ENBRIDGE ENERGY MANAGEMENT L L C
Form 424B5
September 09, 2013
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The information in this preliminary prospectus supplement and accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where such offer or sale is not permitted.

SUBJECT TO COMPLETION DATED SEPTEMBER 9, 2013

PRELIMINARY PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED DECEMBER 20, 2012

Enbridge Energy Management, L.L.C.

8,000,000 Listed Shares

Representing Limited Liability Company Interests

We are selling 8,000,000 shares, which we refer to as Listed Shares, representing limited liability company interests in Enbridge Energy Management, L.L.C., a Delaware limited liability company, with limited voting rights.

Our Listed Shares are traded on the New York Stock Exchange under the symbol EEQ. The last reported sale price of the Listed Shares on September 6, 2013 was $29.80.

Investing in our Listed Shares involves risks. Please read Risk Factors on page S-9 of this prospectus supplement and on page 5 of the accompanying prospectus.

We are selling to the underwriters the Listed Shares at a price of $ per share, resulting in net proceeds to us, before deducting expenses relating to the offering, of $ million, or $ million assuming full exercise of the underwriters option to purchase additional Listed Shares.

The underwriters will offer the Listed Shares for sale from time to time in one or more transactions on the New York Stock Exchange or in the over-the-counter market (which may include block transactions), in negotiated transactions or otherwise, or a combination of those methods of sale, at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices. See Underwriting.

We have granted the underwriters a 30-day option to purchase up to an additional 1,000,000 Listed Shares on the same terms and conditions set forth above if the underwriters sell more than 8,000,000 Listed Shares in this offering.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the Listed Shares offered hereby on or about , 2013.

Joint Book-Running Managers

Citigroup **J.P. Morgan** **Morgan Stanley**

BofA Merrill Lynch **Barclays** **Credit Suisse**
Deutsche Bank Securities **Goldman, Sachs & Co.** **RBC Capital Markets**
UBS Investment Bank **Wells Fargo Securities**

The date of this prospectus supplement is , 2013

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IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS

This document is in two parts. The first part is the prospectus supplement, which describes our business and the business of Enbridge Energy Partners, L.P. and the specific terms of this offering of Listed Shares. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. If the description of this offering varies between the prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to provide you with any different information. We are offering to sell, and seeking offers to buy, Listed Shares only in jurisdictions where offers and sales are permitted. The information contained in this prospectus supplement, the accompanying prospectus or in the documents incorporated by reference is accurate only as of the respective dates of such documents, regardless of the time of delivery of this prospectus supplement or any sale of the Listed Shares offered by this prospectus supplement and the accompanying prospectus. The business, financial condition, results of operations and prospects of ours and of Enbridge Energy Partners, L.P. may have changed since such dates.

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ABOUT THIS PROSPECTUS SUPPLEMENT

As used in this prospectus supplement, the term Enbridge Management and the terms we, our, us and similar terms refer to Enbridge Energy Management, L.L.C., unless the context otherwise requires. In addition, we refer to Enbridge Inc. as Enbridge, we refer to Enbridge Energy Partners, L.P. as Enbridge Partners or the Partnership and we refer to Enbridge Energy Company, Inc., the general partner of Enbridge Partners and an indirect wholly owned subsidiary of Enbridge, as Enbridge Energy Company. As used in this prospectus supplement, the term Listed Shares means the class of shares representing limited liability company interests of Enbridge Management with limited voting rights offered by this prospectus supplement, and the term voting shares means the class of shares representing limited liability company interests in Enbridge Management with full voting rights all of which are held by Enbridge Energy Company. The term shares includes collectively the Listed Shares and the voting shares. In addition, the term common units includes collectively the Class A common units and the Class B common units of Enbridge Partners, and the term units includes collectively the Class A common units, the Class B common units, the Series 1 Preferred Units and the i-units of Enbridge Partners.

AVAILABLE INFORMATION

We, Enbridge Partners and Enbridge each file annual, quarterly and other reports and information with the Securities and Exchange Commission, or the SEC. You may read and copy any document we, Enbridge Partners or Enbridge file at the SEC s public reference room at 100 F Street N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for information on the public reference room. You can also find these filings at the SEC s website at *http://www.sec.gov*, and our filings and the filings of Enbridge Partners and Enbridge may be found on our, Enbridge Partners and Enbridge s respective websites at *http://www.enbridgemanagement.com, www.enbridgepartners.com* and *www.enbridge.com.* Information contained on such websites is not part of this prospectus supplement or the accompanying prospectus. In addition, reports and other information about us, Enbridge Partners and Enbridge can be inspected at the NYSE Euronext, 11 Wall Street, 5th Floor, New York, New York 10005.

The SEC allows us, Enbridge Partners and Enbridge to incorporate by reference the information we and they have filed with the SEC, which means that important information can be disclosed to you without actually including the specific information in this prospectus supplement or the accompanying prospectus by referring you to those documents. The information incorporated by reference is an important part of this prospectus supplement and the accompanying prospectus, and information that we, Enbridge Partners and Enbridge file later with the SEC will automatically update and may replace this information and information previously filed with the SEC. We, Enbridge Partners and Enbridge incorporate by reference the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules and not incorporated in this prospectus supplement or the accompanying prospectus, until we sell all of the securities offered by this prospectus supplement or until we terminate the offering:

Enbridge Energy Management, L.L.C.:

- Our Annual Report on Form 10-K for the year ended December 31, 2012, filed with the SEC on February 15, 2013.

- Our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2013 and June 30, 2013, filed with the SEC on May 1, 2013 and July 31, 2013, respectively.

Our Current Reports on Form 8-K filed with the SEC on February 28, 2013 relating only to Item 1.01, March 19, 2013 and April 23, 2013.

The description of the shares contained in our Registration Statement on Form 8-A, filed with the SEC on July 8, 2002, as amended by Amendment No. 1 to Form 8-A on Form 8-A/A, filed with the SEC on July 10, 2002.

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Enbridge Energy Partners, L.P.:

Enbridge Partners Annual Report on Form 10-K for the year ended December 31, 2012, filed with the SEC on February 15, 2013.

Enbridge Partners Quarterly Reports on Form 10-Q for the quarters ended March 31, 2013 and June 30, 2013, filed with the SEC on May 1, 2013 and July 31, 2013, respectively, and Form 10-Q/A filed with the SEC on August 6, 2013.

Enbridge Partners Current Reports on Form 8-K filed with the SEC on January 7, 2013, January 30, 2013, February 14, 2013 relating only to Items 1.01 and 2.03, February 28, 2013, March 15, 2013, March 19, 2013, March 20, 2013, April 23, 2013, May 13, 2013 relating only to Items 1.01, 3.02 and 5.03, June 14, 2013 and July 5, 2013.

Enbridge Inc.:

Enbridge s Annual Report on Form 40-F for the year ended December 31, 2012, filed with the SEC on February 15, 2013.

Enbridge s Reports on Form 6-K stating that they are so incorporated and filed with the SEC on January 2, 2013, February 1, 2013, February 28, 2013, March 1, 2013, March 27, 2013, March 29, 2013, April 2, 2013, May 1, 2013, May 8, 2013, June 3, 2013, June 6, 2013, July 2, 2013, August 1, 2013 (two filings) and September 3, 2013 and Form 6-K/A filed with the SEC on August 22, 2013.

