabilities *(Note 6)*; unbilled revenues; expected credit losses; depreciation rates and carrying value of property, plant and equipment *(Note 8)*; amortization rates and carrying value of intangible assets *(Note 10)*; fair value of asset retirement obligations (ARO) *(Note 13)*; fair value of financial instruments *(Note 15)*; provisions for income taxes *(Note 16)*; commitments and contingencies *(Note 19);* and estimates of losses related to environmental remediation obligations *(Note 19)*. Actual results could differ from these estimates.

Certain comparative figures in our consolidated financial statements have been reclassified to conform to the current year's presentation.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include our accounts and the accounts of our subsidiaries and variable interest entities (VIE) for which we are the primary beneficiary. A VIE is a legal entity that does not have sufficient equity at risk to finance its activities without additional subordinated financial support or is structured such that equity investors lack the ability to make significant decisions relating to the entity's operations through voting rights or do not substantively participate in the gains and losses of the entity. Upon inception of a contractual agreement, we perform an assessment to determine whether the arrangement contains a variable interest in a legal entity and whether that legal entity is a VIE. The primary beneficiary has both the power to direct the activities of the VIE that most significantly impact the entity's economic performance and the obligation to absorb losses, or the right to receive benefits from, the VIE that could potentially be significant to the VIE. Where we conclude that we are the primary beneficiary of a VIE, we consolidate the accounts of that VIE. We assess all variable interests in the entity and use our judgment when determining if we are the primary beneficiary. Other qualitative factors that are considered include decision-making responsibilities, the VIE capital structure, risk and rewards sharing, contractual agreements with the VIE, voting rights and level of involvement of other parties. We assess the primary beneficiary determination for a VIE on an ongoing basis if there are changes in the facts and circumstances related to a VIE. If an entity is determined to not be a VIE, the voting interest entity model is applied, where an investor holding the majority voting rights consolidates the entity. The consolidated financial statements also include the accounts of any limited partnerships where we represent the general partner and, based on all facts and circumstances, control such limited partnerships, unless the limited partner has substantive participating rights or substantive kick-out rights. For certain investments where we retain an undivided interest in assets and liabilities, we record our proportionate share of assets, liabilities, revenues and expenses.

All intercompany accounts and transactions are eliminated upon consolidation. Ownership interests in subsidiaries represented by other parties that do not control the entity are presented in the consolidated financial statements as activities and balances attributable to noncontrolling interests. Investments and entities over which we exercise significant influence are accounted for using the equity method.

REGULATION

Certain of our businesses are subject to regulation by various authorities including, but not limited to, the Canada Energy Regulator (CER) and the Alberta Energy Regulator. Regulatory bodies exercise statutory authority over matters such as construction, rates and ratemaking, and agreements with customers. To recognize the economic effects of the actions of the regulator, the timing of recognition of certain revenues and expenses in these operations may differ from that otherwise expected under US GAAP for non-rate-regulated entities.

Regulatory assets represent amounts that are expected to be recovered from customers in future periods through rates. Regulatory liabilities represent amounts that are expected to be refunded to customers in future periods through rates or to be paid to cover future abandonment costs in relation to the CER's Land Matters Consultation Initiative (LMCI). If there are changes in our assessment of the probability of recovery for a regulatory asset, we reduce its carrying amount to the balance that we expect to recover from customers in future periods through rates. If a regulator later excludes from allowable costs all or a part of costs that were capitalized as a regulatory asset, we reduce the carrying amount of the asset by the excluded amounts.

The recognition of regulatory assets and liabilities is based on the actions, or expected future actions, of the regulator. To the extent that the regulator's actions differ from our expectations, the timing and amount of recovery or settlement of regulatory balances could differ significantly from those recorded. In the absence of rate regulation, we would generally not recognize regulatory assets or liabilities and the earnings impact would be recorded in the period the expenses are incurred or revenues are earned. A regulatory asset or liability is recognized in respect of deferred income taxes when it is expected the amounts will be recovered or settled through future regulator-approved rates. We believe that the recovery of our regulatory assets as at December 31, 2024 is probable over the periods described in *Note 6 - Regulatory Matters*.

During the fourth quarter of 2023, Southern Lights Canada completed an open season to negotiate new transportation service agreements. We did not renew the agreements under a cost-of-service toll methodology, therefore Southern Lights Canada was no longer subject to rate-regulated accounting. As a result, the related assets and liabilities were derecognized in 2023.

We collect and set aside funds to cover future pipeline abandonment costs for all CER-regulated pipelines in accordance with the LMCI. The funds collected are held in trusts in accordance with applicable regulations. The funds collected from customers are reported within Transportation and other services revenues in the Consolidated Statements of Earnings and Restricted long-term investments in the Consolidated Statements of Financial Position. Concurrently, we reflect the future abandonment cost as an increase to Operating and administrative expense in the Consolidated Statements of Earnings and Other long-term liabilities in the Consolidated Statements of Financial Position.

An allowance for funds used during construction (AFUDC) is included in the cost of property, plant and equipment and is depreciated over future periods as part of the total cost of the related asset. AFUDC includes both an interest component and, if approved by the regulator, a cost of equity component, which are both capitalized based on rates set out in a regulatory agreement. The corresponding impact on earnings is included in Interest expense for the interest component and Other income for the equity component. In the absence of rate regulation, we would capitalize interest using a capitalization rate based on our cost of borrowing, whereas the capitalized equity component, the corresponding earnings during the construction phase and the subsequent depreciation relating to the equity component would not be recognized. The equity component of AFUDC is included as a non-cash reconciling item to earnings within Cash Flows from Operating Activities in the Consolidated Statements of Cash Flows.

Under the pool method prescribed by certain regulators, it is not possible to identify the carrying value of the equity component of AFUDC or its effect on depreciation. Similarly, gains and losses on the retirement of certain specific fixed assets in any given year cannot be identified or quantified.

For certain regulated operations to which US GAAP guidance for phase-in plans applies, negotiated depreciation rates recovered in transportation tolls may be less than the depreciation expense calculated in accordance with US GAAP in early years of long-term contracts but recovered in future periods when tolls exceed depreciation. Depreciation expense on such assets is recorded in accordance with US GAAP and no regulatory asset is recorded.

REVENUE RECOGNITION

For businesses that are not rate-regulated, revenues are recorded when products have been delivered or services have been performed, the amount of revenue can be reliably measured and collectability is reasonably assured. Customer creditworthiness is assessed prior to agreement signing and throughout the contract duration. Certain revenues from our liquids pipeline businesses are recognized under the terms of committed delivery contracts, rather than the cash tolls received.

Long-term take-or-pay contracts, under which shippers are obligated to pay fixed amounts ratably over the contract period regardless of volumes shipped, may contain make-up rights. Make-up rights are earned by shippers when minimum volume commitments are not utilized during the period but under certain circumstances can be used to offset overages in future periods, subject to expiry. We recognize revenues associated with make-up rights at the earlier of when the make-up volume is shipped, the make-up right expires, or when it is determined that the likelihood that the shipper will utilize the make-up right is remote.

For rate-regulated businesses, revenues are recognized in a manner that is consistent with the underlying agreements as approved by the regulators.

Our two largest non-affiliated customers accounted for approximately 12.7% and 11.4% of our third-party revenues for the year ended December 31, 2024 (2023 - 16.1% and 10.7%).

DERIVATIVE INSTRUMENTS AND HEDGING

Non-qualifying Derivatives

Non-qualifying derivative instruments are used primarily to mitigate foreign exchange, interest rate and commodity price earnings exposure. Non-qualifying derivatives are measured at fair value with changes in fair value recognized in earnings in Transportation and other services revenues, Operating and administrative expense and Other income.

Derivatives in Qualifying Hedging Relationships

We use derivative financial instruments to manage our exposure to changes in commodity prices, foreign exchange rates and interest rates. Hedge accounting is optional and requires us to document the hedging relationship and test the hedging item's effectiveness in offsetting changes in fair values or cash flows of the underlying hedged item on an ongoing basis. We present the earnings effects of hedging items with the hedged transaction. Derivatives in qualifying hedging relationships are categorized as cash flow hedges, fair value hedges or net investment hedges. We had no outstanding derivative instruments relating to fair value or net investment hedges as at December 31, 2024 and 2023.

Cash Flow Hedges

We may use cash flow hedges to manage our exposure to changes in commodity prices, foreign exchange rates and interest rates. The change in the fair value of a cash flow hedging instrument is recorded in Other comprehensive income/(loss) (OCI) and is reclassified to earnings when the hedged item impacts earnings.

If a derivative instrument designated as a cash flow hedge ceases to be effective or is terminated, hedge accounting is discontinued and the gain or loss at that date is deferred in OCI and recognized in earnings concurrently with the related transaction. If an anticipated hedged transaction is no longer probable, the gain or loss is recognized immediately in earnings. Subsequent gains and losses from derivative instruments for which hedge accounting has been discontinued are recognized in earnings in the period in which they occur.

