

15<sup>TH</sup> ANNUAL INVESTMENT COMMUNITY CONFERENCE

# ENBRIDGE DAY

2013

**Gas Transportation**

**Mark Maki**

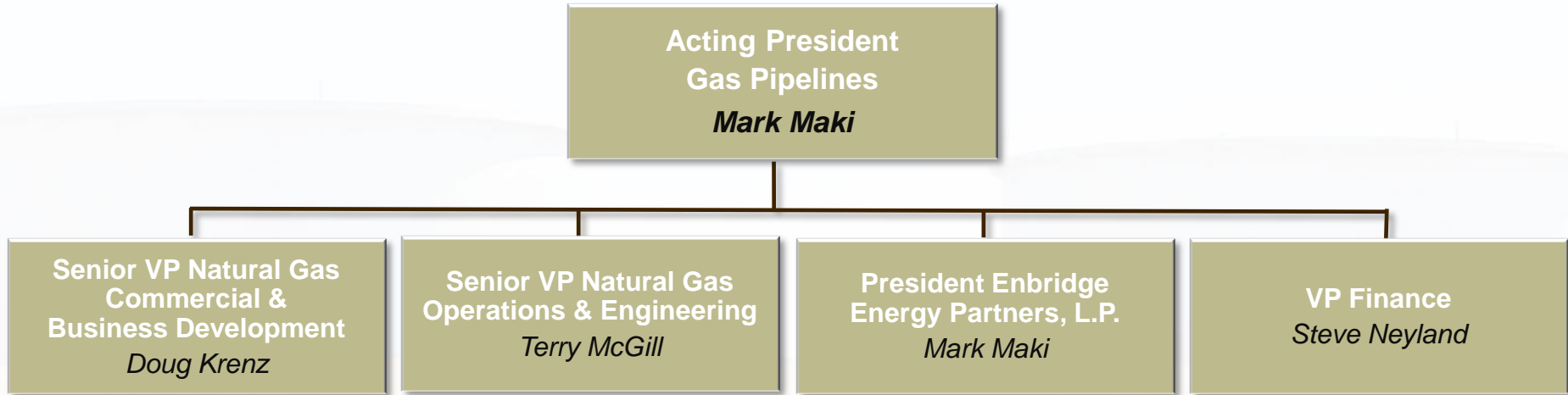
Acting President, Gas Pipelines

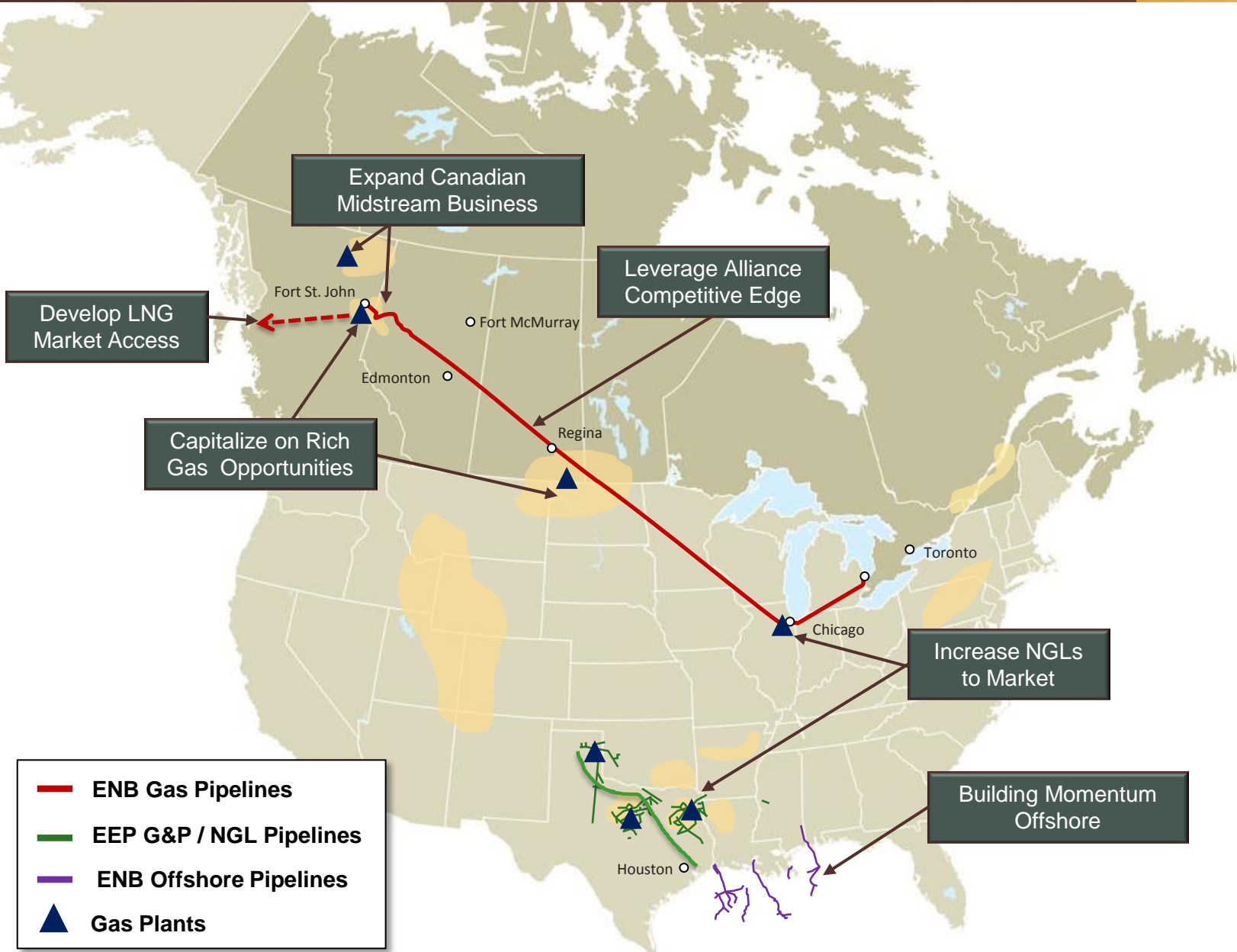


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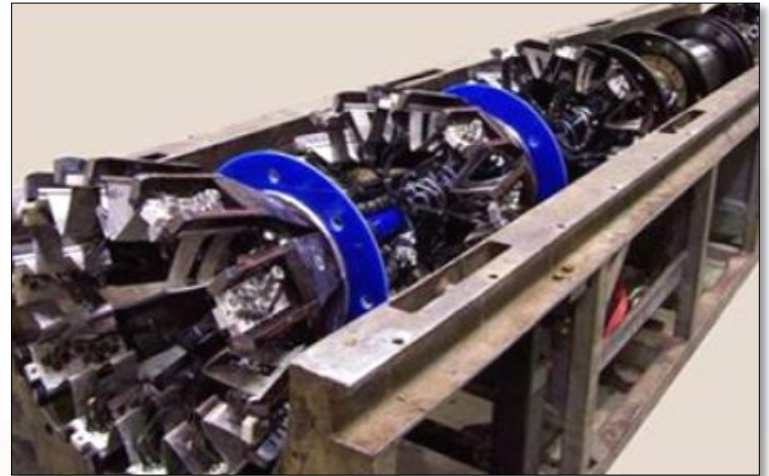