We are not incorporating by reference Enbridge s Current Report on Form 6-K dated February 15, 2013.

We will provide without charge to each person, including any beneficial owner, to whom this prospectus supplement is delivered, upon written or oral request, a copy of any document incorporated by reference in this prospectus supplement or the accompanying prospectus, other than exhibits to any such document not specifically described above. Requests for such documents should be directed to:

Investor Relations
Enbridge Energy Management, L.L.C.
1100 Louisiana, Suite 3300
Houston, Texas 77002

866-337-4636 or
713-821-2000
eeq@enbridge.com

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information from this prospectus supplement and the accompanying prospectus. It is not complete and may not contain all of the information that you should consider before investing in the Listed Shares. This prospectus supplement and the accompanying prospectus include specific terms of the offering of the Listed Shares, information about the businesses and financial data for us, Enbridge Partners and Enbridge. We urge you to read carefully the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference, including the financial statements and the notes to those statements, before making an investment decision. We also encourage you to read Risk Factors and our discussion of other risks and uncertainties in our, Enbridge Partners and Enbridge s reports filed with the SEC under the Exchange Act, particularly our Annual Report on Form 10-K for the year ended December 31, 2012 and our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2013 and June 30, 2013, Enbridge Partners Annual Report on Form 10-K for the year ended December 31, 2012 and Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2013 and June 30, 2013 and Enbridge s Annual Report on Form 40-F for the year ended December 31, 2012 and Interim Reports to Shareholders for the quarterly periods ended March 31, 2013 and June 30, 2013 included in its Reports on Form 6-K, all of which are incorporated by reference into this prospectus supplement and the accompanying prospectus.

ENBRIDGE MANAGEMENT

Business Description

We are a publicly-traded Delaware limited liability company that was formed on May 14, 2002. We are a limited partner of Enbridge Partners, through our ownership of i-units, a special class of Enbridge Partners limited partnership interests. Under a delegation of control agreement among us, Enbridge Partners and its general partner, Enbridge Energy Company, we manage Enbridge Partners business and affairs. Enbridge Energy Company is an indirect, wholly-owned subsidiary of Enbridge, an energy company based in Calgary, Alberta, Canada.

As of September 6, 2013, we owned an approximate 16.8 percent limited partnership interest of Enbridge Partners. At September 6, 2013, Enbridge Energy Company owned 4.7, or 100 percent, of our voting shares, as well as 7,313,511.4, or 13.5 percent, of our Listed Shares, while the remaining 46,841,907.6, or 86.5 percent, of our Listed Shares were held by the public. Our performance depends on the operations and management of Enbridge Partners.

Under its partnership agreement, except for the available cash that Enbridge Partners is required to retain in respect of the i-units, Enbridge Partners distributes all of its available cash to Enbridge Energy Company and holders of its common units on a quarterly basis. The amount of cash distributed by Enbridge Partners depends on the operations of Enbridge Partners and its subsidiaries and is determined by our board of directors in accordance with the partnership agreement of Enbridge Partners. We do not, however, receive distributions of cash in respect of the i-units we own and do not otherwise have any cash flow attributable to our ownership of the i-units. Instead, when Enbridge Partners makes distributions of cash to Enbridge Energy Company and holders of its common units, the number of i-units we own increases automatically under the partnership agreement of Enbridge Partners and the amount of available cash that is attributable to the i-units is retained by Enbridge Partners. The amount of additional i-units we receive is calculated by dividing the amount of the cash distribution paid by Enbridge Partners on each of its Class A and B common units by the average closing price of one of our Listed Shares on the New York Stock Exchange for the 10-trading day period immediately preceding the ex-dividend date for our shares, multiplied by the number of our shares outstanding on the record date. Concurrently, with the increase in the number of i-units we own, we make distributions on our shares, including our Listed Shares, in the form of additional shares, with the result that the number of shares that are then outstanding equal the number of i-units that we own.

Our executive offices are located at 1100 Louisiana, Suite 3300, Houston, Texas 77002 and our telephone number is (713) 821-2000.

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ENBRIDGE PARTNERS

Business Description

Enbridge Partners is a publicly-traded Delaware limited partnership that owns and operates crude oil and liquid petroleum transportation and storage assets and natural gas gathering, treating, processing, transportation and marketing assets in the United States. Enbridge Partners was formed in 1991 by Enbridge Energy Company to own and operate the Lakehead system, which is the U.S. portion of a crude oil and liquid petroleum pipeline system extending from western Canada through the upper and lower Great Lakes region of the United States to eastern Canada. Its Class A common units are traded on the New York Stock Exchange under the symbol EEP.

Enbridge Partners executive offices are located at 1100 Louisiana, Suite 3300, Houston, Texas 77002 and its telephone number is (713) 821-2000.

Business Strategy

Enbridge Partners primary objective is to provide stable and sustainable cash distributions to its unitholders, while maintaining a relatively low-risk investment profile. To accomplish this objective, it focuses on the following key strategies:

Operational Excellence: Enbridge Partners focuses on safety, environmental integrity, innovation and effective stakeholder relations and strives to operate its existing infrastructure to provide flexibility for its customers and ensure the capacity is reliable and available when required.

Expanding Core Asset Platforms: Enbridge Partners intends to develop energy transportation assets and related facilities that are complementary to its existing systems, primarily through organic growth.

Project Execution: Enbridge Partners is committed to executing and completing projects safely, on time and on budget.

Developing New Asset Platforms: Enbridge Partners plans to develop and acquire new assets to meet customer needs by expanding capacity into new markets with favorable supply and demand fundamentals.

Recent Events

Proposed Initial Public Offering of Midcoast Energy Partners, L.P.

On June 14, 2013, Midcoast Energy Partners, L.P. (MEP), Enbridge Partners wholly-owned subsidiary, filed a registration statement on Form S-1 (the MEP Registration Statement) with the SEC relating to its proposed initial public offering of common units representing limited partner interests (the MEP IPO).

The MEP IPO contemplates the transfer by Enbridge Partners of an approximate 39% ownership interest in Enbridge Partners natural gas and natural gas liquids midstream business to MEP. If the MEP IPO is completed, Enbridge Partners will retain an approximate 61% ownership interest in Midcoast Operating, L.P., and will own the general partner of MEP, all of MEP s incentive distribution rights and a portion of its units representing limited partner interests.

The MEP IPO is subject to numerous uncertainties and conditions, including market conditions, pricing, clearance of the MEP Registration Statement by the SEC, compliance with contractual obligations, and reaching agreements with underwriters and respective lenders to MEP. Accordingly, the MEP IPO may not occur on the terms described in the MEP Registration Statement or at all. This description does not constitute an offer to sell or the solicitation of an offer to buy common units of MEP. The MEP Registration Statement relating to the common units of MEP has been filed with the SEC but has not yet become effective. Common units of MEP may not be sold nor may offers be accepted prior to the time the MEP Registration Statement becomes effective.

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ORGANIZATIONAL STRUCTURE

The following chart shows our organization and ownership structure as of the date of this prospectus supplement before giving effect to this offering. The ownership percentages referred to in this prospectus supplement reflect the approximate effective ownership in us presented below.

