

# Utilities

**grow organically.  
minimize risk.  
streamline.**



Cynthia Hansen  
EVP, Gas Distribution and Power Operations

## Gas Distribution



Serving 3.5 million retail customers

North American  
Liquids Pipelines



U.S. Transmission



Natural Gas  
Utilities



Canadian Transmission  
& Midstream



Renewable Power



U.S. Midstream



## Best in Class Utility Footprint



### Key element of Enbridge's low risk business profile

- Largest and best situated gas distribution franchises in Canada
- Highly valued asset base underpinned by regulated, low risk business model with incentive upside
- Exceptional ongoing rate base growth driven by 50,000+ annual customer adds
- Strong regulated transmission and storage businesses supporting Ontario, Quebec and other North East markets
- Operating as separate utilities; significant future streamlining opportunities for growth and value creation



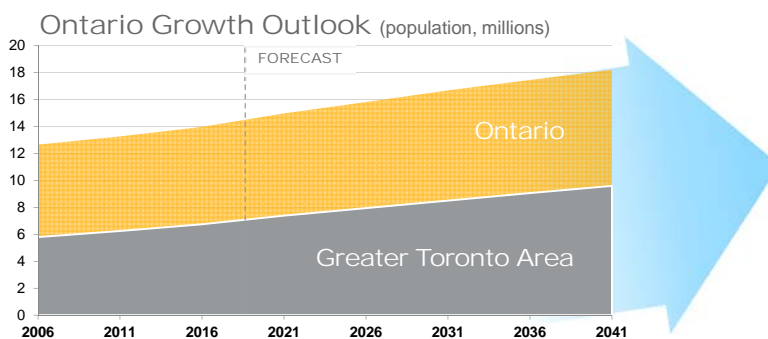
	Enbridge Gas Distribution	Union Gas	Total
Customers	2.1MM	1.4MM	3.5MM
2016 new customers	~30,000	~22,000	~52,000
Rate base	\$5.9B	\$4.8B	\$10.7B

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## Competitive Positioning



### Ontario economic and population growth to continue driving rate base



#### N.A. Largest Cities

- 1 New York City
- 2 Los Angeles
- 3 Chicago
- 4 Dallas-Fort Worth
- 5 Houston
- 6 Toronto
- 7 Washington DC
- 8 Philadelphia
- 9 Miami
- 10 Atlanta

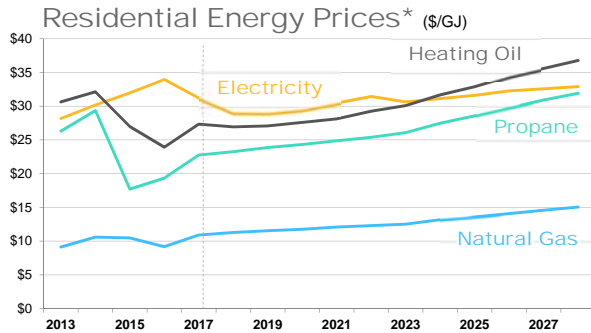
Greater Toronto Area is one of North America's largest and fastest growing regions

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## Competitive Positioning



### Natural gas cost competitiveness further supports rate base growth



\* Composite Ontario market pricing

- Natural gas is the most competitively priced fuel source

- Low cost supply diversity: Access to Utica and Marcellus in addition to WCSB and Midcontinent
- Comprehensive distribution footprint

Natural gas expected to remain the lowest cost energy alternative

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## Dawn Hub Competitive Position



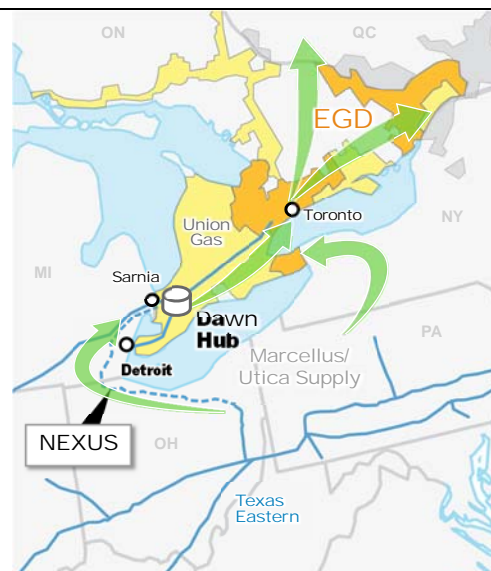
### Opportunities for growth of storage and transmission system

- Dawn Hub is the second most liquid, physically traded hub in North America

- Attractive hub that connects existing and emerging supply basin with strategic markets
- 276 Bcf of storage capacity at Dawn Hub
- Increasing gas flows at Dawn hub support additional asset growth

