

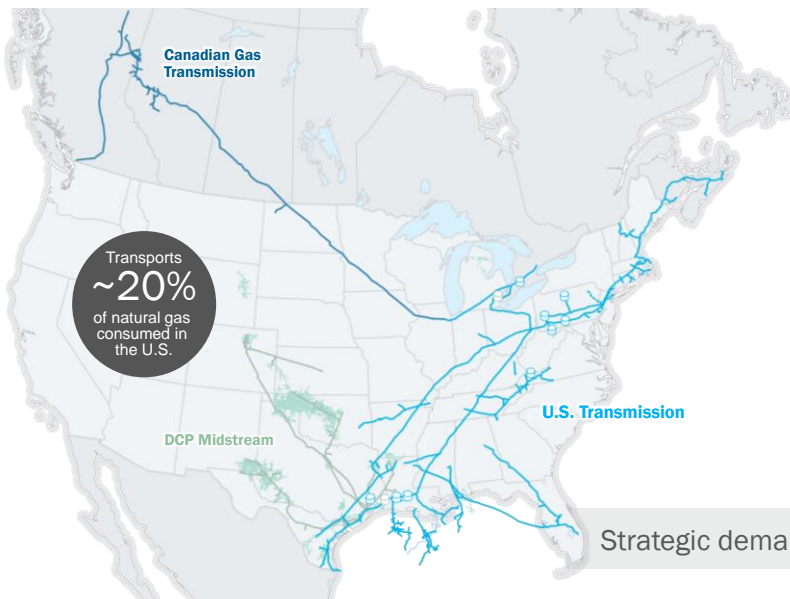
# Gas Transmission



**Bill Yardley**  
President & Executive Vice President, Gas Transmission & Midstream



## Premier Gas Transmission Footprint



### Strategic Asset Positioning

- Last mile connectivity into key North American demand centers
- Access to all major supply basins
- Well-positioned to support LNG growth

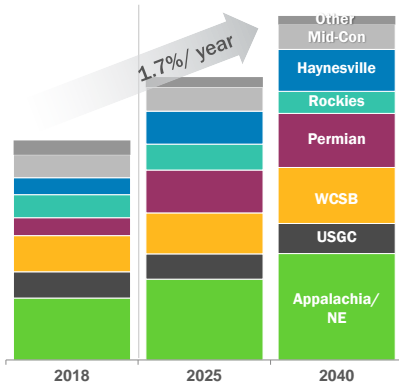
### 2019 Accomplishments

- ✓ ~99% contract renewal rate
- ✓ Texas Eastern rate case settlement
- ✓ Advancing LNG supply strategy

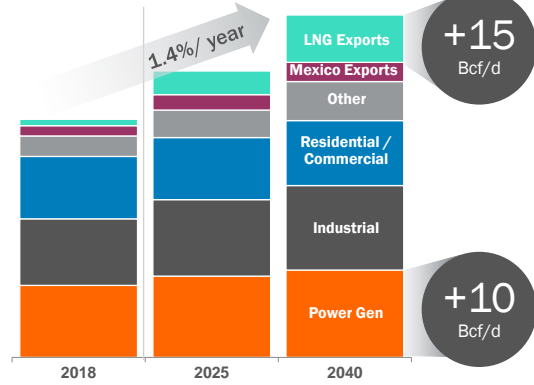
Strategic demand-pull systems positioned for growth