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OWNERSHIP OF ENBRIDGE ENERGY MANAGEMENT, L.L.C. AS OF SEPTEMBER 6, 2013

Listed Shares	54,155,419.0
Voting shares	4.7
Total	54,155,423.7

OWNERSHIP OF ENBRIDGE ENERGY PARTNERS, L.P. AS OF SEPTEMBER 6, 2013

i-units owned by Enbridge Management	16.8%
Class A Common Units owned by the public	64.4%
Class A Common Units owned by Enbridge Energy Company	14.4%
Class B Common Units owned by Enbridge Energy Company	2.4%
Series 1 Preferred Units owned by Enbridge Energy Company(1)	
General Partner Interest	2.0%
Total	100%

(1) Consists of 48,000,000 Series 1 Preferred Units, convertible into Class A Common Units beginning June 1, 2016, which if converted on September 6, 2013 would have converted into 43,201,310 Class A Common Units. As of September 6, 2013, there were 254,208,428 Class A common units issued and outstanding.

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THE OFFERING

The summary below describes the principal terms of the offering. The following information assumes, unless otherwise noted, that the underwriters do not exercise the option we have granted them to purchase up to 1,000,000 additional Listed Shares.

Securities Offered	8,000,000 Listed Shares (9,000,000 Listed Shares if the underwriters option to purchase additional Listed Shares is exercised in full).
Shares to be Outstanding After The Offering	62,155,419 Listed Shares and 4.7 voting shares.
New York Stock Exchange Symbol	EEQ
Voting Rights	The Listed Shares that are being sold in this offering have limited voting rights and are not entitled to vote to elect our directors. All of our shares that are entitled to vote to elect our directors are owned by Enbridge Energy Company.
Use of Proceeds	We expect to receive net proceeds from this offering of approximately $ million or approximately $ million if the underwriters option to purchase additional Listed Shares is exercised in full (in each case after payment of underwriting discounts and commissions and our estimated offering expenses). We intend to use the net proceeds from this offering, including the proceeds from any exercise of the option to purchase additional Listed Shares, to invest in an equal number of i-units of Enbridge Partners. Enbridge Partners intends to utilize such proceeds to repay commercial paper, to finance a portion of its capital expansion program relating to its core liquids and natural gas systems and for general partnership purposes. Some or all of the net proceeds of this offering may be invested temporarily in short-term investment grade securities pending their use for such purposes. See Use of Proceeds. Affiliates of certain of the underwriters hold Enbridge Partners commercial paper and will receive a portion of the proceeds from this offering. Additionally, affiliates of certain of the underwriters are lenders under the credit facilities of Enbridge Partners and as such may receive a portion of the proceeds from this offering if Enbridge Partners uses any of such proceeds to repay amounts outstanding under its credit facilities. See Underwriting Conflicts of Interest.
Risk Factors	An investment in the Listed Shares involves risks. You should consider carefully the information under the heading Risk Factors on page S-9 of this prospectus supplement, on page 5 of the accompanying prospectus and all other information contained or incorporated by reference herein before deciding to invest in our Listed Shares.

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U.S. federal income tax matters associated with our shares	Because we will be treated as a corporation for U.S. federal income tax purposes, an owner of our Listed Shares will not report on its U.S. federal income tax return any of our items of income, gain, loss and deduction. An owner of our Listed Shares will not receive a Schedule K-1 and will not be subject to state tax filings in the various states in which Enbridge Partners conducts business as a result of owning our Listed Shares. A tax-exempt investor s ownership or sale of our Listed Shares will not generate income derived from an unrelated trade or business regularly carried on by the tax-exempt investor, which generally is referred to as unrelated business taxable income, or UBTI, unless its ownership of our Listed Shares is debt financed by it. The ownership or sale of our Listed Shares by a regulated investment company, or mutual fund, will generate qualifying income to it. Furthermore, the ownership of our Listed Shares by a mutual fund will be treated as a qualifying asset. There should not be any withholding taxes imposed on quarterly or other distributions of additional Listed Shares to a non-U.S. person. In addition, subject to requirements under the recent FATCA legislation, there generally will be no taxes or withholding taxes imposed on gain from the sale of our Listed Shares by a non-U.S. person provided it has owned no more than 5% of our Listed Shares and our Listed Shares continue to be traded on a nationally recognized securities exchange.
Distributions	We do not pay distributions on our Listed Shares in cash, but instead make distributions on our Listed Shares in additional Listed Shares or fractions of Listed Shares. At the same time that Enbridge Partners makes a distribution on its common units and i-units, we distribute on each of our shares that fraction of a share determined by dividing the amount of the cash distribution to be made by Enbridge Partners on each common unit by the average market price of one of our Listed Shares on the New York Stock Exchange determined for the ten-trading day period ending on the trading day immediately prior to the ex-dividend date for our shares.

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SUMMARY HISTORICAL FINANCIAL AND OPERATING DATA OF ENBRIDGE MANAGEMENT

We have derived the summary historical financial data as of and for each of the years ended December 31, 2012, 2011 and 2010 from our audited financial statements and related notes. We have derived the summary historical financial data as of June 30, 2013 and 2012 and for the six-month periods then ended from our unaudited financial statements, which, in the opinion of management, include all adjustments necessary for a fair statement of the data. The results for the six-month period ended June 30, 2013 are not necessarily indicative of the results that may be expected for any other periods or for the full fiscal year. You should read the information below in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and our historical financial statements and related notes appearing in our Annual Report on Form 10-K for the year ended December 31, 2012, and our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2013, which are incorporated by reference in this prospectus supplement and the accompanying prospectus.

Income Statement Data:

	Year Ended December 31,			Six Months Ended June 30,	
	2012	2011	2010	2013	2012
	(dollars in millions)				
Equity income (loss) from investment in Enbridge Energy Partners, L.P.	$ 50.5	$ 72.3	$ (38.2)	$ (12.5)	$ 22.9
Income (loss) before income tax expense (benefit)	50.5	72.3	(38.2)	(12.5)	22.9
Income tax expense (benefit)	18.7	26.8	(14.5)	(4.6)	8.4
Net income (loss)	$ 31.8	$ 45.5	$ (23.7)	$ (7.9)	$ 14.5
Net income (loss) per share, basic and diluted(1)	$ 0.80	$ 1.24	$ (0.70)	$ (0.16)	$ 0.37
Weighted average shares outstanding(1)	39.9	36.6	34.0	49.0	39.2

(1) Net income (loss) per share, basic and diluted and weighted average shares outstanding for the year ended December 31, 2010 have been retrospectively adjusted for the two-for-one split of the Enbridge Partners units and of our Listed Shares and voting shares that occurred in April 2011.