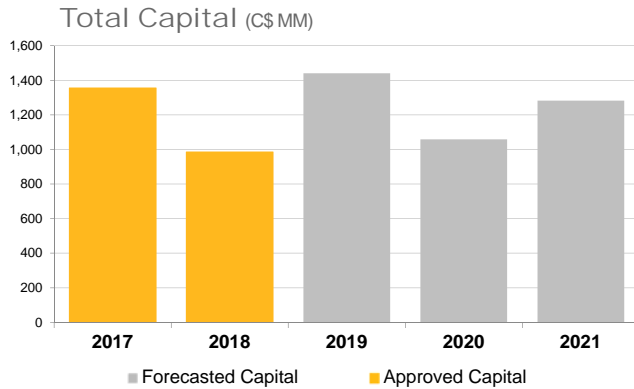
- Dawn-Parkway Transmission

- Expansion, growing capacity to ~8 Bcf/d
- Regulated rates, fully contracted, high quality customers
- Reliable service to downstream consumer markets



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## Strong continued capital deployment outlook

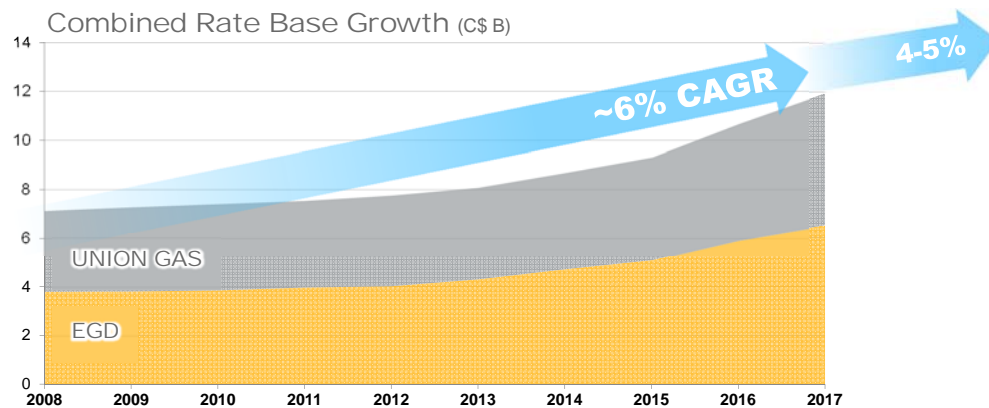


- Annual capital deployment of >\$1B
- Core regulated growth capital to meet strong customer additions
- Diversified growth opportunities include
  - Transmission and storage projects
  - Community expansion
  - Extension of utility platform - natural gas for transportation

Solid portfolio of regulated growth projects

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## Strong and Consistent Rate Base Growth



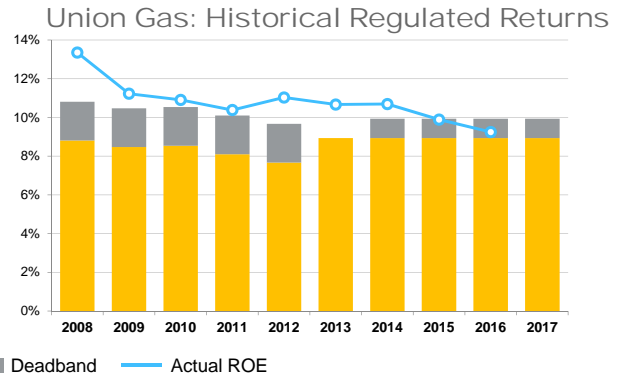
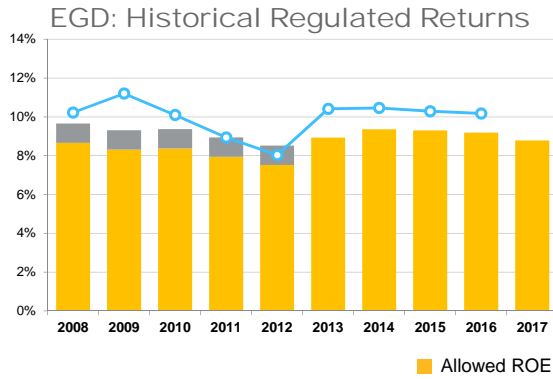
Ontario expected to drive continued strong rate base growth of 4-5% per year

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## Historical Financial Performance



Stable low-risk regulated business delivers strong risk adjusted returns



Strong History of Delivering Superior Returns at or above Allowed ROE

Deadband is the spread over the regulated ROE that the Utility can keep all its earnings, returns over the deadband is shared with ratepayers  
ROE charts reflect regulated operations only and exclude earnings from unregulated storage

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## Combined Platform Provides Future Growth Opportunities



- Leverage combined asset platform of distribution, transmission and storage
- Integrate operations
  - Capital and operating cost synergies
  - Leverage best practices across the entire footprint
- Leverage gas footprint to provide integrated gas electric solutions



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## Gas Distribution Key Priorities Summary



### grow organically.

- Strong continued rate base growth
- Expansions of Dawn area infrastructure
- Attach new communities

### minimize risk.

- Establish new, balanced regulatory framework with incentive upside

### streamline.

- Significant opportunity to achieve rate payer and shareholder synergy benefits

# Q&A

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