Classification of Derivatives

We recognize the fair value of derivative instruments in the Consolidated Statements of Financial Position as current and non-current assets or liabilities depending on the timing of settlements and the resulting cash flows associated with the instruments. Fair value amounts related to cash flows occurring beyond one year are classified as non-current.

Cash inflows and outflows related to derivative instruments are classified as Cash Flows from Operating Activities in the Consolidated Statements of Cash Flows.

Balance Sheet Offset

Assets and liabilities arising from derivative instruments may be offset in the Consolidated Statements of Financial Position when we have the legal right and intention to settle them on a net basis.

TRANSACTION COSTS

Transaction costs are incremental costs directly related to the acquisition of a financial asset or the issuance of a financial liability. We incur transaction costs primarily from the issuance of debt and account for these costs as a reduction to Long-term debt in the Consolidated Statements of Financial Position. These costs are amortized using the effective interest rate method over the term of the related debt instrument and are recorded in Interest expense.

RESTRICTED LONG-TERM INVESTMENTS

Long-term investments that are restricted as to withdrawal or usage for the purpose of funding pipeline abandonment in accordance with the CER's LMCI are presented as Restricted long-term investments in the Consolidated Statements of Financial Position.

OTHER INVESTMENTS

Generally, we classify equity investments in entities over which we do not exercise significant influence and that do not have readily determinable fair values as other investments measured using the fair value measurement alternative (FVMA). These investments are recorded at cost less impairment, if any, and adjusted for the impact of observable price changes occurring in orderly transactions for an identical or similar investment of the same issuer. Investments in equity securities measured using the FVMA are reviewed for impairment each reporting period and written down to their fair value if objective evidence of impairment is identified.

Investments in debt securities are classified as available-for-sale and measured at fair value through OCI.

NONCONTROLLING INTERESTS

Noncontrolling interests represent ownership interests attributable to third parties in certain consolidated subsidiaries. The portion of equity not owned by us in such entities is reflected as Noncontrolling interests within the equity section of the Consolidated Statements of Financial Position.

INCOME TAXES

Income taxes are accounted for using the liability method. Deferred income tax assets and liabilities are recorded based on temporary differences between the tax bases of assets and liabilities and their carrying values for accounting purposes. Deferred income tax assets and liabilities are measured using the tax rate that is expected to apply when the temporary differences reverse. For our regulated operations, a deferred income tax liability or asset is recognized with a corresponding regulatory asset or liability, respectively, to the extent that taxes can be recovered through rates. Any interest and/or penalty incurred related to tax is reflected in Income tax expense.

FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are those transactions whose terms are denominated in a currency other than the currency of the primary economic environment in which EPI operates, referred to as the functional currency. Transactions denominated in foreign currencies are translated to the functional currency using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency using the exchange rate in effect as at the balance sheet date. Exchange gains and losses resulting from the translation of monetary assets and liabilities are included in earnings in the period in which they arise.

CASH

We combine cash and bank indebtedness where the corresponding bank accounts are subject to cash pooling arrangements.

RESTRICTED CASH

Cash and cash equivalents that are restricted as to withdrawal or usage for the purposes of the CER's LMCI or in accordance with specific commercial arrangements are presented as Restricted cash in the Consolidated Statements of Financial Position.

LOANS AND RECEIVABLES

Our loans to and from affiliates are measured at amortized cost using the effective interest rate method, net of any impairment losses recognized. Accounts receivable and other are measured at cost. Interest income is recognized in earnings as it is earned with the passage of time.

CURRENT EXPECTED CREDIT LOSSES

For accounts receivable, a loss allowance matrix is utilized to measure lifetime expected credit losses. The matrix contemplates historical credit losses by age of receivables, adjusted for any forward-looking information and management expectations.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recorded at historical cost. Expenditures for construction, expansion, major renewals and betterments are capitalized. Maintenance and repair costs are expensed as incurred. Expenditures for project development are capitalized if they are expected to have future benefit. We capitalize interest incurred during construction for non-rate-regulated assets. For rate-regulated assets, AFUDC is included in the cost of property, plant and equipment and is depreciated over future periods as part of the total cost of the related asset.

Two primary methods of depreciation are utilized. For distinct assets, depreciation is generally provided on a straight-line basis over the estimated useful life of the asset commencing when it is placed in service. For largely homogeneous groups of assets with comparable useful lives, the pool method of accounting is followed whereby similar assets are grouped and depreciated as a pool. When group assets are retired or otherwise disposed of, gains and losses are generally not reflected in earnings but are booked as an adjustment to accumulated depreciation.

LEASES

For lessor lease arrangements, we primarily contract with customers to provide electricity through our wind generation assets, which are accounted for as operating leases. We combine lease and non-lease components within a contract for operating lessor leases when certain conditions are met. Income from operating leases is primarily variable due to variable price or outputs and recognized in the period in which the related obligation is performed and is recorded under Transportation and other services in the Consolidated Statements of Earnings.

DEFERRED AMOUNTS AND OTHER ASSETS

Deferred amounts and other assets primarily consists of costs that regulatory authorities have permitted, or are expected to permit, to be recovered through future rates *(Note 6)*.

INTANGIBLE ASSETS

Intangible assets consist primarily of certain software costs and acquired power purchase agreements (PPA). We capitalize costs incurred during the application development stage of internal use software projects. Intangible assets are generally amortized on a straight-line basis over their expected lives, commencing when the asset is available for use.

IMPAIRMENT

We review the carrying values of our long-lived assets as events or changes in circumstances warrant. If it is determined that the carrying value of an asset exceeds its expected undiscounted cash flows, we will calculate fair value based on the discounted cash flows and write the asset down to the extent that the carrying value exceeds the fair value.

With respect to investments in debt securities, we assess at each balance sheet date whether there is objective evidence that a financial asset is impaired by completing a qualitative or quantitative analysis of factors impacting the investment. If there is objective evidence of impairment, we value the expected discounted cash flows using observable market inputs and determine whether the decline below carrying value is due to a credit loss. If the decline is determined to be due to a credit loss, an impairment charge is recorded in earnings with an offsetting reduction to the carrying value of the investment.

ASSET RETIREMENT OBLIGATIONS
ARO associated with the retirement of long-lived assets are measured at fair value and recognized as Accounts payable and other or Other long-term liabilities in the period in which they can be reasonably determined. Fair value approximates the cost a third party would charge to perform the tasks necessary to retire such assets and is recognized at the present value of expected future cash flows. ARO is added to the carrying value of the associated asset and depreciated over the asset's useful life. The corresponding liability is accreted over time through charges to earnings and is reduced by actual costs of decommissioning and reclamation. Our estimates of retirement costs could change as a result of changes in cost estimates and regulatory requirements. Currently, for the majority of our assets, it is not possible to make a reasonable estimate of ARO due to the indeterminate timing and scope of the asset retirements.

COMMITMENTS, CONTINGENCIES AND ENVIRONMENTAL LIABILITIES
We expense or capitalize, as appropriate, expenditures for ongoing compliance with environmental regulations that relate to past or current operations. We expense costs incurred for remediation of existing environmental contamination caused by past operations that do not benefit future periods by preventing or eliminating future contamination. We record liabilities for environmental matters when assessments indicate that remediation efforts are probable and the costs can be reasonably estimated. Estimates of environmental liabilities are based on currently available facts, existing technology and presently enacted laws and regulations, taking into consideration the likely effects of inflation and other factors. These amounts also consider prior experience in remediating contaminated sites, other companies' clean-up experience and data released by government organizations. Our estimates are subject to revision in future periods based on actual costs or new information and are included in Accounts payable and other and Other long-term liabilities in the Consolidated Statements of Financial Position at their undiscounted amounts. There is always a potential of incurring additional costs in connection with environmental liabilities due to variations in any or all of the categories described above, including modified or revised requirements from regulatory agencies, in addition to fines and penalties, as well as expenditures associated with litigation and settlement of claims. We evaluate recoveries from insurance coverage separately from the liability and, when recovery is probable, we record and report an asset separately from the associated liability in the Consolidated Statements of Financial Position.

Liabilities for other commitments and contingencies are recognized when, after fully analyzing available information, we determine it is either probable that an asset has been impaired or that a liability has been incurred, and the amount of impairment or loss can be reasonably estimated. When a range of probable loss can be estimated, we recognize the most likely amount, or if no amount is more likely than another, the minimum of the range of probable loss is accrued. We expense legal costs associated with loss contingencies as such costs are incurred.

3. CHANGES IN ACCOUNTING POLICIES

CHANGES IN ACCOUNTING POLICIES
There were no changes in accounting policies during the year ended December 31, 2024.

ADOPTION OF NEW ACCOUNTING STANDARDS

Segment Reporting

Effective January 1, 2024, with interim disclosure requirements effective after January 1, 2025, we adopted Accounting Standards Update (ASU) 2023-07 on a retrospective basis beginning on January 1, 2023. The new standard was issued in November 2023 to improve reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses and to require in interim period financial statements all disclosures about a reportable segment's profit or loss and assets that are currently required annually. The new ASU requires entities to disclose the title and position of the individual or the name of the group or committee identified as the CODM. The adoption of this ASU did not have a material impact on our consolidated financial statements.