Comprehensive Income Statement Data:

	Year Ended December 31,			Six Months Ended June 30,	
	2012	2011	2010	2013	2012
	(dollars in millions)				
Net income (loss)	$ 31.8	$ 45.5	$ (23.7)	$ (7.9)	$ 14.5
Equity in other comprehensive income (loss) of Enbridge Energy Partners, L.P., net of tax benefit (expense) of $0.3, $9.7, $2.4, $(11.6) and $(0.2) million, respectively	(0.5)	(16.7)	(4.3)	19.8	0.2
Comprehensive income (loss)	$ 31.3	$ 28.8	$ (28.0)	$ 11.9	$ 14.7

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Financial Position Data (at period end):

	December 31,			June 30,	
	2012	2011	2010	2013	2012
	(dollars in millions)				
ASSETS:					
Cash	$ 0.1	$ 0.2	$	$ 0.5	$ 0.1
Due from affiliates	0.3	0.1	0.1	0.2	0.1
Investments in Enbridge Energy Partners, L.P.	746.9	674.5	551.4	1,038.7	697.9
	$ 747.3	$ 674.8	$ 551.5	$ 1,039.4	$ 698.1
LIABILITIES AND SHAREHOLDERS EQUITY:					
Accounts payable and accrued liabilities	$	$ 0.2	$	$ 0.4	$
Due to affiliates	0.3	0.1	0.1	0.2	0.1
Deferred income tax liability	143.8	117.0	80.8	150.8	125.6
	144.1	117.3	80.9	151.4	125.7
Shareholders equity					
Voting shares-unlimited authorized; 4.48, 4.19, 3.92, 4.64 and 4.33 issued and outstanding at December 31, 2012, 2011, 2010, June 30, 2013 and 2012(1)					
Listed shares-unlimited authorized; 41,198,420, 38,566,330, 35,285,418 53,246,920 and 39,814,276 issued and outstanding at December 31, 2012, 2011, 2010, June 30, 2013 and 2012(1)	981.7	882.3	748.5	1,305.4	923.9
Accumulated deficit	(343.9)	(290.7)	(260.5)	(402.6)	(317.6)
Accumulated other comprehensive income (loss)	(34.6)	(34.1)	(17.4)	(14.8)	(33.9)
	603.2	557.5	470.6	888.0	572.4
	$ 747.3	$ 674.8	$ 551.5	$ 1,039.4	$ 698.1

(1) Voting shares and Listed Shares issued and outstanding at December 31, 2010 have been retrospectively adjusted for the two-for-one split of the Enbridge Partners units and of our Listed Shares and voting shares that occurred in April 2011.

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RISK FACTORS

Before you make a decision to invest in our Listed Shares, you should be aware that such an investment involves various risks and uncertainties, including those described in the accompanying prospectus and the documents incorporated by reference. If any of those risks actually occurs, our business, financial condition, results of operations or cash flows could be materially adversely affected. We also urge you to consider carefully the discussion of risk factors on page 5 of the accompanying prospectus under the captions Risk Factors and Information Regarding Forward-Looking Statements and in our filings with the SEC under the Exchange Act, particularly under Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations in the Annual Reports on Form 10-K for the year ended December 31, 2012 and Quarterly Reports on Form 10-Q for the quarter ended June 30, 2013 for Enbridge Management and Enbridge Partners and under Business Risks under the Management s Discussion and Analysis included in the Annual Report on Form 40-F for the year ended December 31, 2012 for Enbridge, all of which are incorporated by reference in this prospectus supplement and the accompanying prospectus.

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USE OF PROCEEDS

We expect to receive net proceeds from this offering of approximately $ million or approximately $ million if the underwriters option to purchase additional Listed Shares is exercised in full (in each case after payment of underwriting discounts and commissions and our estimated offering expenses). We intend to use the net proceeds from this offering, including the proceeds from any exercise of the option to purchase additional Listed Shares, to invest in an equal number of i-units of Enbridge Partners. Enbridge Partners intends to utilize such proceeds to repay commercial paper, to finance a portion of its capital expansion program relating to its core liquids and natural gas systems and for general partnership purposes. Some or all of the net proceeds of this offering may be invested temporarily in short-term investment grade securities pending their use for such purposes. Affiliates of certain of the underwriters hold Enbridge Partners commercial paper and will receive a portion of the proceeds from this offering. Additionally, affiliates of certain of the underwriters are lenders under the credit facilities of Enbridge Partners and as such may receive a portion of the proceeds from this offering if Enbridge Partners uses any of such proceeds to repay amounts outstanding under its credit facilities. See Underwriting Conflicts of Interest.

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CAPITALIZATION

The following table shows our unaudited capitalization at June 30, 2013, and as adjusted to give effect to this offering and our application of the net offering proceeds as described above under Use of Proceeds. The table does not reflect transactions subsequent to June 30, 2013. You should read this table in conjunction with our financial statements and the notes to the financial statements incorporated by reference in this prospectus supplement.

	As of June 30, 2013	
	Actual	As Adjusted
	(dollars in millions)	
		(unaudited)
Cash and cash equivalents	$ 0.5	$
Debt	$	$
Total shareholders equity	$ 888.0	$
Total	$ 888.0	$

Our authorized capital structure consists of two classes of membership interests: (1) our Listed Shares, which represent limited liability company interests with limited voting rights and are traded on the New York Stock Exchange, and (2) our voting shares, which represent limited liability company interests with full voting rights.

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PRICE RANGE OF LISTED SHARES AND DISTRIBUTIONS

Our Listed Shares are listed and traded on the New York Stock Exchange, the principal market for the Listed Shares, under the symbol EEQ. On September 6, 2013, the last reported sales price of the Listed Shares on the New York Stock Exchange was $29.80. At September 6, 2013, we had Listed Shares outstanding held by approximately 12,000 shareholders. The quarterly price ranges per Listed Share in 2013, 2012 and 2011 are summarized as follows and are adjusted to give effect to the two for one stock split of our Listed Shares that became effective on April 21, 2011:

	First	Second	Third	Fourth
2013 (includes third quarter through September 6)				
High	$ 31.03	$ 31.65	$ 32.85	$
Low	$ 26.72	$ 27.78	$ 28.97	$
Share Distributions	735,227	963,274	908,499	
Equivalent Distribution Value Per Share(a)	$ 0.54350	$ 0.54350	$ 0.54350	$

	First	Second	Third	Fourth
2012				
High	$ 35.54	$ 32.78	$ 35.56	$ 32.65
Low	$ 31.64	$ 29.53	$ 30.20	$ 27.82
Share Distributions	601,828	646,118	688,548	695,596
Equivalent Distribution Value Per Share(a)	$ 0.53250	$ 0.53250	$ 0.54350	$ 0.54350

	First	Second	Third	Fourth
2011				
High	$ 33.88	$ 34.47	$ 31.27	$ 34.93
Low	$ 30.65	$ 29.18	$ 25.76	$ 25.29
Share Distributions	570,918	554,016	643,589	651,705
Equivalent Distribution Value Per Share(a)	$ 0.51375	$ 0.51375	$ 0.53250	$ 0.53250

(a) This is the cash distribution per Class A common unit declared by Enbridge Partners for the quarter indicated and is used to calculate our distribution of shares as discussed below. Because of this calculation, the market value of the shares distributed on the date of distribution may be less or more than the cash distribution per Class A common unit of Enbridge Partners.