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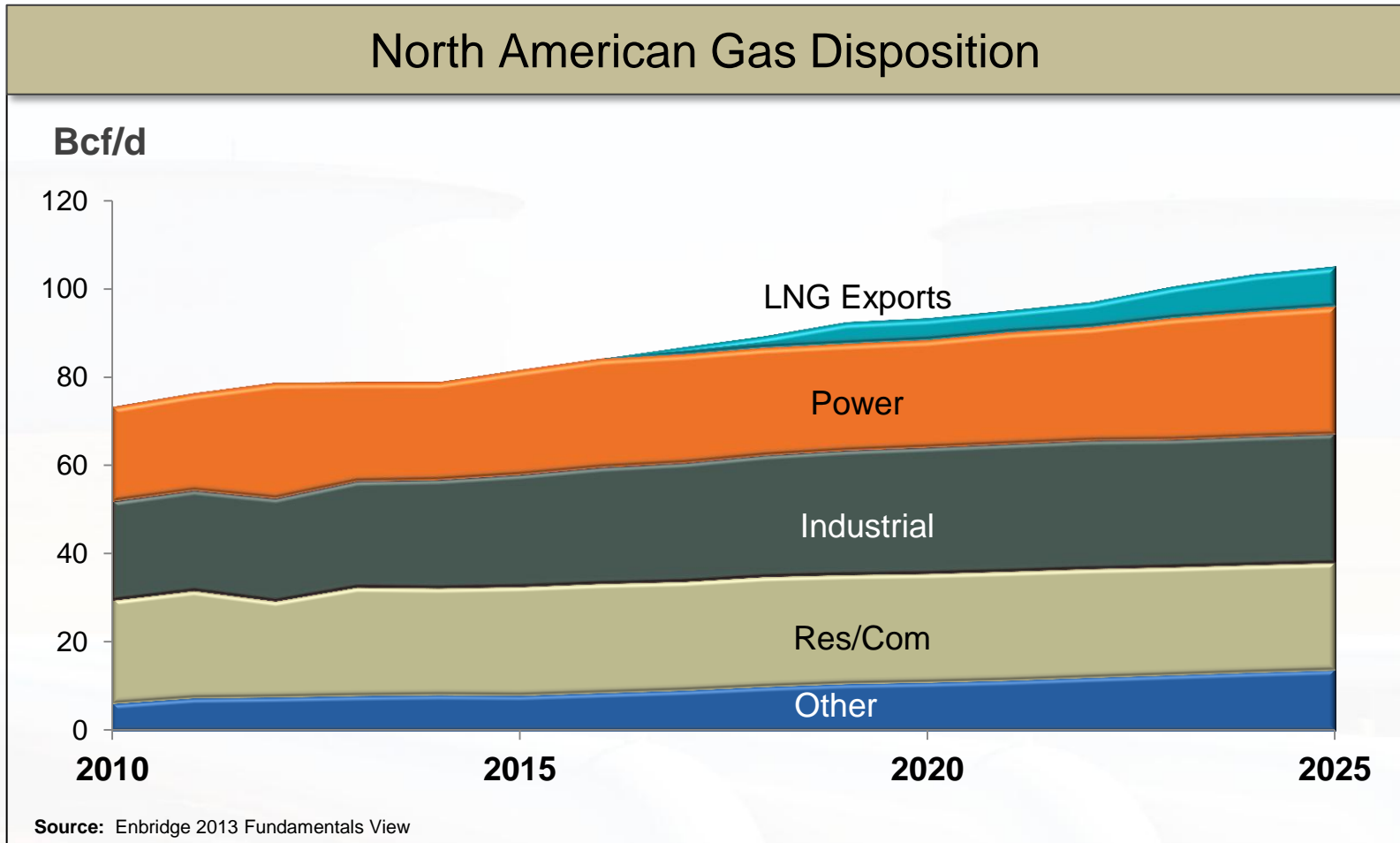
This presentation will make reference to certain financial measures, such as adjusted net income, which are not recognized under GAAP. Reconciliations to the most closely related GAAP measures are included in the earnings release and also in the Management Discussion and Analysis posted to the website.