FUTURE ACCOUNTING POLICY CHANGES

Income Tax Disclosures

ASU 2023-09 was issued in December 2023 to improve income tax disclosures by requiring specified categories in the annual rate reconciliation that meet quantitative thresholds and further disaggregation on income taxes paid by jurisdiction. ASU 2023-09 is effective January 1, 2025 and should be applied prospectively, with retrospective application being permitted. We are currently assessing the impact of the new standard on the presentation of *Note 16 - Income Taxes* to our consolidated financial statements.

Disaggregation of Income Statement Expenses

ASU 2024-03 was issued in November 2024 to improve financial reporting by requiring entities to disclose additional information about specific expense categories in the notes to financial statements at interim and annual reporting periods. The ASU requires entities to disclose 1) the amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, (e) depreciation, depletion and amortization recognized as part of oil and gas producing activities, (f) expense reimbursements included in a relevant expense caption, and (g) selling expenses, and 2) a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively. ASU 2024-03 is effective January 1, 2027, with interim period disclosure requirements effective after January 1, 2028 and can be applied either prospectively or retrospectively. We are currently assessing the impact of the new standard on our annual disclosures for the year ending December 31, 2027 and on our interim disclosures beginning in 2028.

4. REVENUES

REVENUE FROM CONTRACTS WITH CUSTOMERS

Major Products and Services

Year ended December 31, 2024	Liquids Pipelines	Renewable Power Generation	Consolidated
(millions of Canadian dollars)			
Transportation and other services[1]	**3,326**	**—**	**3,326**
Electricity sales[2]	**—**	**106**	**106**
Total revenue from contracts with customers[3]	**3,326**	**106**	**3,432**
Other revenue[4, 5]	**74**	**213**	**287**
Total revenue	**3,400**	**319**	**3,719**

Year ended December 31, 2023	Liquids Pipelines	Renewable Power Generation	Consolidated
(millions of Canadian dollars)			
Transportation and other services[1]	3,688	—	3,688
Electricity sales[2]	—	127	127
Total revenue from contracts with customers[3]	3,688	127	3,815
Other revenue[4, 5]	36	185	221
Total revenue	3,724	312	4,036

1 Performance obligation includes the transportation of crude oil and diluent.
2 Performance obligation includes the delivery of electricity from renewable energy generation facilities.
3 Revenue from products and services transferred over time.
4 Includes realized and unrealized gains and losses from our hedging program which for the year ended December 31, 2024 were a net $5 million gain (2023 - $58 million loss).
5 Includes revenues from lease contracts for the year ended December 31, 2024 of $223 million (2023 - $207 million), which are primarily variable.

Contract Balances

	Contract Receivables	Contract Liabilities
(millions of Canadian dollars)		
Balance at December 31, 2024	**373**	**73**
Balance at December 31, 2023	333	89

Payments are received monthly from customers under long-term transportation contracts.

Contract receivables represent the amount of receivables derived from contracts with customers.

Contract liabilities primarily relate to make-up rights and deferred revenues. Revenue recognized for the year ended December 31, 2024 relating to make-up rights and deferred revenues that existed at December 31, 2023 was $39 million. Increases in contract liabilities from cash received, net of amounts recognized as revenue for the year ended December 31, 2024, were $23 million.

Revenue to be Recognized from Unfulfilled Performance Obligations

The following table presents our estimated revenue allocated to remaining performance obligations for contracted revenue that has not yet been recognized, that is expected to be recognized in the following periods:

	Total	1 year	2-5 years	Thereafter
(millions of Canadian dollars)				
Expected revenue	1,148	486	512	150

The revenues excluded from the amounts above based on optional exemptions available under Accounting Standards Codification 606 represent a significant portion of our overall revenues and revenues from contracts with customers. Certain revenues, such as flow-through operating costs charged to shippers, are recognized at the amount for which we have the right to invoice our customers and are not included in the amounts above. Variable consideration is excluded from the amounts above due to the uncertainty of the associated consideration, which is generally resolved when actual volumes and prices are determined. We exclude interruptible transportation service revenues as these revenues are not enforceable until volumes are nominated by customers for transportation. Additionally, the effect of escalation on certain tolls which are contractually escalated for inflation has not been reflected in the amounts above as it is not possible to reliably estimate future inflation rates. Revenues for periods extending beyond the current rate settlement term for regulated contracts where the tolls are periodically reset by the regulator are excluded from the amounts above since future tolls remain unknown. Finally, revenues from contracts with customers which have an original expected duration of one year or less are excluded from the amounts above.

SIGNIFICANT JUDGMENTS MADE IN RECOGNIZING REVENUE

Long-term Transportation Agreements

For long-term transportation agreements, significant judgments pertain to the period over which revenue is recognized and whether the agreement provides for make-up rights for the shippers. Transportation revenue earned from firm contracted capacity arrangements is recognized ratably over the contract period. Transportation revenue from interruptible or volumetric-based arrangements is recognized when services are performed.

Variable Consideration

Revenue from arrangements subject to variable consideration is recognized only when the amount of variable consideration can be reasonably estimated. This occurs when actual volumes are sold or transported and actual tolls are determined.

On March 4, 2024, the CER approved the negotiated Mainline tolling settlement. The new tolls are finalized and were in effect on an interim basis on July 1, 2023, and the overall agreement is retroactively effective as of July 1, 2021 through to the end of 2028.

Performance Obligations Satisfied Over Time

For arrangements involving the transportation of crude oil where the transportation services are simultaneously received and consumed by the shipper or customer, we recognize revenue over time using an output method based on volumes of commodities delivered or transported.

Determination of Tolls

Prices for transportation services are determined based on the capital cost of the pipelines and associated infrastructure required to provide such services, plus a rate of return on capital invested that is determined either through negotiations with customers or through regulatory processes for those operations that are subject to rate regulation.

5. SEGMENTED INFORMATION

Year ended December 31, 2024	Liquids Pipelines	Renewable Power Generation	Total Reportable Segments
(millions of Canadian dollars)			
Operating revenues	**3,400**	**319**	**3,719**
Operating and administrative	**(1,147)**	**(83)**	**(1,230)**
Other income	**22**	**1**	**23**
Earnings before interest, income taxes and depreciation and amortization	**2,275**	**237**	**2,512**
Eliminations and other			**955**
Depreciation and amortization			**(640)**
Interest expense			**(1,338)**
Earnings before income taxes			**1,489**
Capital expenditures	**229**	**2**	**231**
Total property, plant and equipment, net *(Note 8)*	**13,797**	**1,335**	**15,132**

Year ended December 31, 2023	Liquids Pipelines	Renewable Power Generation	Total Reportable Segments
(millions of Canadian dollars)			
Operating revenues	3,724	312	4,036
Operating and administrative	(1,155)	(83)	(1,238)
Other income/(expense)	(5)	1	(4)
Earnings before interest, income taxes and depreciation and amortization	2,564	230	2,794
Eliminations and other			808
Depreciation and amortization			(638)
Interest expense			(1,204)
Earnings before income taxes			1,760
Capital expenditures	268	1	269
Total property, plant and equipment, net *(Note 8)*	14,123	1,409	15,532

The measurement basis for preparation of segmented information is consistent with the significant accounting policies *(Note 2)*.

6. REGULATORY MATTERS

We record assets and liabilities that result from regulated ratemaking processes that would not be recorded under US GAAP for non-regulated entities. See *Note 2 - Significant Accounting Policies* for further discussion.

Canadian Mainline is regulated by the CER. We also collect and set aside amounts to fund future pipeline abandonment costs for our regulated pipelines as a result of the requirements under the LMCI *(Note 15)*. Amounts expected to be paid for these future costs are recognized as long-term regulatory liabilities. Our significant regulated businesses and the related accounting impacts are described below.

Canadian Mainline
Canadian Mainline includes the Canadian portion of Enbridge's mainline system. The Mainline Tolling Settlement (MTS) governs the tolls paid for products shipped on the Canadian Mainline, with the exception of Lines 8 and 9 which are tolled on a separate basis and was approved by the CER on March 4, 2024. The MTS has a seven-and-a-half year term through the end of 2028 and continues with the previous Competitive Tolling Settlement framework with a Canadian Local Toll for all volumes shipped on the Canadian Mainline and an International Joint Tariff for all volumes shipped from western Canadian receipt points to delivery points on Enbridge's Lakehead System. Under the MTS, a regulatory asset is recognized to offset deferred income taxes, as a CER rate order governing flow-through income tax treatment permits future recovery. No other material regulatory assets or liabilities are recognized under the terms of the MTS.