We, as the owner of Enbridge Partners i-units, do not receive distributions in cash from Enbridge Partners. Instead, each time that Enbridge Partners makes a cash distribution to its general partner and to the holders of its common units, the number of i-units owned by us and the percentage of total units in Enbridge Partners owned by us increases automatically under the provisions of the partnership agreement of Enbridge Partners, with the result that the number of i-units owned by us will equal the number of our shares that are then outstanding. The amount of additional i-units we receive is calculated by dividing the amount of the cash distribution paid by Enbridge Partners on each of its Class A and B common units by the average closing price of one of our Listed Shares on the New York Stock Exchange for the 10-trading day period immediately preceding the ex-dividend date for our shares, multiplied by the number of our shares outstanding on the record date. At the same time that Enbridge Partners makes a distribution on its common units and i-units, we distribute on each of our shares that fraction of a share determined by dividing the amount of the cash distribution to be made by Enbridge Partners on each common unit by the average market price of one of our Listed Shares on the New York Stock Exchange determined for the 10-trading day period ending on the trading day immediately prior to the ex-dividend date for our shares. As a result of our share distributions, the number of our shares outstanding is equal to the number of i-units that we own in Enbridge Partners. We will pay the first distribution on the Listed Shares offered hereby in the fourth quarter of 2013.

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CONFLICTS OF INTEREST AND FIDUCIARY RESPONSIBILITIES

Conflicts of Interest

Enbridge indirectly owns all of the outstanding capital stock and elects all of our directors and the directors of Enbridge Energy Company. Enbridge has a number of interests that differ from those of our shareholders. As a result, there is a risk that important business decisions will not be made in your best interest. You should carefully consider the discussions of these conflicts of interest in our Annual Report on Form 10-K for our fiscal year ended December 31, 2012.

Fiduciary Duties Owed to Our Shareholders

The fiduciary duties owed to the owners of our shares by our board of directors are prescribed by Delaware law and our limited liability company agreement. The Delaware Limited Liability Company Act provides that Delaware limited liability companies may, in their limited liability company agreement, restrict the fiduciary duties owed by their board of directors to their shareholders.

Our limited liability company agreement contains various provisions restricting the fiduciary duties that might otherwise be owed to our shareholders by our board of directors. We have modified the fiduciary duties that might otherwise be owed to our shareholders in order to accommodate the complex organizational structure and the interrelationships among us and Enbridge Partners, Enbridge Energy Company, Enbridge and all of their respective affiliates. Additionally, without these modifications, the ability of our board of directors to make decisions involving conflicts of interest would be restricted. The modifications also enable us to attract and retain experienced and capable directors and officers. These modifications could be detrimental to our shareholders because they restrict the remedies available to our shareholders for actions that, without those limitations, might constitute breaches of fiduciary duty, as described below.

The following is a summary of the material restrictions of the fiduciary duties owed by our board of directors to our shareholders. These limited fiduciary duties are very different from the more familiar duties of a corporate board of directors, which must always act in the best interests of the corporation and its stockholders.

State-law fiduciary duty standards:	Fiduciary duties generally are considered to include an obligation to act with due care and loyalty. The duty of care, unless the limited liability company agreement or partnership agreement provides otherwise, generally would require a manager, director or general partner to act for the limited liability company or limited partnership, as applicable, in the same manner as a prudent person would act on his own behalf. The duty of loyalty, in the absence of a provision in a limited liability company agreement or partnership agreement providing otherwise, generally would prohibit a manager or director of a Delaware limited liability company or a general partner of a Delaware limited partnership from taking any action or engaging in any transaction where a conflict of interest is present.
Our limited liability company agreement modifies these standards:	Our limited liability company agreement contains provisions that prohibit its shareholders from advancing claims arising from conduct by our board of directors that might otherwise raise issues as to compliance with fiduciary duties or applicable law. For example, the limited liability company agreement permits the board of directors to make

a number of decisions in its sole discretion. This entitles the board of directors to consider only the interests and factors that it

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	desires, and it has no duty or obligation to give any consideration to any interest of, or factors affecting, us, our affiliates or any of our shareholders.
	Enbridge, its affiliates and their officers and directors who are also officers or directors of Enbridge Management are not required to offer us any business opportunity.
	In addition to the other more specific provisions limiting the obligations of our board of directors, our limited liability company agreement further provides that the board of directors will not be liable for monetary damages to us or our shareholders for any acts or omissions if the board of directors acted in good faith.
The partnership agreement of Enbridge Partners modifies these standards:	The general partner of Enbridge Partners, pursuant to the partnership agreement of Enbridge Partners, and our board of directors, by virtue of the delegation of control to us by the general partner of Enbridge Partners, are permitted to attempt to avoid personal liability in connection with the management of Enbridge Partners. The partnership agreement of Enbridge Partners provides that its general partner does not breach its fiduciary duty even if Enbridge Partners could have obtained more favorable terms without limitations on its general partner s liability. The partnership agreement contains provisions that allow the general partner of Enbridge Partners and, by virtue of the delegation of control agreement, our board of directors to take into account the interests of parties in addition to us in resolving conflicts of interest, thereby limiting their fiduciary duties to the limited partners of Enbridge Partners. Also, the partnership agreement contains provisions that may restrict the remedies available to the limited partners of Enbridge Partners for actions taken that might, without such limitations, constitute breaches of fiduciary duties. Because some of our directors and officers are also directors and officers of Enbridge and the general partner of Enbridge Partners, the duties of the directors and officers of Enbridge to the shareholders of Enbridge may, therefore, come into conflict with the duties of the general partner of Enbridge Partners to the limited partners of Enbridge Partners and the duties of our board of directors to our shareholders.

By becoming one of our shareholders, a shareholder agrees to be bound by the provisions in the limited liability company agreement, including the provisions discussed above. This is in accordance with the policy of the Delaware Limited Liability Company Act favoring the principle of freedom of contract and the enforceability of limited liability company agreements. It is not necessary for a shareholder to sign the limited liability company agreement in order for the limited liability company agreement to be enforceable against that person.

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MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following discussion summarizes the material U.S. federal income tax consequences of the purchase, ownership and disposition of shares by certain prospective owners of shares. This discussion only applies to prospective owners who purchase and hold shares as capital assets for U.S. federal income tax purposes (generally property held for investment). This discussion does not describe all of the tax consequences that may be relevant to a prospective owner in light of its particular circumstances.

No attempt has been made in the following discussion to address all U.S. federal income tax matters affecting us, Enbridge Partners or the owners of shares. This discussion is based upon provisions of the Internal Revenue Code of 1986, as amended (the Code), and Treasury regulations, rulings and judicial decisions as of the date hereof. These authorities may change, perhaps retroactively, which could result in U.S. federal income tax consequences different from those summarized below. This discussion does not address all aspects of U.S. federal income tax and does not describe any foreign, state, local or other tax considerations that may be relevant to a prospective owner in light of its particular circumstances. In addition, this discussion does not describe the U.S. federal income tax consequences applicable to a prospective owner who is subject to special treatment under U.S. federal income tax laws (including a bank or financial institution, a broker, a dealer in securities, a United States expatriate, a controlled foreign corporation, a passive foreign investment company, a corporation that accumulates earnings to avoid U.S. federal income tax, a pass-through entity for U.S. federal income tax purposes or an investor in a pass-through entity for U.S. federal income tax purposes, a tax-exempt organization, or an insurance company). We cannot assure you that a change in law will not significantly alter the tax considerations that we describe in this discussion.

