

Ottawa urged to change policy on capital gains tax

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## MARGIN CALLS

### KPMG signs Mickelson

**ENDORSEMENTS** • Phil Mickelson, golf's No. 2-ranked player, signed a three-year endorsement agreement with KPMG LLP, after the two-time Masters Tournament winner sued former sponsor BearingPoint Inc.

Mickelson will wear the logo of KPMG, the fourth-largest U.S. accounting firm, on his hat and appear in a variety of corporate events for the New York-based company.

"It's a lot more than just wearing a hat," KPMG chief executive Timothy Flynn said in a telephone interview. "Our quest and goal is to be the best, and Phil exemplifies that. It's a perfect match."

Mickelson, who is playing in the U.S. PGA Tour's Pebble Beach National Pro-Am tournament this week, has been searching for a new sponsor since December, when he sued BearingPoint in federal court for breach of contract. The parties reached an "amicable agreement" last week, according to a company statement.

Neither Mickelson nor the company would discuss details of the settlement.

### Domain name fetches \$1.1M

**INTERNET** • It may be the most ever paid for a single letter of an Internet address. A British travel company has paid \$1.1 million US for the domain name cruises.co.uk, a price that is effectively \$1 million just for the letter "S" since it already owns the address cruise.co.uk.

The sum shatters the previous record for a .co.uk domain of \$300,000, paid in October last year.

Seamus Conlon, whose company bought the address from a German travel company, said it was a necessary move to retain market dominance.

"Cruises" is consistently ranked first on Google, with 'cruise' just behind," he said. "We wanted the top positions so that when Internet users are searching for deals... we are the first port of call."

While the purchase is a record for Britain, it's far behind the huge sums paid for more popular .com addresses.

The most-expensive domain is sex.com, bought for \$12 million in 2005.

## HERALD ENERGY



Why setbacks haven't kept uranium producer Cameco from surging ahead

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## CONSTRUCTION VALUES SOAR



The value of building permits in Calgary rose 18.3 per cent in 2007.

AFP-Getty Images Archive

## Alberta, Ontario push building permits to record

Analysts warn 2008 likely to experience softening

GEOFFREY SCOTTON  
CALGARY HERALD

**C**ross-country strength led by substantial additions in Alberta and Ontario pushed the value of Canadian construction projects to another record in 2007 — and the strongest growth since 2002 — but the pace of expansion appears to be slowing.

Statistics Canada said Wednesday that a record \$74.3 billion of building permits were issued across the country in 2007, an \$8 billion, or 12.1 per cent, gain from 2006. About \$1.7 billion of the gain came in Alberta, which saw 12.8 per cent growth, while Ontario saw a \$3.4-billion increase, a 14.7 per cent gain.

Still, analysts were warning on Wednesday that a slowdown in the fourth quarter — there was a slim 0.6 per cent overall expansion nationally, with resi-

dential permits falling 1.9 per cent — suggests 2008 will see the home construction sector cool. Moreover, in December, overall permits rose just 0.4 per cent, with residential ahead 1.8 per cent, but non-residential off two per cent.

"The slower pace of residential permit activity in the fourth quarter points to a moderation in home construction spending in early 2008, although the softening is likely to be relatively limited against a backdrop of falling interest rates," said

Dawn Desjardins, a senior economist with RBC Financial Group, part of Royal Bank of Canada.

Desjardins noted that, in December, non-residential permits slipped to their lowest level since April, while single-family residential permits fell 3.2 per cent to the second-lowest level in six years. "The gain on the residential side was solely due to a rise in multi-unit permits," she said.

SEE PERMITS, PAGE C10

### Value of building permits

	2007 (\$MILLIONS)	2006 TO 2007 % CHANGE
Calgary	6,485.2	18.3
Edmonton	3,934.2	11.1
Vancouver	7,012.0	6.0
Regina	371.0	-0.1
Winnipeg	901.1	-1.5
Toronto	13,296.8	20.6
Ottawa-Gatineau, Ontario/Quebec	2,583.8	19.2
Montreal	6,509.7	7.9
Halifax	655.2	-6.6

SOURCE: STATISTICS CANADA. NOT SEASONALLY ADJUSTED.