Southern Lights Canada Pipeline
In February 2024, we entered into fixed-toll agreements for a five-year term. As at December 31, 2023, since we did not expect to renew the agreements under a cost-of-service toll methodology, Southern Lights Canada was no longer subject to rate-regulated accounting. As a result, $56 million of net regulatory liabilities, $92 million of regulatory tax assets and $23 million of regulatory deferred tax liabilities were derecognized in 2023.

FINANCIAL STATEMENT EFFECTS
Accounting for rate-regulated activities has resulted in the recognition of the following regulatory assets and liabilities in the Consolidated Statements of Financial Position:

December 31,	**2024**	2023	Recovery/Refund Period Ends
(millions of Canadian dollars)			
Long-term regulatory assets			
Deferred income taxes[1]	**1,952**	1,912	Various
Total long-term regulatory assets[2]	**1,952**	1,912	
Total regulatory assets	**1,952**	1,912	
Long-term regulatory liabilities			
Pipeline future abandonment costs *(Note 15)*	**504**	457	Various
Total long-term regulatory liabilities[3]	**504**	457	
Total regulatory liabilities	**504**	457	

1 Represents the regulatory offset to deferred income tax liabilities to the extent that it is expected to be included in future regulator-approved rates and recovered from Canadian Mainline customers. The recovery period depends on the timing of the reversal of temporary differences. In the absence of rate-regulated accounting, this regulatory balance and the related earnings impact would not be recorded.
2 Long-term regulatory assets are included in Deferred amounts and other assets.
3 Long-term regulatory liabilities are included in Other long-term liabilities.

7. ACCOUNTS RECEIVABLE AND OTHER

December 31,	**2024**	2023
(millions of Canadian dollars)		
Trade receivables and unbilled revenues, net	**382**	373
Income taxes receivable	**—**	67
Other	**25**	31
	407	471

8. PROPERTY, PLANT AND EQUIPMENT

December 31,	Weighted Average Depreciation Rate	**2024**	2023
(millions of Canadian dollars)			
Pipelines	2.7%	**13,257**	13,200
Pumping equipment, buildings, tanks and other	2.5%	**6,133**	5,987
Wind turbines, solar panels and other	4.0%	**2,694**	2,658
Land and right-of-way	3.0%	**410**	410
Under construction	—%	**113**	106
Total property, plant and equipment[1]		**22,607**	22,361
Total accumulated depreciation[1]		**(7,475)**	(6,829)
Property, plant and equipment, net		**15,132**	15,532

1 *As at December 31, 2024, the cost and accumulated depreciation of leased assets accounted for as lessor operating leases was $2.0 billion and $1.0 billion, respectively (2023 - $2.0 billion and $1.0 billion, respectively).*

Depreciation expense for the years ended December 31, 2024 and 2023 was $626 million and $622 million, respectively.

9. VARIABLE INTEREST ENTITIES

CONSOLIDATED VARIABLE INTEREST ENTITIES

Enbridge SL Holdings LP

Enbridge SL Holdings LP (SL Holdings LP) is a Canadian limited partnership (LP) which holds an interest in an entity that owns Southern Lights Canada. We hold 100% of the Class B LP units of SL Holdings LP. Wholly-owned subsidiaries of our ultimate parent, Enbridge, hold 100% of the Class A LP units and the general partner interest in SL Holdings LP. SL Holdings LP is considered a VIE as it does not have sufficient equity at risk to finance its activities without additional subordinated financial support. In addition to having the obligation to absorb losses and the rights to expected returns, under the related party tiebreaker test, we, through our related party group, have the ability to significantly influence the structure and design of SL Holdings LP's principal operations, thereby making us the primary beneficiary of the VIE.

As at December 31, 2024, the carrying amounts of total assets and liabilities of SL Holdings LP in the Consolidated Statements of Financial Position were $822 million and $411 million, respectively (2023 - $856 million and $459 million, respectively). The creditors of SL Holdings LP do not have recourse to our general credit. We did not provide any additional financial support to SL Holdings LP during the year ended December 31, 2024.

Enbridge Canadian Renewable LP
Enbridge Canadian Renewable LP (ECRLP) is a Canadian limited partnership which holds investments in wind and solar assets in the provinces of Alberta, Ontario and Québec. The limited partners, EPI, Enbridge Income Partners Holdings Inc. and the Canada Pension Plan Investment Board (CPP Investments) hold 46.18%, 4.81% and 49.0% interests in ECRLP, respectively. Enbridge Canadian Renewable GP Inc. holds the remaining 0.01% general partner interest in ECRLP. The majority of ECRLP's renewable asset portfolio is underpinned by unit contingent and fixed profile PPAs. Enbridge continues to manage, operate and provide administrative services for the Canadian renewable assets. ECRLP is considered a VIE as its limited partners lack substantive participating rights and kick-out rights. In addition to having the obligation to absorb losses and the rights to expected returns, under the related party tiebreaker test, we, through our related party group, have the ability to direct the activities of ECRLP's principal operations, thereby making us the primary beneficiary of the VIE.

As at December 31, 2024, the carrying amounts of total assets and liabilities of ECRLP in the Consolidated Statements of Financial Position were $1.5 billion and $111 million, respectively (2023 - $1.5 billion and $94 million, respectively). The creditors of ECRLP do not have recourse to our general credit. We did not provide any additional financial support to ECRLP during the year ended December 31, 2024.

10. INTANGIBLE ASSETS

December 31, 2024	Weighted Average Amortization Rate	Cost	Accumulated Amortization	Net
(millions of Canadian dollars)				
Software	4.7%	**26**	**(15)**	**11**
Power purchase agreements	4.4%	**49**	**(23)**	**26**
Other intangible assets	3.8%	**59**	**(31)**	**28**
Under development	—%	**2**	**—**	**2**
		136	**(69)**	**67**

December 31, 2023	Weighted Average Amortization Rate	Cost	Accumulated Amortization	Net
(millions of Canadian dollars)				
Software	4.5%	25	(15)	10
Power purchase agreements	4.1%	50	(21)	29
Other intangible assets	3.9%	58	(28)	30
		133	(64)	69

Amortization expense for intangible assets for the years ended December 31, 2024 and 2023 was $6 million and $5 million, respectively. Our expected amortization expense associated with existing intangible assets for each of the years from 2025 to 2029 is $6 million.

11. ACCOUNTS PAYABLE AND OTHER

December 31,	**2024**	2023
(millions of Canadian dollars)		
Deferred credits	**135**	371
Trade payables and accrued liabilities	**203**	180
Asset retirement obligations *(Note 13)*	**9**	2
Other	**16**	17
	363	570

12. DEBT

December 31,	Weighted Average Interest Rate[3]	Maturity	**2024**	2023
(millions of Canadian dollars)				
Enbridge Pipelines Inc.				
Medium-term notes[1]	4.2%	2025 - 2053	**5,425**	5,425
Debentures			**—**	200
Commercial paper and credit facility draws	3.8%	2026	**509**	449
Enbridge Southern Lights LP				
Senior notes	4.0%	2040	**183**	214
Other[2]			**(22)**	(25)
Total debt			**6,095**	6,263
Current maturities			**(613)**	(230)
Long-term debt			**5,482**	6,033

1 Included in medium-term notes is $100 million with a maturity date of 2112.
2 Primarily unamortized discounts, premiums and debt issuance costs.
3 Calculated based on term notes, debentures, commercial paper and credit facility draws outstanding as at December 31, 2024.

As at December 31, 2024, all outstanding debt was unsecured.

CREDIT FACILITY

The following table provides details of our external credit facility as at December 31, 2024:

	Maturity	Total Facility	Draws[2]	Available
(millions of Canadian dollars)				
364-day extendible credit facility	2026[1]	**2,000**	**509**	**1,491**

1 Maturity date is inclusive of the term out option.
2 Includes facility draws and commercial paper issuances that are back-stopped by the credit facility and classified as long-term debt.

In July 2024, we extended the maturity date of our 364-day extendible credit facility to July 2026, which includes a one-year term out provision from July 2025.

As at December 31, 2024, our credit facility carries a weighted average standby fee of 0.1% per annum on the unused portion and draws bear interest at market rates.

In addition to this committed credit facility, we had access to Enbridge's demand letter of credit facilities totaling $870 million as at December 31, 2024 and 2023. As of December 31, 2024 and 2023, $35 million of letters of credit were issued by us.

We maintain two revolving term credit facilities for $300 million and $1.0 billion. Both facilities were entered into with Enbridge pursuant to the *Canadian Energy Regulator Act* and its related Pipeline Financial Requirements Regulations. As at December 31, 2024, no draws have been made on these facilities.

LONG-TERM DEBT REPAYMENTS

During the year ended December 31, 2024, we completed the following long-term debt repayments totaling $231 million:

Company	Repayment Date			Principal Amount
(millions of Canadian dollars)				
Enbridge Pipelines Inc.				
	February 2024	8.20%	debentures	$200
Enbridge Southern Lights LP				
	January, July and December 2024	4.01%	senior notes	$31

DEBT COVENANTS

Our credit facility agreements and term debt indentures include standard events of default and covenant provisions, whereby accelerated repayment and/or termination of the agreements may result if we were to default on payment or violate certain covenants. As at December 31, 2024, we are in compliance with all terms and conditions of our committed credit facility agreement and our debt trust indentures.