- Comprehensive Integrity Management Program
- Increased line patrols, in-line inspections & incident response capabilities
- Control center enhancements
- Installation of EFRD (emergency flow restricting devices) to protect High Consequence Areas (HCAs) on liquids & gas transmission lines
- Implementation of industry leading best practices
- Strengthened the safety culture

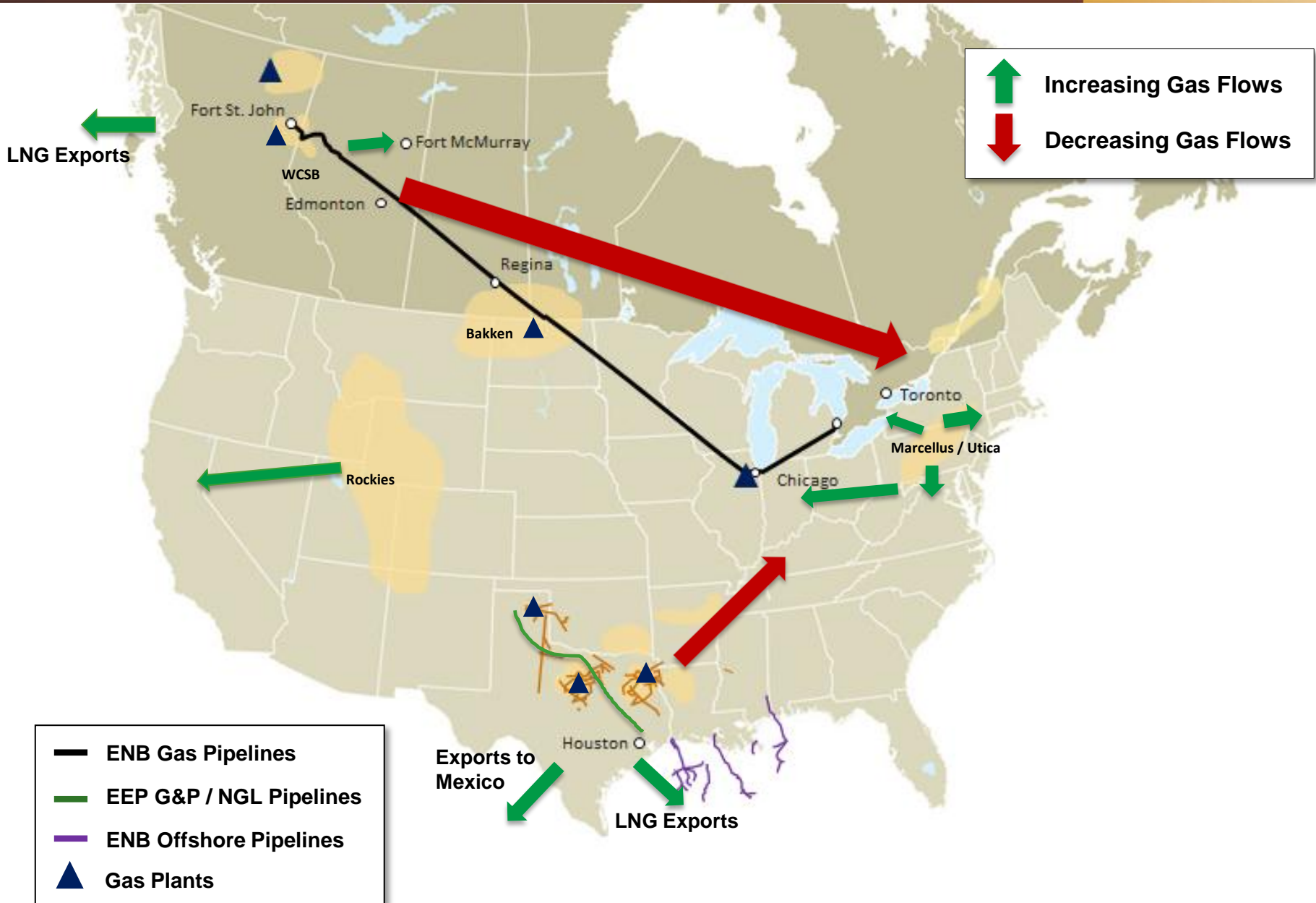




- North American growth driven by power generation and industrial use
- LNG exports scheduled to commence in 2016



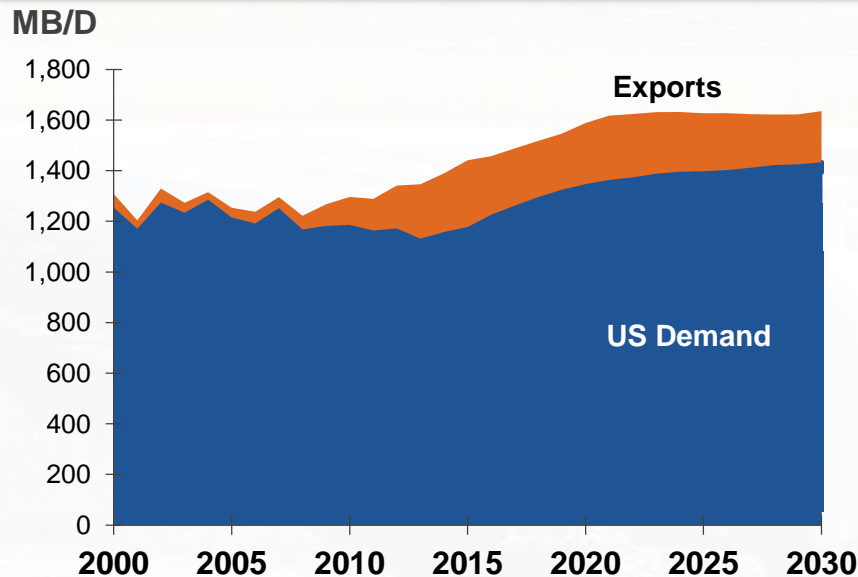
# Changing Gas Flows



- North America is the world's second lowest cost producer of ethylene
- Demand for plastics accelerating in developing regions