# Growing N.A. Gas Supply and Demand

### N.A. gas production



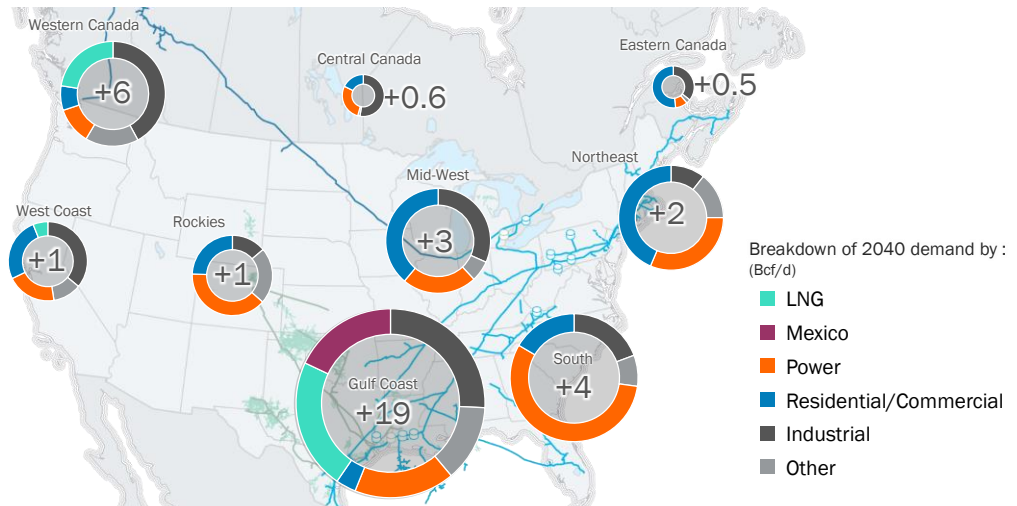
### N.A. gas consumption



Significant production growth will satisfy increasing domestic demand, remainder for export

Source: Woodmac, IEA 2019

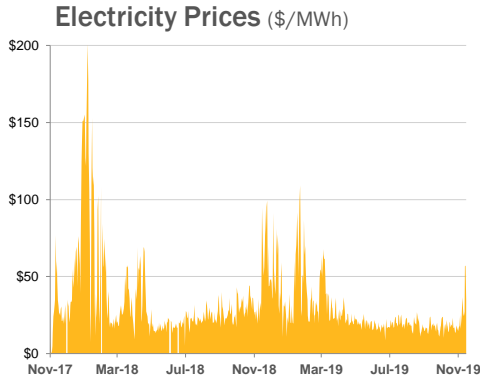
# Regional N.A. Demand Growth Forecast (2040)



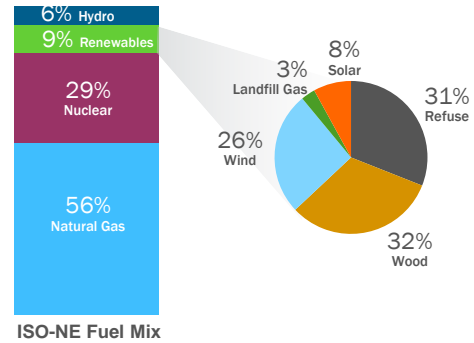
Significant gas demand growth centered in the USGC, with broad based increases across N.A.

Source: IEA 2019, Wood Mackenzie.

# US Northeast Power Generation



## U.S. Northeast Power Generation



Price volatility highlights need for additional clean, low cost, natural gas power generation

Source: ISO New England

# LNG Fundamentals & Opportunity

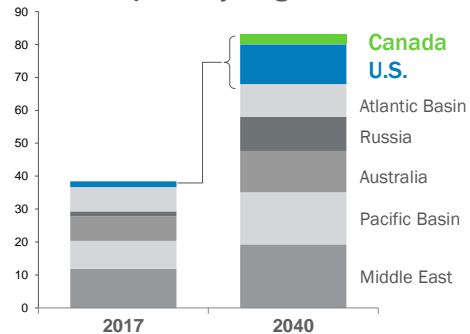


North American LNG will grow to one third of global exports

## N. A.'s LNG Export Competitiveness

Resource life	✓
Cost to produce	✓
Proximity to market	✓
Access to capital	✓

## LNG Exports by Region (Bcf/d)



Highly competitive North American supply needed to meet demand growth in Asia and Europe

Source: IHS Markit, IEA 2019

# Gas Transmission – Strategic Priorities



## Optimize the Base Business

- Continued high contract renewal rate
- Invest in modernization of existing infrastructure
- Advance strategy to ensure fair and timely cost recovery through rate proceedings
- Cost management