ANNUAL DEBT MATURITIES

As at December 31, 2024, we have commitments as detailed below:

	Total	Less than 1 year	2 years	3 years	4 years	5 years	Thereafter
(millions of Canadian dollars)							
Annual debt maturities[1]	6,117	615	918	59	9	784	3,732

1 Includes debentures, term notes, commercial paper and credit facility draws based on the facility's maturity date and excludes debt discounts and debt issuance costs. We have the ability under certain debt facilities to call and repay the obligations prior to scheduled maturities. Therefore, the actual timing of future cash repayments could be materially different than presented above.

INTEREST EXPENSE

Year ended December 31,	**2024**	2023
(millions of Canadian dollars)		
Debenture and term notes	**279**	287
Commercial paper and credit facility draws	**83**	78
Interest on loans from affiliates		
Enbridge Inc.	**610**	775
Enbridge Employee Services Canada Inc.	**154**	—
Enbridge Power Operations Services Inc.	**64**	—
Enbridge (Maritimes) Inc.	**29**	29
IPL Energy (Atlantic) Inc.	**26**	26
2099634 Ontario Limited	**22**	—
Enbridge International Inc.	**20**	—
Enbridge Operational Services Inc.	**16**	—
Enbridge Atlantic (Holdings) Inc.	**14**	—
Enbridge Hardisty Storage Inc.	**13**	—
Enbridge Income Partners Holdings Inc.	**11**	12
Capitalized interest	**(3)**	(3)
	1,338	1,204

13. ASSET RETIREMENT OBLIGATIONS

Our ARO relate mostly to the retirement of pipelines, renewable power generation assets and obligations related to right-of way agreements.

The discount rates used to estimate the present value of the expected future cash flows for the year ended December 31, 2024 ranged from 3.6% to 7.4% and for the year ended December 31, 2023 ranged from 4.3% to 7.4%.

A reconciliation of movements in our ARO is as follows:

December 31,	**2024**	2023
(millions of Canadian dollars)		
Obligations at beginning of year	**74**	69
Liabilities settled	**(4)**	(2)
Change in estimate and other	**(11)**	(4)
Accretion expense	**8**	11
Obligations at end of year	**67**	74
Presented as follows:		
Accounts payable and other *(Note 11)*	**9**	2
Other long-term liabilities	**58**	72
	67	74

14. SHARE CAPITAL

As at December 31, 2024, our authorized share capital consists of an unlimited number of common shares with no par value and an unlimited number of preference shares. Our outstanding common shares are held by our immediate parent, Enbridge Management Services Inc. As at December 31, 2024 and 2023, no preference shares were issued and outstanding.

COMMON SHARES

	2024		2023	
December 31,	Number of Shares	Amount	Number of Shares	Amount
(millions of Canadian dollars; number of shares in millions)				
Balance at beginning of year	**55**	**7,902**	54	7,902
Common shares issued	**—**	**500**	1	750
Return of capital	**—**	**(500)**	—	(750)
Balance at end of year	**55**	**7,902**	55	7,902

15. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

MARKET RISK

Our earnings, cash flows and OCI are subject to movements in foreign exchange rates, interest rates and commodity prices (collectively, market risk). Formal risk management policies, processes and systems have been designed to mitigate these risks.

The following summarizes the types of market risks to which we are exposed and the risk management instruments used to mitigate them. We use a combination of qualifying and non-qualifying derivative instruments to manage the risks noted below.

Foreign Exchange Risk
We generate certain revenues and incur expenses that are denominated in currencies other than Canadian dollars. As a result, our earnings and cash flows are exposed to fluctuations resulting from foreign exchange rate variability which is managed by our parent company, Enbridge.

A combination of qualifying and non-qualifying derivative instruments is used to hedge anticipated foreign currency denominated revenues and expenses and to manage variability in cash flows.

Interest Rate Risk
Our earnings, cash flows and OCI are exposed to short-term interest rate variability due to the regular repricing of our variable rate debt, primarily commercial paper. Pay fixed-receive floating interest rate swaps may be used to hedge against the effect of future interest rate movements. We have implemented a hedging program to partially mitigate the impact of short-term interest rate volatility on interest expense via the execution of floating-to-fixed interest rate swaps. These swaps have an average fixed rate of 5.7%.

Our earnings and cash flows can also be exposed to variability in longer term interest rates ahead of anticipated fixed rate term debt issuances. Forward starting interest rate swaps are used to hedge against the effect of future interest rate movements. Our portfolio mix of fixed and variable rate debt instruments is managed by our parent company, Enbridge.

Commodity Price Risk
Our earnings, cash flows and OCI are exposed to changes in commodity prices as a result of our ownership interests in certain assets and investments. These commodities primarily consist of crude oil and power. We employ financial derivative instruments to fix a portion of the variable price exposures that arise from physical transactions involving these commodities. We use primarily non-qualifying derivative instruments to manage commodity price risk.

TOTAL DERIVATIVE INSTRUMENTS
We have a policy of entering into individual International Swaps and Derivatives Association, Inc. agreements, or other similar derivative agreements, with the majority of our derivative counterparties. These agreements provide for the net settlement of derivative instruments outstanding with specific counterparties in the event of bankruptcy or other significant credit events and reduce our credit risk exposure on financial derivative asset positions in those circumstances.

The following table summarizes the Consolidated Statements of Financial Position location and carrying value of our derivative instruments, as well as the maximum potential settlement amounts, in the event of the specific circumstances described above.

December 31, 2024	Derivative Instruments Used as Cash Flow Hedges	Non-Qualifying Derivative Instruments	Total Gross Derivative Instruments as Presented	Amounts Available for Offset	Total Net Derivative Instruments
(millions of Canadian dollars)					
Accounts receivable and other					
Commodity contracts	**2**	**1**	**3**	**—**	**3**
	2	**1**	**3** [1]	**—**	**3**
Deferred amounts and other assets					
Commodity contracts	**—**	**—**	**—**	**—**	**—**
	—	**—**	**—** [2]	**—**	**—**
Accounts payable and other					
Commodity contracts	**—**	**(21)**	**(21)**	**—**	**(21)**
	—	**(21)**	**(21)** [3]	**—**	**(21)**
Other long-term liabilities					
Interest rate contracts	**—**	**(3)**	**(3)**	**—**	**(3)**
Commodity contracts	**(1)**	**(15)**	**(16)**	**—**	**(16)**
	(1)	**(18)**	**(19)** [4]	**—**	**(19)**
Total net derivative asset/(liability)					
Interest rate contracts	**—**	**(3)**	**(3)**	**—**	**(3)**
Commodity contracts	**1**	**(35)**	**(34)**	**—**	**(34)**
	1	**(38)**	**(37)**	**—**	**(37)**

December 31, 2023	Derivative Instruments Used as Cash Flow Hedges	Non-Qualifying Derivative Instruments	Total Gross Derivative Instruments as Presented	Amounts Available for Offset	Total Net Derivative Instruments
(millions of Canadian dollars)					
Accounts receivable and other					
Commodity contracts	—	8	8	—	8
	—	8	8 [1]	—	8
Deferred amounts and other assets					
Commodity contracts	—	1	1	—	1
	—	1	1 [2]	—	1
Accounts payable and other					
Commodity contracts	(11)	(8)	(19)	—	(19)
	(11)	(8)	(19) [3]	—	(19)
Other long-term liabilities					
Interest rate contracts	(3)	—	(3)	—	(3)
Commodity contracts	(7)	(20)	(27)	—	(27)
	(10)	(20)	(30) [4]	—	(30)
Total net derivative liability					
Interest rate contracts	(3)	—	(3)	—	(3)
Commodity contracts	(18)	(19)	(37)	—	(37)
	(21)	(19)	(40)	—	(40)

1 *Reported within Accounts receivable and other (2024 - $3 million; 2023 - $5 million) and Accounts receivable from affiliates (2024 - nil; 2023 - $3 million) in the Consolidated Statements of Financial Position.*

2 *None (2023 - $1 million) of the Deferred amounts and other assets relate to derivative balances with third parties and none (2023 - nil) with affiliates.*

3 *Reported within Accounts payable and other (2024 - nil ; 2023 - nil) and Accounts payable to affiliates (2024 - $21 million; 2023 - $19 million) in the Consolidated Statements of Financial Position.*

4 *$16 million (2023 - $3 million) of Other long-term liabilities relates to derivative balances with third parties and $3 million (2023 - $27 million) with affiliates.*

The following table summarizes the maturity and notional principal or quantity outstanding related to our derivative instruments:

	2024							2023
As at December 31,	2025	2026	2027	2028	2029	Thereafter	Total	Total
Foreign exchange contracts - US dollar forwards - purchase *(millions of US dollars)*	**100**	**—**	**—**	**—**	**—**	**—**	**100**	200
Interest rate contracts - short-term pay fixed rate *(millions of Canadian dollars)*	**25**	**25**	**25**	**25**	**13**	**—**	**113**	138
Commodity contracts - power *(megawatt per hour (MW/H))*	**30**	**46**	**27**	**27**	**27**	**—**	**31** [1]	25 [1]

1 Total is an average net purchase/(sale) of power.

The Effect of Derivative Instruments on the Statements of Earnings and Comprehensive Income

The following table presents the effect of cash flow hedges on our consolidated earnings and comprehensive income, before the effect of income taxes:

Year ended December 31,	**2024**	2023
(millions of Canadian dollars)		
Amount of unrealized gain recognized in OCI		
Cash flow hedges		
Interest rate contracts	**3**	—
Commodity contracts	**28**	67
	31	67
Amount of (gain)/loss reclassified from Accumulated other comprehensive income (AOCI) to earnings		
Interest rate contracts[1]	**33**	31
Commodity contracts[2]	**(9)**	—
	24	31

1 Reported within Interest expense in the Consolidated Statements of Earnings.
2 Reported within Transportation and other services revenues in the Consolidated Statement of Earnings

We estimate that a gain of $2 million from AOCI related to open cash flow hedges will be reclassified to earnings in the next 12 months. Actual amounts reclassified to earnings depend on the foreign exchange rates, interest rates and commodity prices in effect when derivative contracts that are currently outstanding mature.

Non-Qualifying Derivatives

The following table presents the unrealized gains and losses associated with changes in the fair value of our non-qualifying derivatives:

Year ended December 31,	**2024**	2023
(millions of Canadian dollars)		
Foreign exchange contracts[1]	**—**	648
Interest rate contracts[2]	**(3)**	—
Commodity contracts[3]	**(16)**	(31)
Total unrealized derivative fair value gain/(loss), net	**(19)**	617

1 For the respective years ended, reported within Transportation and other services revenues (2024 - nil ; 2023 - $645 million gain) and Other income (2024 - nil ; 2023 - $3 million gain) in the Consolidated Statements of Earnings.
2 Reported within Interest expense in the Consolidated Statements of Earnings.
3 For the respective years ended, reported within Transportation and other services revenues (2024 - $2 million gain; 2023 - $14 million gain) and Operating and administrative expense (2024 - $18 million loss; 2023 - $45 million loss) in the Consolidated Statements of Earnings.

LIQUIDITY RISK
Liquidity risk is the risk that we will not be able to meet our financial obligations, including commitments and guarantees, as they become due. In order to mitigate this risk, we forecast cash requirements over a 12-month rolling time period to determine whether sufficient funds will be available. Our primary sources of liquidity and capital resources are funds generated from operations, the issuance of commercial paper, draws under our committed credit facility and long-term debt, which includes debentures and medium-term notes. We also maintain sufficient liquidity through our committed credit facility with a diversified group of banks and institutions which, if necessary, enables us to fund all anticipated requirements for approximately one year without accessing the capital markets. We were in compliance with all the terms and conditions of our committed credit facility agreement as at December 31, 2024. As a result, the credit facility is available to us and the banks are obligated to fund us, and have been funding us, under the terms of the facility. Additional liquidity, if necessary, is expected to be available through access to the capital markets and through a capital injection from our affiliates or our ultimate parent, Enbridge.

CREDIT RISK
Entering into derivative instruments may result in exposure to credit risk from the possibility that a counterparty will default on its contractual obligations. In order to mitigate this risk, we enter into risk management transactions primarily with institutions that possess strong investment grade credit ratings. Credit risk relating to derivative counterparties is mitigated through the maintenance and monitoring of credit exposure limits, contractual requirements and netting arrangements. We also review counterparty credit exposure using external credit rating services and other analytical tools to manage credit risk.

We have credit concentrations and credit exposure, with respect to derivative instruments, in the following counterparty segments:

December 31,	**2024**	2023
(millions of Canadian dollars)		
Canadian financial institutions	**1**	5
Other[1]	**1**	1
	2	6

1 Other is primarily comprised of Enbridge and its affiliates.

Derivative assets are adjusted for non-performance risk of our counterparties using their credit default swap spread rates and are reflected at fair value. For derivative liabilities, non-performance risk is considered in the valuation.

Credit risk also arises from trade and other long-term receivables, and is mitigated through credit exposure limits and contractual requirements, the assessment of credit ratings and netting arrangements. Generally, we utilize a loss allowance matrix which contemplates historical credit losses by age of receivables, adjusted for any forward-looking information and management expectations to measure lifetime expected credit losses of receivables. The maximum exposure to credit risk related to non-derivative financial assets is their carrying value.

FAIR VALUE MEASUREMENTS
Our financial assets and liabilities measured at fair value on a recurring basis include derivatives and other financial instruments. We also disclose the fair value of other financial instruments not measured at fair value. The fair value of financial instruments reflects our best estimates of market value based on generally accepted valuation techniques or models and is supported by observable market prices and rates. When such values are not available, we use discounted cash flow analysis from applicable yield curves based on observable market inputs to estimate fair value.

FAIR VALUE OF FINANCIAL INSTRUMENTS

We categorize our financial instruments measured at fair value into one of three different levels depending on the observability of the inputs employed in the measurement.

Level 1

Level 1 includes financial instruments measured at fair value based on unadjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date. An active market for a financial instrument is considered to be a market where transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Under the fair value hierarchy, cash and cash equivalents are classified as Level 1. We do not have any derivative instruments valued using Level 1 inputs. Our Level 1 financial instruments consist of Canadian treasury bills that are held in trust in accordance with the CER's regulatory requirements under the LMCI.

Level 2

Level 2 includes financial instrument valuations determined using directly or indirectly observable inputs other than quoted prices included within Level 1. Financial instruments in this category are valued using models or other industry standard valuation techniques derived from observable market data. Such valuation techniques include inputs such as quoted forward prices, time value, volatility factors and broker quotes that can be observed or corroborated in the market for the entire duration of the financial instrument. Derivatives valued using Level 2 inputs include non-exchange traded derivatives such as over-the-counter foreign exchange forward contracts and interest rate swaps for which observable inputs can be obtained.

We have also categorized the fair value of our investments in affiliated companies, long-term debt and restricted long-term investments in Canadian government bonds held in trust in accordance with the CER's regulatory requirements under the LMCI as Level 2. The fair values of our investments in affiliated companies and long-term debt are based on quoted market prices for instruments of similar credit risk and tenor. When possible, the fair value of our restricted long-term investments is based on quoted market prices for similar instruments and, if not available, based on broker quotes.

Level 3

Level 3 includes derivative valuations based on inputs which are less observable, unavailable or where the observable data does not support a significant portion of the derivative's fair value. Generally, Level 3 derivatives are longer dated transactions, occur in less active markets, occur at locations where pricing information is not available or have no binding broker quote to support Level 2 classification. We have developed methodologies, benchmarked against industry standards, to determine fair value for these derivatives based on the extrapolation of observable future prices and rates. Derivatives valued using Level 3 inputs primarily include long-dated derivative power, crude, basis swaps, commodity swaps and energy swaps. We do not have any other financial instruments categorized in Level 3.

We use the most observable inputs available to estimate the fair value of our derivatives. When possible, we estimate the fair value of our derivatives based on quoted market prices. If quoted market prices are not available, we use estimates from third party brokers. For non-exchange traded derivatives classified in Levels 2 and 3, we use standard valuation techniques to calculate the estimated fair value, including discounted cash flows for forwards and swaps. Depending on the type of derivative and nature of the underlying risk, we use observable market prices (interest, foreign exchange and commodity) as primary inputs to these valuation techniques. Finally, we consider our own credit default swap spread, as well as the credit default swap spreads associated with our counterparties, in our estimation of fair value.