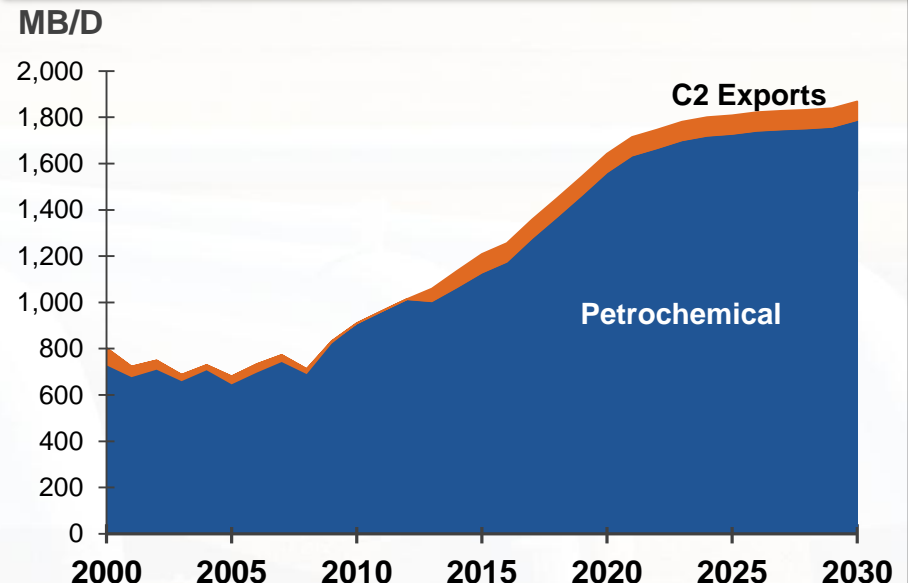
| Announced Projects |                  |                              |                            |                      |
|--------------------|------------------|------------------------------|----------------------------|----------------------|
| Company            | Location         | Est. Capacity Billion Lbs/yr | Cracking Capability (MBPD) | Estimated Completion |
| Formosa            | Pt. Comfort, TX  | 1.76                         | 53                         | 2016                 |
| Exxon              | Baytown, TX      | 3.30                         | 95                         | 2016                 |
| Dow                | Freeport, TX     | 2.60                         | 77                         | 2017                 |
| CP Chemical        | Cedar Bayou, TX  | 3.30                         | 95                         | 2017                 |
| Shell              | Western PA       | 2.60                         | 78                         | 2018                 |
| Sasol              | Lake Charles, LA | 2.67                         | 79                         | 2018                 |
| <b>TOTAL</b>       |                  | <b>16.2</b>                  | <b>477</b>                 |                      |