No ruling has been or will be requested from the IRS regarding any matter affecting us or prospective owners of shares. Any contest with the IRS may materially and adversely impact the market for shares and the prices at which shares trade. The cost of any contest with the IRS will be borne directly or indirectly by us and the owners of shares. Furthermore, the tax treatment of us or Enbridge Partners or of an investment in us or Enbridge Partners may be significantly modified by future legislative or administrative changes or court decisions. Any modification may or may not be retroactively applied.

If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds shares, the U.S. federal income tax treatment of a partner of that partnership will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding shares, you should consult your tax advisors.

U.S. Federal Income Tax Considerations Associated with the Ownership and Disposition of Shares

Enbridge Management Classification as an Association Taxable as a Corporation for U.S. Federal Income Tax Purposes

An election has been made with the IRS to treat us as an association taxable as a corporation for U.S. federal income tax purposes. Thus, we are subject to U.S. federal income tax on our taxable income at tax rates up to 35%. Additionally, in certain instances we could be subject to the alternative minimum tax of 20% on our alternative minimum taxable income to the extent that the alternative minimum tax exceeds our regular tax.

The terms of the i-units provide that the i-units owned by us are not entitled to allocations of income, gain, loss or deduction of Enbridge Partners until such time as it is liquidated. Thus, we do not anticipate that we will have material amounts of either taxable income or alternative

minimum taxable income resulting from our ownership of the i-units unless we dispose of the i-units in a taxable transaction or Enbridge Partners is liquidated. Please read U.S. Federal Income Tax Considerations Associated with the Ownership of i-units.

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Tax Consequences of Share Ownership

No Flow-Through of Our Taxable Income. Because we are treated as an association taxable as a corporation for U.S. federal income tax purposes, an owner of shares will not report on its U.S. federal income tax return any of our items of income, gain, loss and deduction.

Distributions of Additional Shares. Under the terms of our limited liability company agreement, except in connection with our liquidation, we will not make distributions of cash in respect of shares but rather will make distributions of additional shares. Because these distributions of additional shares will be made proportionately to all owners of shares, the receipt of these additional shares will not be includable in the gross income of an owner of shares for U.S. federal income tax purposes. As each owner of shares receives additional shares, it will be required to allocate its basis in its shares in the manner described below. Please read Basis of Shares below.

Basis of Shares. An owner s initial tax basis for its shares will be the amount paid for them. As additional shares are distributed to an owner of shares, it will be required to allocate its tax basis in its shares proportionately. If the old shares were acquired for different prices, and the owner can identify each separate lot, then the basis of each old lot of shares can be used separately in the allocation to the new shares received with respect to the identified old lot. If an owner of shares cannot identify each lot, then it must use the first-in first-out tracing approach. A shareholder cannot use the average cost for all lots for this purpose.

Disposition of Shares. Gain or loss will be recognized on a sale or other disposition of shares, whether to a third party or to Enbridge pursuant to the purchase provisions or in connection with the liquidation of us, equal to the difference between the amount realized and the owner s tax basis for the shares sold or otherwise disposed of. An owner s amount realized will be measured by the sum of the cash and the fair market value of other property received by it.

Except as noted below, gain or loss recognized by an owner of shares, other than a dealer in shares, on the sale or exchange of a share generally will be taxable as capital gain or loss. Capital gain recognized by an individual on the sale of shares held more than 12 months generally will be taxed at long-term capital gain rates, subject to the discussion below relating to straddles. The long-term capital gains rate for individuals is 20% for certain high-income individuals. An additional 3.8% tax is imposed on the net investment income of certain U.S. individuals and on the undistributed net investment income of certain estates and trusts. Among other items, net investment income generally includes gross income from interest, dividends and certain gain from the disposition of property, such as shares, less certain deductions. Capital gain recognized by a corporation on the sale of shares generally will be taxed at a maximum rate of 35%. Net capital loss may offset capital gains and no more than $3,000 of ordinary income, in the case of individuals, and may only be used to offset capital gains in the case of corporations.

Capital gain treatment may not result from a sale of shares to Enbridge for cash if a single shareholder of us or our shareholders as a group own 50% or more of the stock of Enbridge. In that case, if either we or Enbridge has earnings and profits, then the amount received by a seller of shares may be taxed as ordinary income to the extent of its portion of those earnings and profits, but only if the seller sells less than all of its shares or is treated as a shareholder of Enbridge after applying the ownership attribution rules.

For purposes of determining whether capital gains or losses on the disposition of shares are long or short term, subject to the discussion below relating to straddles, an owner s holding period begins on the day after its acquisition of shares pursuant to this offering. As additional shares are distributed to the owner, the holding period of each new share received also will include the period for which the owner held the old shares to which the new share relates. If an owner purchases additional shares, the holding period of each new share starts on the day following such purchase.

Because the purchase rights in respect of the shares arise as a result of an agreement other than solely with us, these rights do not appear to constitute inherent features of the shares for U.S. federal income tax purposes.

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Please read Description of Our Listed Shares Optional Purchase and Description of Our Listed Shares Special Purchase in the accompanying prospectus. As such, it is possible that the IRS could assert that shares and the related purchase rights constitute a straddle for U.S. federal income tax purposes to the extent that those rights are viewed as resulting in a substantial diminution of a share purchaser s risk of loss from owning its shares. In that case, any owner of shares who incurs interest or other carrying charges that are allocable to the shares (as would be the case if the owner finances its acquisition of shares with debt) would have to capitalize those interest or carrying charges to the basis of the related shares and purchase rights rather than deducting those interest or carrying charges currently. In addition, the holding period of the shares would be suspended, resulting in short-term capital gain or loss (generally taxed at ordinary income rates) upon a taxable disposition even if the shares were held for more than 12 months. However, we believe that the purchase rights have minimal value and do not result in a substantial diminution of a share purchaser s risk of loss from owning shares. Based on that, the shares and the related purchase rights are not expected to constitute a straddle for U.S. federal income tax purposes and therefore are not expected to result in any suspension of an owner s holding period or interest and carrying charge capitalization, although there can be no assurance that the IRS or the courts will agree with this conclusion.

Investment in Shares by Tax-Exempt Investor and, Regulated Investment Companies. Employee benefit plans and most other organizations exempt from U.S. federal income tax, including individual retirement accounts, known as IRAs, and other retirement plans, are subject to U.S. federal income tax on unrelated business taxable income. Because we will be treated as an association taxable as a corporation for U.S. federal income tax purposes, an owner of shares will not report on its U.S. federal income tax return any of our items of income, gain, loss and deduction. Therefore, a tax-exempt investor will not have unrelated business taxable income attributable to its ownership or sale of our shares unless its ownership of the shares is debt financed. In general, a share would be debt financed if the tax-exempt owner of shares incurs debt to acquire a share or otherwise incurs or maintains a debt that would not have been incurred or maintained if that share had not been acquired.

A regulated investment company, or mutual fund, is required to derive at least 90% of its gross income for every taxable year from qualifying income. As stated above, an owner of shares will not report on its U.S. federal income tax return any of our items of income, gain, loss and deduction. Thus, ownership of shares will not result in income which is not qualifying income to a mutual fund. Furthermore, any gain from the sale or other disposition of the shares, and the associated purchase rights, will qualify for purposes of that 90% test. Finally, shares, and the associated purchase rights, will constitute qualifying assets to mutual funds which also must own at least 50% qualifying assets at the end of each quarter.