## Enbridge quarterly profits gain 45%

Strong demand lifts earnings to \$248.6M

DINA O'MEARA  
CALGARY HERALD

**P**ipeline giant Enbridge Inc. reported a 45 per cent hike in profits to \$248.6 million during its fourth quarter, cashing in on efficient oil operations and higher demand for natural gas.

Net income during the quarter for Canada's largest pipeline company rose from \$171.1 million during the same quarter a year ago.

Colder than normal weather and a lower corporate interest expense boosted annual earnings by 14 per cent to \$700.2 million, compared with \$612.4 million in 2006.

Enbridge also increased its quarterly dividend payment Tuesday by 7.3 per cent.

The strong results were slightly offset by a soaring loonie, which trimmed about three cents from earnings per share, said Enbridge president and chief executive Pat Daniel.

"Our success in mitigating the impact of the dollar on our earnings reflect the strength of our core businesses and the substantial benefits of both operational and geographic diversification of the company," Daniel said in a conference call.

Enbridge operations include liquids and natural gas pipelines in Canada and the United States, as well as Canada's largest natural gas distribution company.

All operations showed improvement over last year, but the most significant increase was seen on the oil pipeline

business, where Enbridge hit major performance targets, accruing bonuses of around \$11 million.

"More importantly, we've actually seen a reversal in the recent trend on the expense side within the pipeline operations," said Larry Pendill, senior analyst with Edward Jones.

Enbridge attributed the leaner result to lower oil losses, a trend Pendill doubted could be sustained.

"I think expense containment, particularly as they execute on these major growth initiatives over the next four to five years, will continue to be a challenge," he said.

Enbridge has invested in multibillion-dollar projects with a focus on transporting growing production from Alberta's oilsands to refiners in the U.S. Midwest and Gulf Coast.

About \$12 billion in projects, both oil and natural gas, on and offshore, are expected to come online within the next two years, injecting substantial revenues to Enbridge coffers and pushing up earnings growth by 10 per cent to 2012.

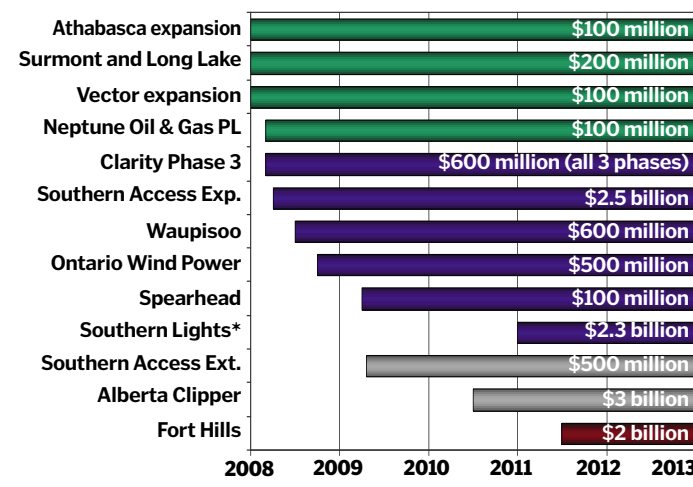
The company also has another \$14 billion in second-wave projects beyond 2011 to boost capacity and develop new markets, possibly financed through asset sales.

Included in the second phase is the Texas Access joint venture with ExxonMobil Pipeline Co., which would transport crude from the oilsands to refiners along the Texas Gulf Coast by 2011.

Both producers and refiners in the region will be able to take advantage of the \$10 differential between Canadian heavy oil priced in Alberta and the Mayan Mexican product priced in the Gulf Coast, Daniel said.

SEE ENBRIDGE, PAGE C10

### Enbridge in-service dates and capital cost



\* Also awaiting regulatory approval  
Source: Enbridge

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