### US Propane Disposition



Source: IHS CERA

### US Ethane Disposition

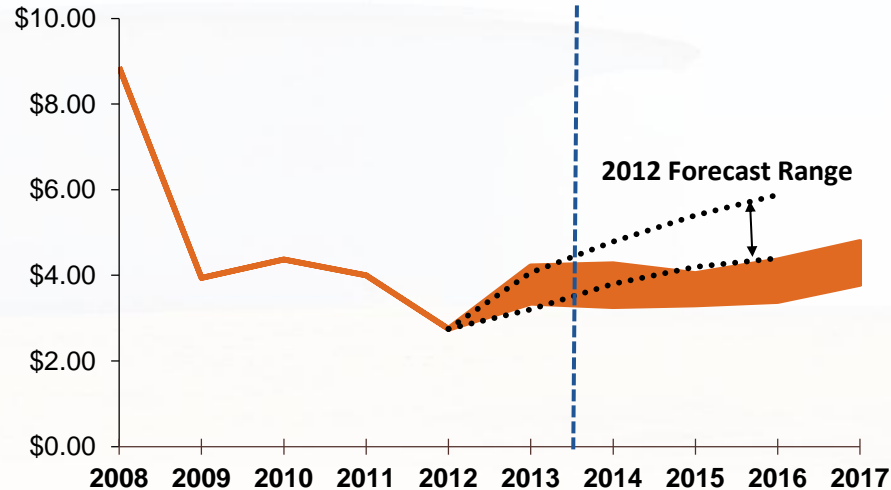


Source: IHS CERA



## Henry Hub Prices

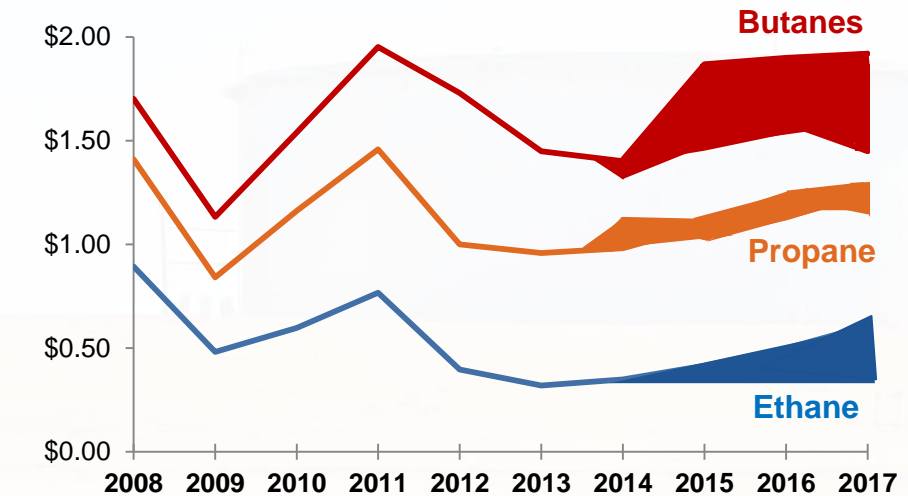
US\$/MMBtu



Source: Enbridge and Industry Forecasts

## NGL Product Prices

US\$/gal

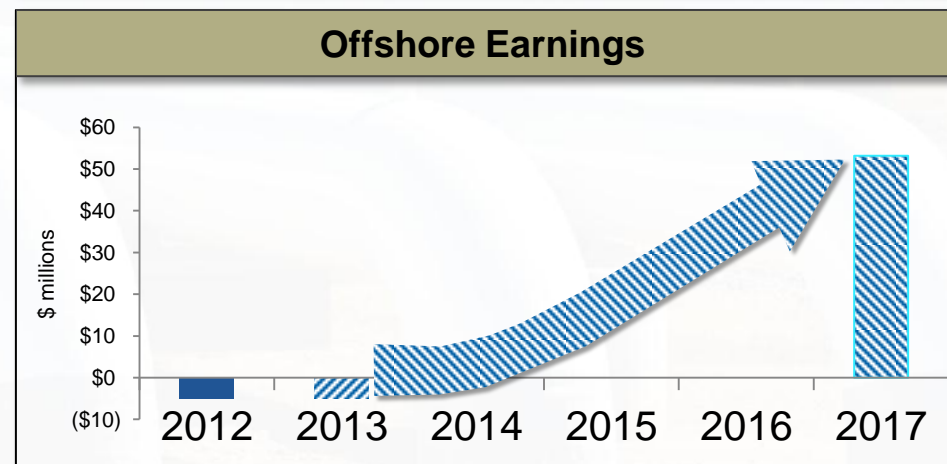
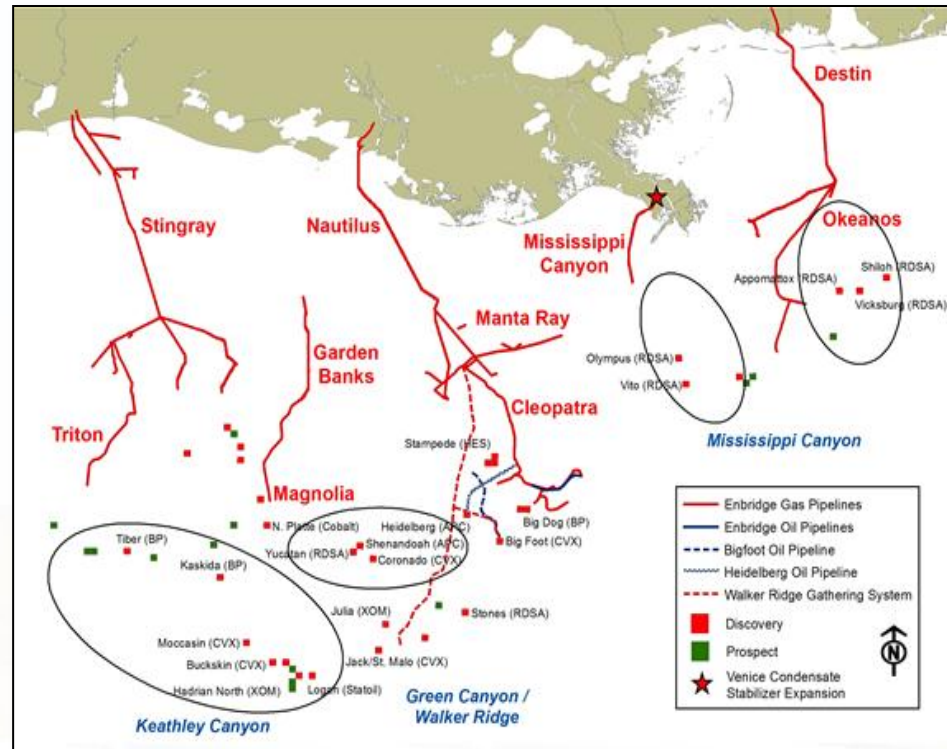


Source: Enbridge and Industry Forecasts

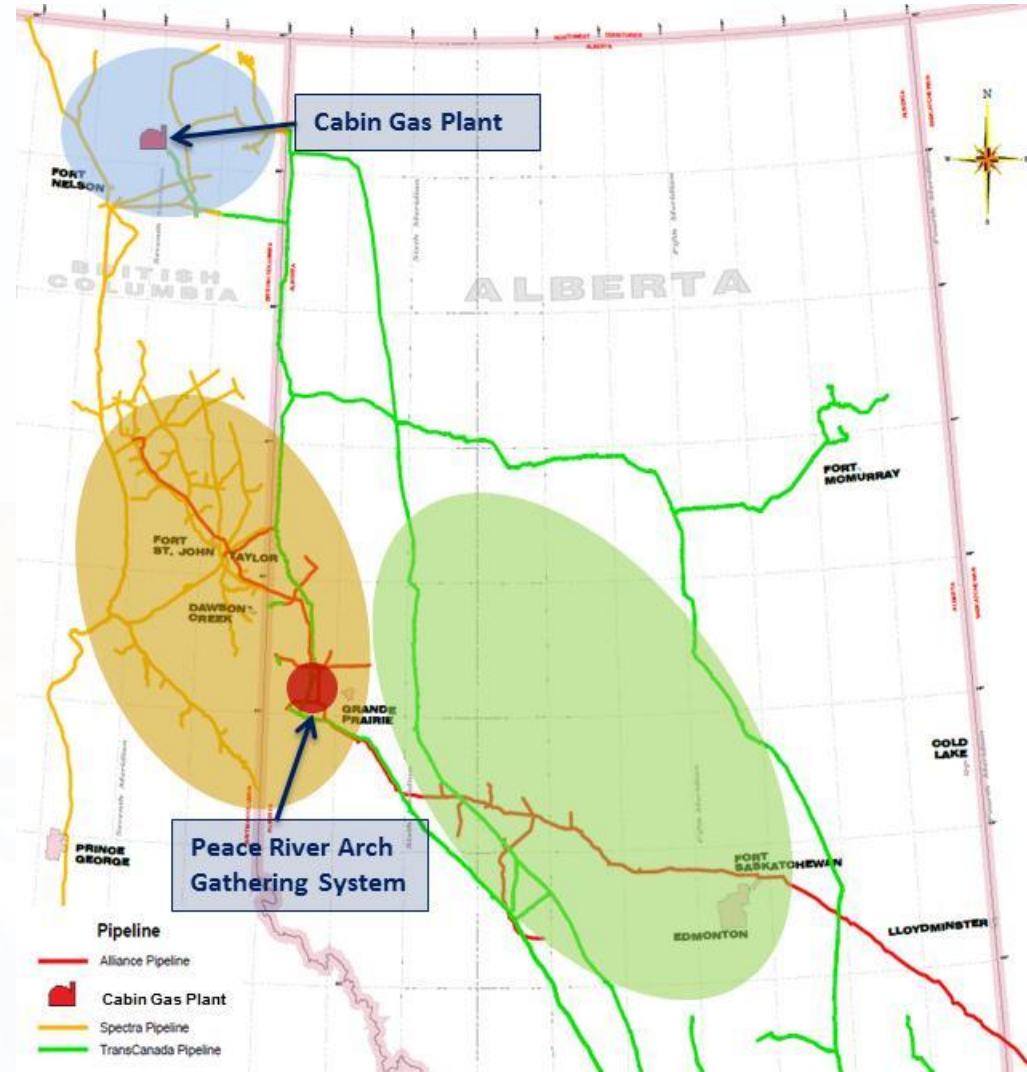
- Coal plant retirements will result in incremental gas-fired generation
- Abundance of low-cost gas limits sustained price increases