Investment in Shares by Non-U.S. Persons. For purposes of this discussion, a non-U.S. Person means a beneficial owner (other than a partnership) of shares who or that is not for U.S. federal income tax purposes any of the following:

- an individual citizen or resident of the United States (including certain former citizens and former long-term residents of the United States);
- a corporation (or any other entity treated as a corporation) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (i) it is subject to the primary supervision of a court within the United States and one or more United States persons as defined under the Code (as defined below) have the authority to control all substantial decisions of the trust, or (ii) it has a valid election in effect under applicable Treasury regulations to be treated as a United States person.

Because distributions of additional shares will be made proportionately to all owners of shares, the receipt of these additional shares will not be includable in the gross income of an owner of shares for U.S. federal income tax purposes. Therefore, no withholding taxes will be imposed on

distributions of additional shares to a non-U.S. Person that owns shares.

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Subject to FATCA requirements discussed below, a non-U.S. Person that owns shares generally will not be subject to U.S. federal income tax or subject to withholding on any gain recognized on the sale or other disposition of shares unless:

- the gain is considered effectively connected with the conduct of a trade or business by the non-U.S. Person within the United States and, where a tax treaty applies, is attributable to a U.S. permanent establishment of that non-U.S. Person (and, in which case, if the owner is a foreign corporation, it may be subject to an additional branch profits tax equal to 30% or a lower rate as may be specified by an applicable income tax treaty);

- the non-U.S. Person is an individual who holds the shares as a capital asset and is present in the U.S. for 183 or more days in the taxable year of the sale or other disposition and other conditions are met; or

- we are or have been a United States real property holding corporation, or a USRPHC, for U.S. federal income tax purposes.

We believe that we are a USRPHC for U.S. federal income tax purposes. Therefore, any gain on the sale or other disposition of shares by a non-U.S. Person will be subject to U.S. federal income tax unless the shares are part of a class that are regularly traded on an established securities market and the non-U.S. Person has not actually or constructively held more than 5% of the shares at any time during the shorter of the five-year period preceding the disposition and that non-U.S. Person s holding period. We expect that the shares issued pursuant to this prospectus supplement will be part of a class that is traded on an established securities market.

Recently enacted legislation (FATCA) generally imposes a 30% withholding tax on dividends on, and gross proceeds from the sale or disposition of, our shares paid to: (i) a foreign financial institution unless the foreign financial institution undertakes certain due diligence and reporting obligations or otherwise is exempt from FATCA withholding; and (ii) a non-financial foreign entity unless such entity certifies that it does not have any substantial U.S. owners, or furnishes identifying information regarding each substantial U.S. owner, or otherwise is exempt from FATCA withholding. The FATCA withholding will take effect on July 1, 2014 (in the case of U.S.-source FDAP income, such as our dividend payments) and January 1, 2017 (in the case of gross proceeds). Based on the current version of the final FATCA regulations, it appears that distributions of additional shares made proportionately to all our share owners are not subject to FATCA withholding. Prospective shareholders are urged to consult with their own tax advisors regarding the possible implications of this legislation on their investment in our shares.

Merger of Enbridge Partners and Enbridge Management. As discussed under Description of Our Listed Shares Merger in the accompanying prospectus, if Enbridge Partners were to be treated as a corporation for U.S. federal income tax purposes, the owner of our voting shares has the right to cause us to merge with or into Enbridge Partners or one of its subsidiaries. As a condition to such merger we must obtain either an opinion of counsel that such merger should be currently non-taxable to our shareholders or a ruling from the IRS that such merger will be currently non-taxable to our shareholders, except as to consideration received for fractional shares or as to the termination of any rights or obligations related to the purchase provisions. In such event, you would receive common units or other securities substantially similar to the common units in exchange for your shares in a transaction in which, subject to the exception described in the preceding sentence, neither gain nor loss should or will be recognized.

U.S. Federal Income Tax Considerations Associated with the Ownership of i-units

A partnership is not a taxable entity and incurs no U.S. federal income tax liability. Instead, each partner of a partnership is required to take into account its share of items of income, gain, loss and deduction of Enbridge Partners in computing its U.S. federal income tax liability, regardless of whether cash distributions are made to it by Enbridge Partners. Distributions by a partnership to a partner generally are not taxable unless the

amount of cash distributed to the partner is in excess of its adjusted basis in its partnership interest.

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With respect to the i-units to be owned by us, the Enbridge Partners partnership agreement provides that no allocations of income, gain, loss or deduction will be made in respect of the i-units until such time as there is a liquidation of Enbridge Partners. If there is a liquidation of Enbridge Partners, it is intended that we will receive allocations of income and gain, or deduction and loss, in an amount necessary for the capital account attributable to each i-unit to be equal to that of a common unit. The aggregate capital account of our i-units will not be increased as a result of our ownership of additional i-units. Thus, each additional i-unit we own after a cash distribution to other unitholders generally will represent the right to receive additional allocations of such income and gain, or deduction and loss, on the liquidation of Enbridge Partners. As a result, we will likely realize taxable income or loss upon the liquidation of Enbridge Partners. However, no assurance can be given that there will be sufficient amounts of income and gain to cause the capital account attributable to each i-unit to be equal to that of a common unit. If they are not equal, we will receive less value than would be received by a holder of common units upon such a liquidation. We will also recognize taxable income or loss upon any sale or other taxable disposition of our i-units.

The anticipated benefit of an investment in our shares depends largely on the treatment of Enbridge Partners as a partnership for U.S. federal income tax purposes. No ruling has been or will be sought from the IRS and the IRS has made no determination as to Enbridge Partners status or the status of its operating partnerships as partnerships or disregarded entities for U.S. federal income tax purposes or whether Enbridge Partners operations generate qualifying income under Section 7704 of the Code. Instead, we rely on the opinion of counsel that, based upon the Code, its regulations, published revenue rulings and court decisions and the representations described below, Enbridge Partners and its operating partnerships have been and will be treated as partnerships or disregarded entities for U.S. federal income tax purposes.

Treasury Regulations pertaining to the classification of entities such as Enbridge Partners as partnerships or corporations for U.S. federal income tax purposes were significantly revised effective January 1, 1997. Pursuant to these revised Treasury Regulations, known as the check-the-box regulations, entities organized as limited partnerships or limited liability companies under domestic statutes are treated as partnerships or disregarded entities for U.S. federal income tax purposes unless they elect to be treated as associations taxable as corporations. Domestic limited partnerships and limited liability companies in existence prior to 1997 and classified as partnerships as of December 31, 1996, under the prior Treasury Regulations, would continue to be classified as partnerships after 1996 unless they elected another form of classification under the check-the-box regulations. Neither Enbridge Partners nor any of its operating subsidiaries (other than any corporate subsidiaries) has elected to be treated as an association taxable as a corporation under the check-the-box regulations.