Fair Value of Derivatives

We have categorized our derivative assets and liabilities measured at fair value as follows:

December 31, 2024	Level 1	Level 2	Level 3	Total Gross Derivative Instruments
(millions of Canadian dollars)				
Financial assets				
Current derivative assets				
Commodity contracts	**—**	**1**	**2**	**3**
	—	**1**	**2**	**3**
Financial liabilities				
Current derivative liabilities				
Commodity contracts	**—**	**—**	**(21)**	**(21)**
	—	**—**	**(21)**	**(21)**
Long-term derivative liabilities				
Interest rate contracts	**—**	**(3)**	**—**	**(3)**
Commodity contracts	**—**	**—**	**(16)**	**(16)**
	—	**(3)**	**(16)**	**(19)**
Total net financial liability				
Interest rate contracts	**—**	**(3)**	**—**	**(3)**
Commodity contracts	**—**	**1**	**(35)**	**(34)**
	—	**(2)**	**(35)**	**(37)**

December 31, 2023	Level 1	Level 2	Level 3	Total Gross Derivative Instruments
(millions of Canadian dollars)				
Financial assets				
Current derivative assets				
Commodity contracts	—	5	3	8
	—	5	3	8
Long-term derivative assets				
Commodity contracts	—	1	—	1
	—	1	—	1
Financial liabilities				
Current derivative liabilities				
Commodity contracts	—	—	(19)	(19)
	—	—	(19)	(19)
Long-term derivative liabilities				
Interest rate contracts	—	(3)	—	(3)
Commodity contracts	—	—	(27)	(27)
	—	(3)	(27)	(30)
Total net financial asset/(liability)				
Interest rate contracts	—	(3)	—	(3)
Commodity contracts	—	6	(43)	(37)
	—	3	(43)	(40)

The significant unobservable inputs used in the fair value measurement of Level 3 derivative instruments were as follows:

December 31, 2024	Fair Value	Unobservable Input	Minimum Price	Maximum Price	Weighted Average Price	Unit of Measurement
(fair value in millions of Canadian dollars)						
Commodity contracts - financial[1]						
Power	**(35)**	**Forward power price**	**34.5**	**85.19**	**55.00**	**$/MW/H**

1 Financial forward commodity contracts are valued using a market approach valuation technique.

If adjusted, the significant unobservable inputs disclosed in the table above would have a direct impact on the fair value of our Level 3 derivative instruments. The significant unobservable inputs used in the fair value measurement of Level 3 derivative instruments include forward commodity prices. Changes in forward commodity prices could result in significantly different fair values for our Level 3 derivatives.

Changes in the net fair value of derivative assets and liabilities classified as Level 3 in the fair value hierarchy were as follows:

Year ended December 31,	2024	2023
(millions of Canadian dollars)		
Level 3 net derivative liability at beginning of year	**(43)**	(72)
Total loss, unrealized		
Included in earnings[1]	**(11)**	(11)
Included in OCI	**19**	67
Settlements	**—**	(27)
Level 3 net derivative liability at end of year	**(35)**	(43)

1 Reported within Transportation and other services revenues and Operating and administrative expense in the Consolidated Statements of Earnings.

There were no transfers into or out of Level 3 as at December 31, 2024 and 2023.

Fair Value of Other Financial Instruments

As at December 31, 2024, our long-term debt had a carrying value of $6.1 billion (2023 - $6.3 billion) before debt issuance costs and a fair value of $5.8 billion (2023 - $6.0 billion).

We had Restricted long-term investments held in trust totaling $470 million (cost basis - $507 million) and $421 million (cost basis - $457 million) as at December 31, 2024 and 2023, respectively, which are classified as Level 2 in the fair value hierarchy. These securities are classified as available-for-sale and represent restricted funds which are collected from customers and held in trust for the purpose of funding pipeline abandonment in accordance with the CER's regulatory requirements. There were unrealized holding losses of $1 million and gains of $45 million on these investments for the years ended December 31, 2024 and 2023, respectively. Within Other long-term liabilities we had estimated future abandonment costs related to LMCI of $504 million and $457 million as at December 31, 2024 and 2023, respectively *(Note 6)*.

At December 31, 2024, we had investments of $10.3 billion (December 31, 2023 - $9.2 billion) in various classes of non-voting, redeemable Preferred Shares of Enbridge Energy Distribution Inc. (EEDI), $8.0 billion (December 31, 2023 - $8.0 billion) in non-voting, redeemable Class A Preferred Shares of Enbridge Pipelines (Athabasca) Inc. (EPAI) and $514 million (December 31, 2023 - $514 million) in non-voting, redeemable Series A Preferred Shares of Enbridge Employee Services Canada Inc. (EESCI) *(Note 18)*, included in Investment in affiliates in the Consolidated Statements of Financial Position. As at December 31, 2024, the fair values of these investments approximate their cost and redemption value.

The fair value of financial assets and liabilities other than derivative instruments, long-term investments in affiliates, restricted long-term investments and long-term debt described above approximate their carrying value due to the short period to maturity.

16. INCOME TAXES

INCOME TAX RATE RECONCILIATION

Year ended December 31,	**2024**	2023
(millions of Canadian dollars)		
Earnings before income taxes	**1,489**	1,760
Federal statutory income tax rate	**15%**	15%
Expected federal tax at statutory rate	**223**	264
Increase/(decrease) resulting from:		
Provincial income taxes	**(5)**	98
Effects of rate-regulated accounting[1]	**(18)**	(41)
Part VI.1 tax, net of federal Part I deduction[1,2]	**70**	64
Deductible dividends[1]	**(138)**	(117)
Noncontrolling interests[1]	**(10)**	(13)
Write-off of regulatory deferrals[1,3]	**—**	114
Other[1]	**12**	(4)
Income tax expense on earnings	**134**	365
Effective income tax rate	**9.0%**	20.7%

1 The provincial tax component of these items is included in the Provincial income taxes above.
2 Part VI.1 tax is a tax levied on preferred share dividends paid in Canada.
3 The amount in 2023 includes the federal tax impact de-recognition of rate regulated accounting for income tax relating to Southern Lights Canada and parts of the Canadian Mainline (Note 6).

COMPONENTS OF PRETAX EARNINGS AND INCOME TAXES

For 2024 and 2023, our earnings before income tax are exclusively from Canadian operations. We are subject to taxation in Canada only.

Year ended December 31,	**2024**	2023
(millions of Canadian dollars)		
Current income tax expense	**108**	13
Deferred income tax expense	**26**	352
Income tax expense on earnings	**134**	365

COMPONENTS OF DEFERRED INCOME TAX

Deferred tax assets and liabilities are recognized for the future tax consequences of differences between carrying amounts of assets and liabilities and their respective tax bases. Major components of deferred income tax assets and liabilities are as follows:

December 31,	**2024**	2023
(millions of Canadian dollars)		
Deferred income tax liabilities		
Property, plant and equipment	**(1,752)**	(1,701)
Investments	**(345)**	(330)
Regulatory assets	**(479)**	(470)
Total deferred income tax liabilities	**(2,576)**	(2,501)
Deferred income tax assets		
Financial instruments	**34**	62
Pipeline future abandonment costs liability	**115**	104
Loss carryforwards	**7**	5
Other	**116**	125
Total deferred income tax assets	**272**	296
Net deferred income tax liabilities	**(2,304)**	(2,205)

The material jurisdictions in which we are subject to potential examinations within Canada are Federal, Alberta and Quebec. We are open to examination by Canadian tax authorities for the 2018 to 2024 tax years. We are currently under examination for income tax matters for the 2018 to 2021 tax years.

UNRECOGNIZED TAX BENEFITS

We have no unrecognized tax benefits related to uncertain tax positions as at December 31, 2024 and 2023 and no accrued interest or penalties thereon.

17. CHANGES IN OPERATING ASSETS AND LIABILITIES

Year ended December 31,	**2024**	2023
(millions of Canadian dollars)		
Accounts receivable and other	**60**	13
Accounts receivable from affiliates	**(184)**	9
Deferred amounts and other assets	**(12)**	6
Accounts payable and other	**25**	(1)
Accounts payable to affiliates	**27**	(67)
Interest payable	**(11)**	7
Other long-term liabilities	**7**	92
	(88)	59

18. RELATED PARTY TRANSACTIONS

All related party transactions are provided in the normal course of business and, unless otherwise noted, are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Affiliates refer to Enbridge and companies that are either directly or indirectly owned by Enbridge.

Enbridge and its affiliates perform centralized corporate functions for us pursuant to applicable agreements, including legal, accounting, compliance, treasury, personnel, employee benefits, information technology and other areas, as well as certain engineering and other services. We reimburse Enbridge for the expenses incurred to provide these services as well as for other expenses incurred on our behalf. In addition, we perform services and incur expenses on behalf of our affiliates, which are subsequently reimbursed. Our expenses and recoveries for these services are recorded in Operating and administrative expense in the Consolidated Statements of Earnings, and are based on the cost of actual services provided or using various allocation methodologies.