- Increasing exports critical to balance market
- Speed of ethane recovery dependent on new petrochemical facilities

- **Legacy Investment \$0.6B**
- **Commercially Secured : \$1.0B**
  - Venice Expansion (Q4/13)
  - Walker Ridge Gathering (Q3/14)
  - Big Foot Oil Pipeline (Q4/14)
  - Heidelberg Oil Lateral (2016)
- **Potential Opportunities: \$1.5B**



- **Commercially Secured: \$1.1B**
  - Cabin Phases 1 & 2
  - Peace River Arch Gathering
- **Potential Opportunities: \$4.5B**
  - Cabin expansion phases (3–6)
  - Peace River Arch expansion
  - Montney, Duvernay and other Deep Basin infrastructure
  - Regional condensate & NGL pipelines & processing infrastructure

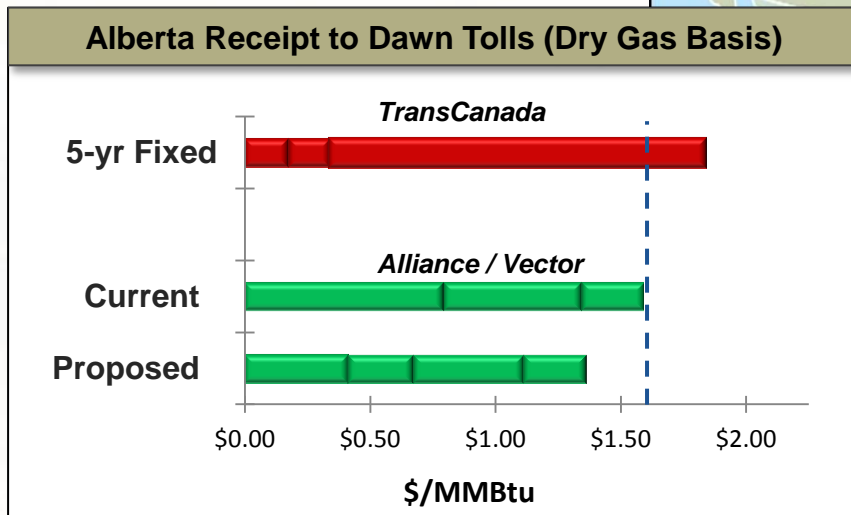
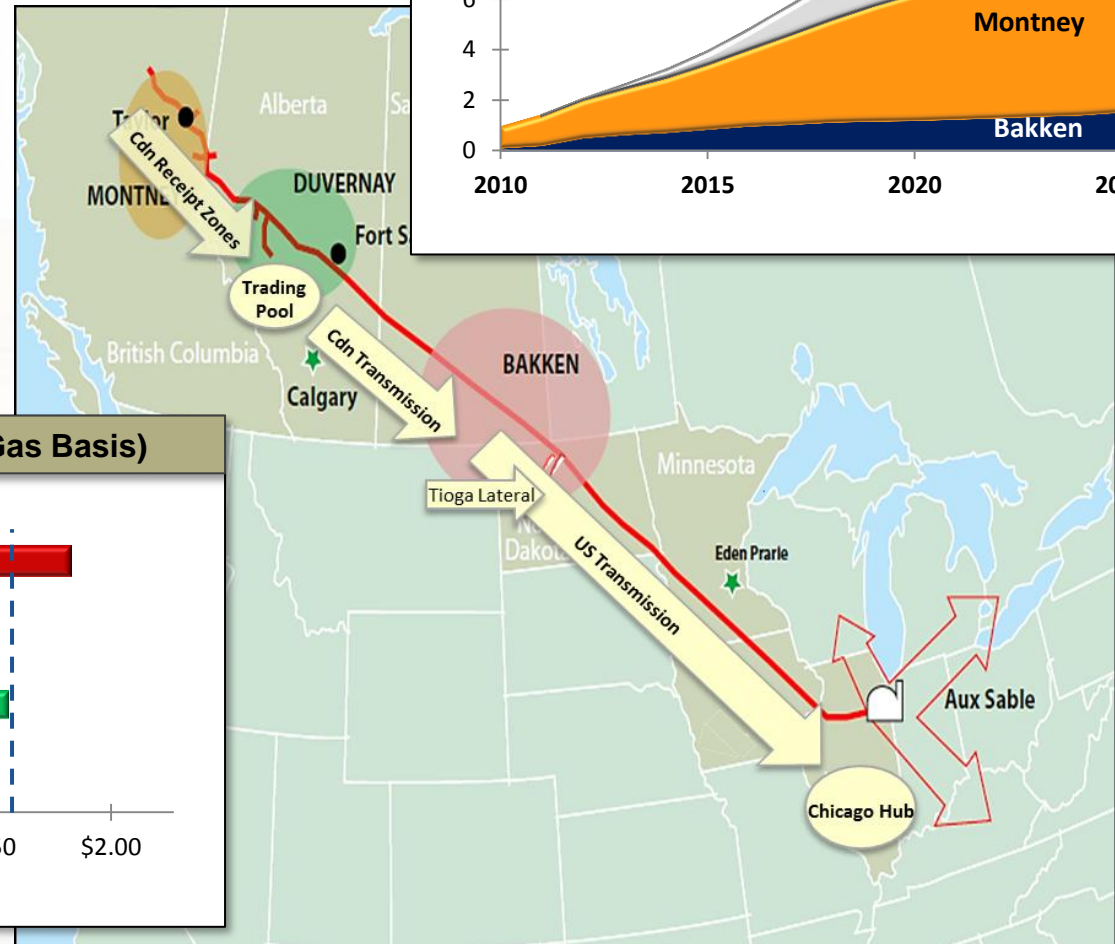
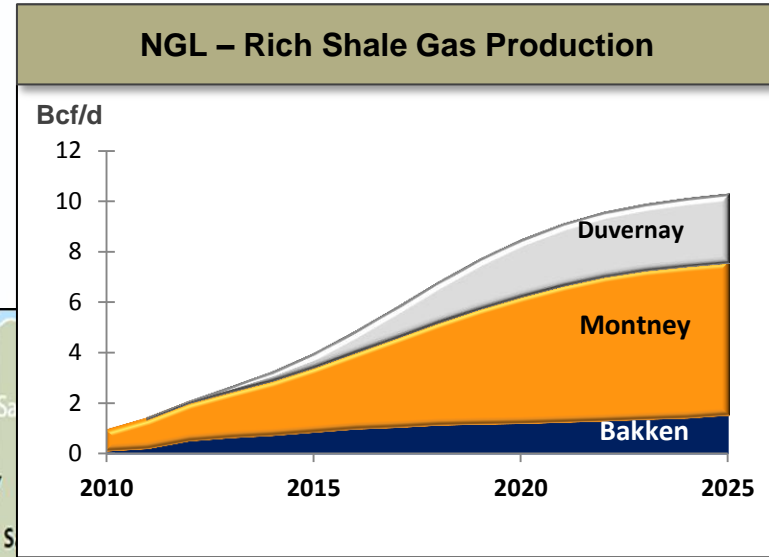