In rendering its opinion, counsel has relied on factual representations made by us, Enbridge Partners and its general partner. The representations made by us, Enbridge Partners and its general partner upon which counsel has relied including the following:

- neither Enbridge Partners nor its operating subsidiaries have elected or will elect to be treated as an association taxable as a corporation;
- prior to January 1, 1997, (i) Enbridge Partners and each operating partnership were operated in accordance with applicable state partnership statutes and their respective partnership agreements, and (ii) the general partner of Enbridge Partners and each operating partnership, at all times while acting as general partner, had a substantial net worth on a fair market value basis (excluding any interest in, or receivables due from, Enbridge Partners and each operating partnership).
- for each taxable year, more than 90% of Enbridge Partners gross income has been and will be income from sources that such counsel has opined or will opine is qualifying income within the meaning of Section 7704(d) of the Code; and
- each hedging transaction treated as resulting in qualifying income by Enbridge Partners will be accurately identified as a hedging transaction pursuant to applicable Treasury regulations, and will be associated with oil, gas or products thereof that are held or to be held by Enbridge Partners in activities that such counsel has opined or will opine result in qualifying income.

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Section 7704 of the Code provides that publicly-traded partnerships will, as a general rule, be taxed as corporations. However, an exception, referred to as the Qualifying Income Exception, exists with respect to publicly-traded partnerships of which 90% or more of the gross income for every taxable year consists of qualifying income. Qualifying income includes income and gains derived from the marketing, transportation, storage and processing of crude oil, natural gas and products thereof. Other types of qualifying income include interest other than from a financial business, dividends, gains from the sale of real property and gains from the sale or other disposition of assets held for the production of income that otherwise constitutes qualifying income. Enbridge Partners estimates that less than 3% of its current gross income is not qualifying income; however, this estimate could change from time to time.

If Enbridge Partners fails to meet the Qualifying Income Exception, other than a failure which is determined by the IRS to be inadvertent and which is cured within a reasonable time after discovery, Enbridge Partners will be treated as if it had transferred all of its assets, subject to liabilities, to a newly formed corporation, on the first day of the year in which it fails to meet the Qualifying Income Exception, in return for stock in that corporation and then distributed that stock to the unitholders in liquidation of their interests in Enbridge Partners. This contribution and liquidation should be tax-free to unitholders and Enbridge Partners so long as Enbridge Partners, at that time, does not have liabilities in excess of the tax basis of its assets. Thereafter, Enbridge Partners would be treated as a corporation for U.S. federal income tax purposes.

If Enbridge Partners were treated as a corporation in any taxable year, either as a result of a failure to meet the Qualifying Income Exception or otherwise, its items of income, gain, loss and deduction would be reflected only on its tax return rather than being passed through to its unitholders, and its net income would be taxed to it at corporate rates. The automatic increase in the number of i-units we own after each quarterly distribution of cash to common unitholders generally would be taxed as a corporate distribution to us, with that distribution treated as either taxable dividend income, to the extent of Enbridge Partners current or accumulated earnings and profits, or, in the absence of earnings and profits, a nontaxable return of capital, to the extent of our tax basis in our i-units, or taxable capital gain, after our tax basis in our i-units is reduced to zero. Because a tax would be imposed upon Enbridge Partners as a corporation, the cash available for distribution to a common unitholder would be substantially reduced, which would reduce the value of additional i-units we own after a distribution of cash is made to other unitholders and the value of our shares distributed quarterly to you. Accordingly, Enbridge Partners treatment as a corporation would result in a substantial reduction of the value of our shares.

We urge each prospective shareholder to investigate the legal and tax consequences, under the laws of pertinent jurisdictions, of his investment in us. Accordingly, each prospective shareholder is urged to consult, and depend on, his tax counsel or other advisor with regard to those matters. Further, it is the responsibility of each shareholder to file all federal, state, local and foreign tax returns that may be required of him.

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INVESTMENT IN ENBRIDGE MANAGEMENT BY EMPLOYEE BENEFIT PLANS

An investment in Enbridge Management by an employee benefit plan is subject to certain additional considerations because persons with discretionary control of assets of such plans (a fiduciary) are subject to the fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA), and transactions are subject to restrictions imposed by Section 4975 of the Internal Revenue Code of 1986, as amended (the Code). As used in this prospectus, the term employee benefit plan includes, but is not limited to, employee benefit plans subject to part 4 of ERISA, such as, qualified pension, profit-sharing and stock bonus plans, as well as Keogh plans, Simplified Employee Pension Plans and tax deferred annuities or Individual Retirement Accounts (IRAs) established or maintained by an employer or employee organization which are not subject to ERISA but subject to Section 4975 of the Internal Revenue Code, or any entity whose underlying assets include plan assets by reason of such plans or accounts investing in the entity. Among other things, consideration should be given to (1) whether such investment is prudent under Section 404(a)(1)(B) of ERISA, (2) whether in making such investment such plan will satisfy the diversification requirement of Section 404(a)(1)(C) of ERISA, (3) whether the investment is for the exclusive benefit of plan participants and their beneficiaries and (4) whether such investment will result in recognition of unrelated business taxable income by such plan. Fiduciaries should determine whether an investment in Enbridge Partners is authorized by the appropriate governing instrument and is an appropriate investment for such plan.

Furthermore, Section 406 of ERISA and Section 4975 of the Code (which also applies to IRAs that are not considered part of an employee benefit plan; i.e., IRAs established or maintained by individuals rather than an employer or employee organization) prohibit an employee benefit plan from engaging in certain transactions involving plan assets with parties who are parties in interest under ERISA or disqualified persons under the Code with respect to the plan. Section 4975 of the Code imposes excise taxes upon any such parties or persons unless an exemption is available.

In addition, a fiduciary of an employee benefit plan should consider whether such plan will, by investing in Enbridge Management, be deemed to own an undivided interest in the assets of Enbridge Management under the Department of Labor plan assets regulation (and not merely owning an equity interest in Enbridge Management). In such an event, Enbridge Management would also be a fiduciary of the plan and Enbridge Management would be subject to the regulatory restrictions of ERISA including its prohibited transaction rules, as well as the prohibited transaction rules of the Code unless a statutory, regulatory or administrative exception or exemption applies. Under Department of Labor regulations, the assets of an entity in which employee benefit plans acquire equity interests would not be deemed plan assets if, among other things, (1) the equity interests acquired by employee benefit plans are publicly offered securities i.e., the equity interests are widely held by 100 or more investors independent of the issuer and each other, freely transferable and registered pursuant to certain provisions of the U.S. federal securities law, (2) the entity is an operating company i.e., it is primarily engaged in the production or sale of a product or service other than the investment of capital or (3) there is no significant investment by benefit plan investors, which is defined to mean that, immediately after the most recent acquisition of any equity interest in Enbridge Management less than 25% of the value of each class of equity interest is held by benefit plan investors as defined in Section 3(42) of ERISA. Enbridge Management s assets are not expected to be considered plan assets under these regulations because it is expected that the investment will satisfy the requirements in (1) above and may also satisfy the requirements in (2) and (3).

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UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement, we have agreed to sell to the underwriters named below, for whom Citigroup Global Markets Inc., J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC are acting as representatives, the following respective numbers of Listed Shares:

Underwriter	Number of Listed Shares
Citigroup Global Marke	