Our transactions with entities related through common or joint control are as follows:

Year ended December 31,	**2024**	2023
(millions of Canadian dollars)		
Transportation and storage revenue[1]	**72**	89
Operating and administrative expense[2]	**379**	343

1 *Includes revenue of $53 million (2023 - $62 million) from Tidal Energy Marketing (U.S.) L.L.C. and $19 million (2023 - $27 million) from Tidal Energy Marketing Inc.*

2 *Includes centralized corporate function charges of $132 million (2023 - $125 million) to Enbridge and $160 million (2023 - $141 million) to EESCI.*

Amounts due from/(to) related parties are as follows:

December 31,	**2024**	2023
(millions of Canadian dollars)		
Enbridge Inc.[1, 4]	**(13,936)**	(17,392)
Enbridge Employee Services Canada Inc.[1, 4]	**(2,539)**	(16)
Enbridge Power Operations Services Inc.[1]	**(1,061)**	(4)
Enbridge (Maritimes) Incorporated[1]	**(735)**	(735)
IPL Energy (Atlantic) Incorporated[1]	**(653)**	(653)
Enbridge Pipelines (Athabasca) Inc.[3]	**339**	341
Enbridge International Inc.[1]	**(330)**	—
Enbridge Operational Services Inc.[1]	**(272)**	—
Enbridge Atlantic Holdings Inc.[1]	**(232)**	—
Enbridge Hardisty Storage Inc.[1]	**(215)**	—
Enbridge Energy Distribution Inc.	**157**	97
Enbridge Income Partners Holdings Inc.[1]	**(152)**	(169)
Enbridge Energy Limited Partnership	**103**	(6)
Enbridge Risk Management Inc.[2]	**(41)**	(50)
Enbridge Gas Inc.	**16**	(33)
Other affiliates, net[4]	**2**	2
	(19,549)	(18,618)

1 *Includes notes payable. See* Intercorporate Loans and Balances *below.*

2 *Includes net derivative payable balances to affiliate. See* Note 15 - Risk Management and Financial Instruments *for further discussion on derivative instruments.*

3 *Includes notes receivable. See* Intercorporate Loans and Balances *below.*

4 *Includes centralized corporate function charges.*

INVESTMENT IN AFFILIATES

Our investments in affiliates through preferred share holdings are as follows:

	2024			2023		
December 31,	Number of Preferred Shares	Investment Balance	Dividend Income	Number of Preferred Shares	Investment Balance	Dividend Income
(millions of Canadian dollars; number of preferred shares in millions)						
EEDI Preferred Shares[1]	**10**	**10,311**	**530**	9	9,200	393
EPAI Preferred Shares[1]	**8**	**8,000**	**387**	8	8,000	386
EESCI Preferred Shares[2]	**1**	**514**	**—**	1	514	—
		18,825	**917**		17,714	779

1 The EEDI and EPAI Preferred Shares entitle us to receive quarterly dividends. EEDI and EPAI have the option to redeem the outstanding Preferred Shares at any time. We are also entitled to require redemption of these Preferred Shares at any time.

2 The EESCI Preferred Shares annual dividends ended in 2021. EESCI has the option to redeem the outstanding EESCI Preferred Shares at any time. We are also entitled to require redemption of the EESCI Preferred Shares at any time.

In January 2024, EEDI redeemed $6,943 million of the EEDI Preferred Shares and we subscribed to an additional $4,964 million of various new classes of EEDI preferred shares. In July 2024, we subscribed to an additional $3,500 million of Class F EEDI Preferred Shares and in November 2024, EEDI redeemed $410 million of the of Class I EEDI Preferred Shares. As a result of these transactions, our total investment in EEDI Preferred Shares as at December 31, 2024 is $10,311 million.

INTERCORPORATE LOANS AND BALANCES

Loans to Affiliates

The following loans to affiliates are evidenced by formal loan agreements:

		2024		2023	
December 31,	Maturity	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate	Amount
(millions of Canadian dollars)					
Enbridge Pipelines (Athabasca) Inc.[1]	2034	**6.1%**	**243**	5.1%	243

1 In November 2024, the previous loan matured and a new affiliate loan was issued with EPAI.

Loans from Affiliates

The following loans from affiliates are evidenced by formal loan agreements:

December 31,	Maturity	**2024** Weighted Average Interest Rate	**2024** Amount	2023 Weighted Average Interest Rate	2023 Amount
(millions of Canadian dollars)					
Enbridge Inc.	2034	**5.1%**	**13,757**	4.5%	17,200
Enbridge Employee Services Canada Inc.	2034	**6.5%**	**2,478**	—%	—
Enbridge Power Operations Services Inc.	2034	**6.4%**	**1,043**	—%	—
Enbridge (Maritimes) Incorporated	2045	**4.0%**	**734**	4.0%	734
IPL Energy (Atlantic) Incorporated	2045	**4.0%**	**652**	4.0%	652
Enbridge International Inc.	2034	**6.4%**	**326**	—%	—
Enbridge Operational Services Inc.	2034	**6.4%**	**266**	—%	—
Enbridge Atlantic (Holdings) Inc.	2034	**6.4%**	**229**	—%	—
Enbridge Hardisty Storage Inc.	2034	**6.4%**	**212**	—%	—
Enbridge Income Partners Holdings Inc.[1]	2040	**—%**	**149**	—%	167
			19,846		18,753
Current portion of loan from affiliate[1]			**(16)**		(19)
			19,830		18,734

1 $16 million (2023 - $19 million) of Class A Units of SL Holdings LP are classified as current Loan from affiliate.

In January 2024, we repaid $6,943 million of subordinated loans from Enbridge and we entered into $4,964 million of subordinated loans from affiliates. In July 2024. we entered into an additional $3,500 million of subordinated loans from Enbridge. In November 2024, we repaid $410 million of subordinated loans from 2099634 Ontario Limited.

See *Note 12 - Debt* for total interest on loans from affiliates.

ANNUAL DEBT MATURITIES - AFFILIATES

As at December 31, 2024, we have commitments as detailed below:

	Total	Less than 1 year	2 years	3 years	4 years	5 years	Thereafter
(millions of Canadian dollars)							
Annual debt maturities - affiliates	19,846	16	10	8	8	8	19,796

19. COMMITMENTS AND CONTINGENCIES

COMMITMENTS

As at December 31, 2024, we have commitments as detailed below:

	Total	Less than 1 year	2 years	3 years	4 years	5 years	Thereafter
(millions of Canadian dollars)							
Purchase of services, pipe and other materials[1]	36	9	9	9	9	—	—
Maintenance agreements[2]	186	19	19	20	20	20	88
Right-of-way commitments[3]	69	5	5	5	5	5	44
Total	291	33	33	34	34	25	132

1 Includes general management agreements for our wind and solar assets and power commitments.

2 Includes maintenance service contracts for our wind and solar assets.

3 Our right-of-way obligations primarily consist of non-lease agreements that existed at the time of adopting Topic 842 Leases, at which time we elected a practical expedient that allowed us to continue our historical treatment.

ENVIRONMENTAL

We are subject to various Canadian federal, provincial and local laws relating to the protection of the environment. These laws and regulations can change from time to time, imposing new obligations on us.

Environmental risk is inherent to liquid hydrocarbon pipeline operations, and we and our affiliates are, at times, subject to environmental remediation obligations at various sites where we operate. We manage this environmental risk through appropriate environmental policies, programs and practices to minimize any impact our operations may have on the environment. To the extent that we are unable to recover payment for environmental liabilities from insurance or other potentially responsible parties, we will be responsible for payment of costs arising from environmental incidents associated with our operating activities.

LITIGATION

We are subject to various legal and regulatory actions and proceedings which arise in the normal course of business, including interventions in regulatory proceedings and challenges to regulatory approvals and permits. While the final outcome of such actions and proceedings cannot be predicted with certainty, management believes that the resolution of such actions and proceedings will not have a material impact on our consolidated financial position or results of operations.

20. GUARANTEES

In the normal course of conducting business, we may enter into agreements which indemnify third parties and affiliates. We may also be a party to agreements with subsidiaries, jointly owned entities, unconsolidated entities such as equity method investees, or entities with other ownership arrangements that require us to provide financial and performance guarantees. Financial guarantees include stand-by letters of credit, debt guarantees, surety bonds and indemnifications. To varying degrees, these guarantees involve elements of performance and credit risk, which are not included in our Consolidated Statements of Financial Position. Performance guarantees require us to make payments to a third party if the guaranteed entity does not perform on its contractual obligations, such as debt agreements, purchase or sale agreements, and construction contracts and leases.

We typically enter into these arrangements to facilitate commercial transactions with third parties. Examples include indemnifying counterparties pursuant to sale agreements for assets or businesses in matters such as breaches of representations, warranties or covenants, loss or damages to property, environmental liabilities, and litigation and contingent liabilities. We may indemnify third parties for certain liabilities relating to environmental matters arising from operations prior to the purchase or transfer of certain assets and interests. Similarly, we may indemnify the purchaser of assets for certain tax liabilities incurred while we owned the assets, a misrepresentation related to taxes that result in a loss to the purchaser or other certain tax liabilities related to those assets.

Enbridge Southern Lights LP (SL LP), a subsidiary of EPI, entered into an agreement to guarantee the obligations of a related party, Enbridge Pipelines (Southern Lights) L.L.C. (SL LLC), related to the issuance of its senior unsecured notes. As a guarantor, SL LP have agreed to indemnify the lender in the event that the SL LLC does not meet certain conditions. As at December 31, 2024, the outstanding principal amount of the notes under guarantee was $736 million (US$511 million). This amount is subject to decrease over the life of the debt as principal payments are made in accordance with the payment schedule in the agreement. The guarantee extends up to 2040.

As at December 31, 2024, SL LP was not required to make any payments under the agreement. The guarantee has not had, and is not reasonably likely to have, a material impact on our financial condition based on currently available information.