- Horn River
- Montney
- Duvernay



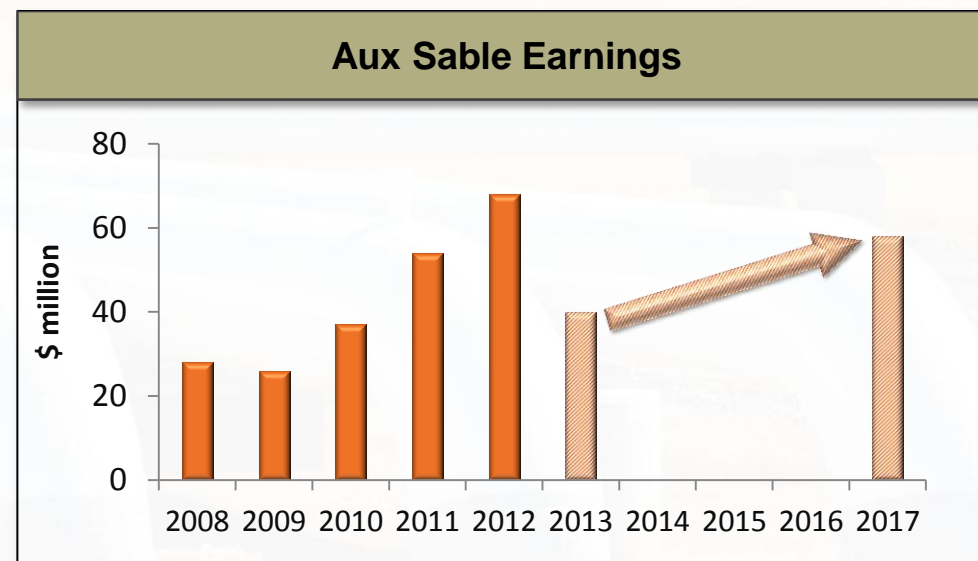
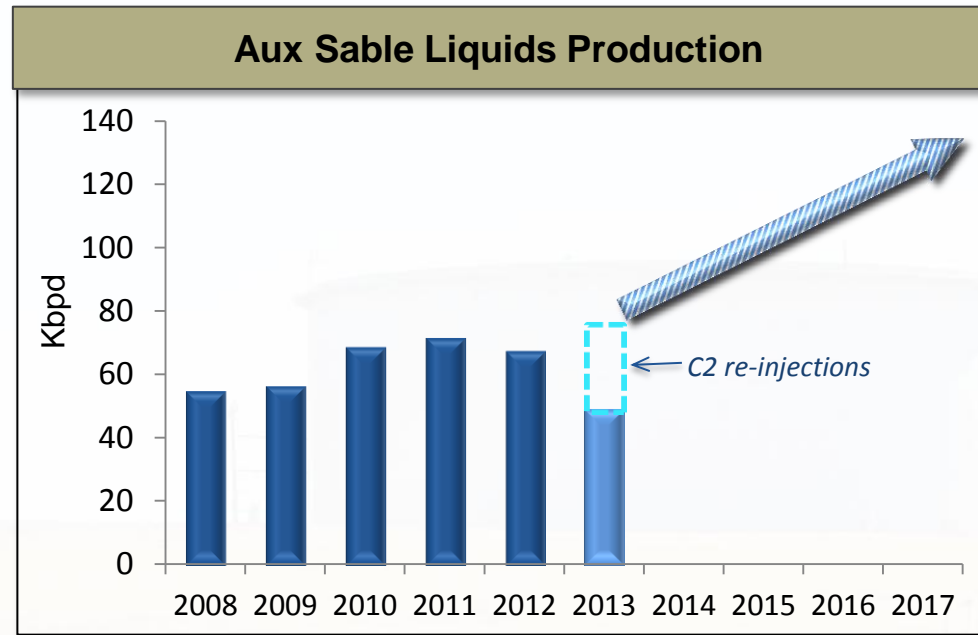
# Leverage Alliance Competitive Edge

- Well positioned in WCSB liquid rich plays & Bakken
- Lower cost export capacity
- New post-2015 suite of services will enhance competitiveness & provide NGL value to producers

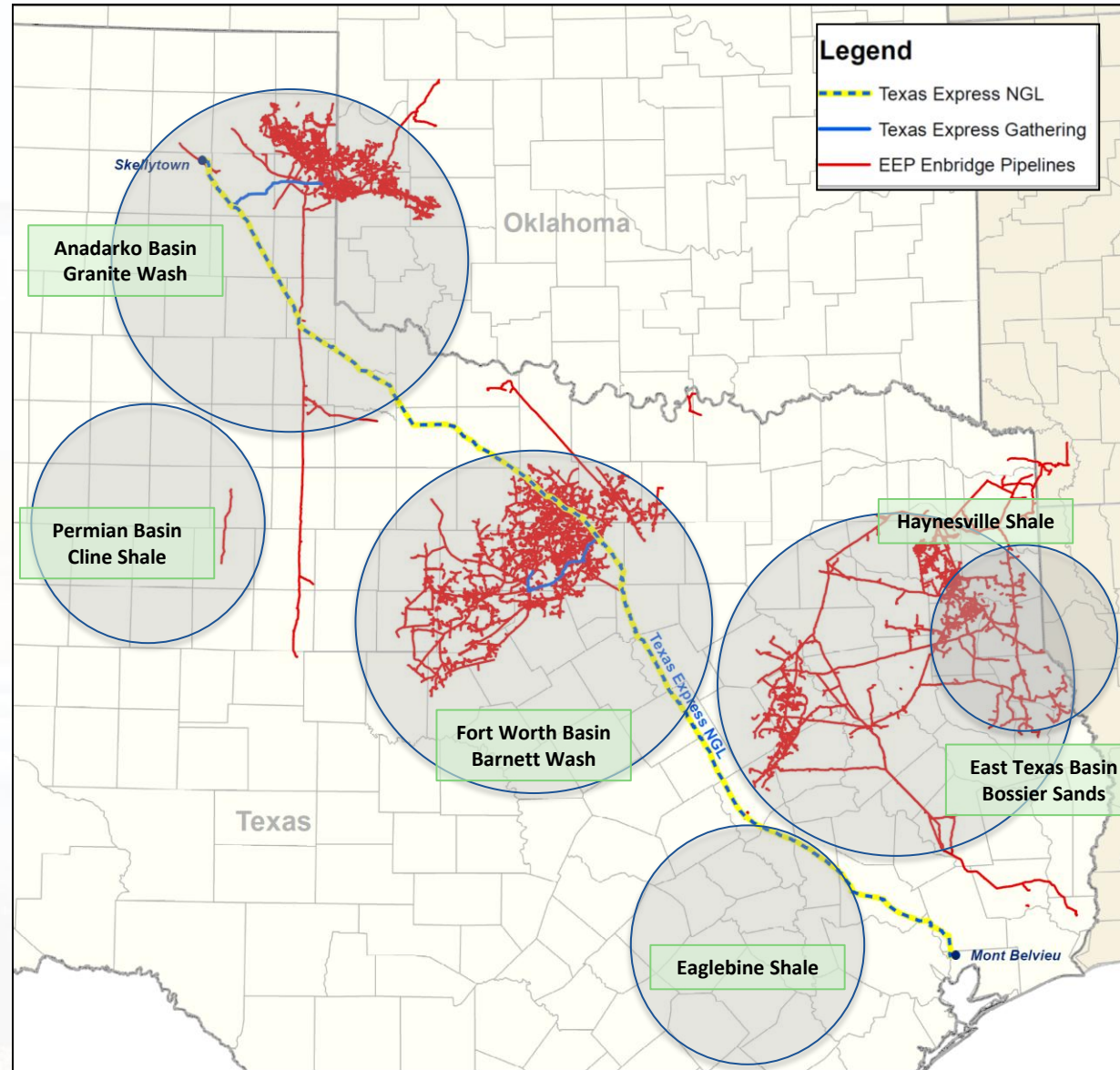


# Capitalize on Rich Gas Opportunities – Aux Sable

- Utilizing Rich Gas Premium contracts to increase NGL content
  - Producers avoid costly field plant investment
  - Provides competitive gas & NGL netbacks / price transparency
  - Access to larger / liquid markets
- Expanding presence in the WCSB & Bakken
- Expanding / diversifying NGL feedstock through rail/truck, including Utica & Marcellus



- Assets strongly positioned to benefit from rich gas development
- Tremendous potential from future shale exploitation
- Substantial NGL processing capability
- Enhancing access to capital





- Capture opportunities from building offshore momentum
- Expand Canadian Midstream business including regional condensate & NGL pipeline & processing infrastructure
- Leverage Alliance / Aux Sable competitive edge
- Restructure US G&P business to enhance access to funding
- Enhance earnings & return on equity by 2017
- Build foundation for increased diversification & natural gas participation

# Q & A

## Gas Transportation