## Execute Secured Capital Program

- Deliver ~\$4B of secured growth projects into service

## Grow Organically

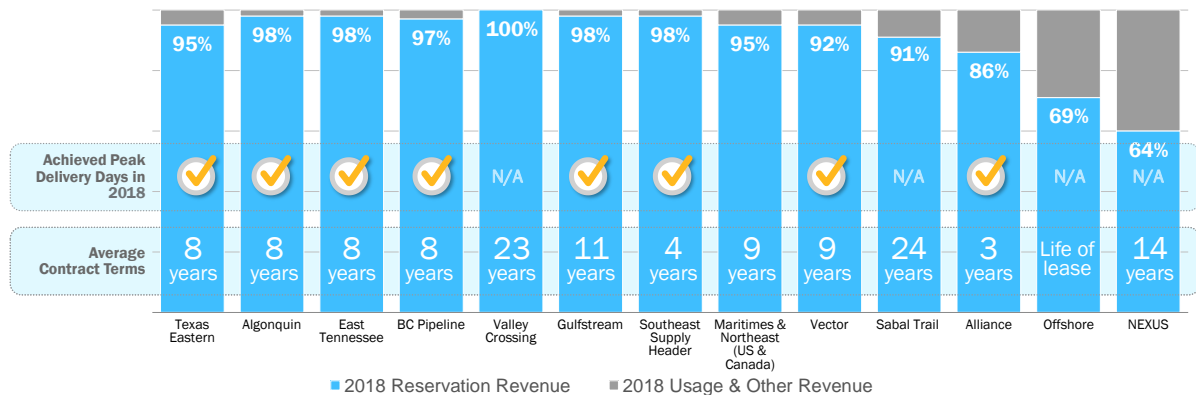
- Capital efficient system extensions and expansions
- Leverage footprint to participate in LNG buildout in Canada and USGC

## Optimize Base Business

# Maintain Stable Revenue Base



**GTM Reservation Revenue** (Based on revenues for 12 months ended 12/31/18)



Diverse and stable core business provides platform for growth

Optimize Base Business

## System Modernization



### Opportunities across footprint

- Ongoing program to upgrade existing infrastructure
- Costs to be recovered through periodic rate proceedings
- Seeking to optimize timing of capital spend and rate proceedings

**US\$0.8B**  
of capital  
in 2020



Compressor station upgrades



System enhancements and integrity work

Maintain long-term resiliency of asset base as demand for natural gas grows

Optimize Base Business

## More Frequent Rate Proceedings



### Texas Eastern

- 2018 Rate Base: \$5.6B
- Filed rate case settlement agreement with FERC on October 28, 2019
- System rate increase provides US\$50-70MM EBITDA upside
- Expect to finalize 2Q20



### Algonquin



### East Tennessee



### BC Pipeline



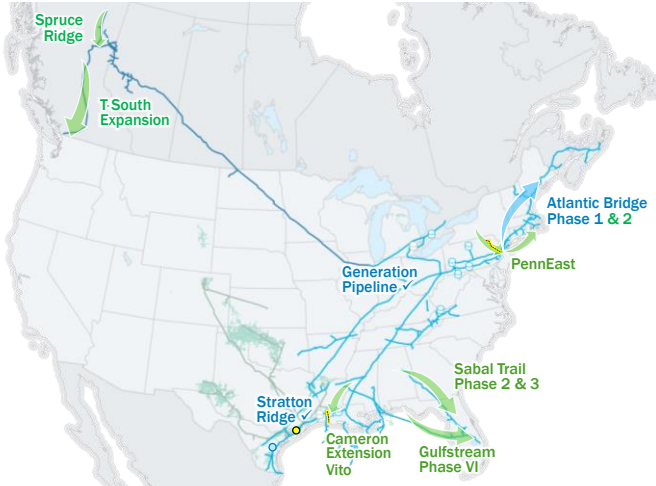
### Alliance



Actively managing rate filings to ensure timely and fair return on current and future capital

Execute Secured Capital Program

# Continued Progress on Secured Project Inventory



**Completed in 2019**

	Capital	ISD
Atlantic Bridge - Phase1	US\$0.1	In-service
Stratton Ridge	US\$0.2	In-service
Generation Pipeline	US\$0.1	In-service
<b>TOTAL 2019:</b>	<b>\$0.5B</b>	

**In Execution 2020+**

Atlantic Bridge - Phase 2	US\$0.1	2020
PennEast	US\$0.2	2020 <sup>1</sup>
System Modernization	US\$0.8	2020
Spruce Ridge	\$0.5	2021
T-South Expansion	\$1.0	2021

Other expansion projects:

- Vito Pipeline
- Cameron Extension
- Gulfstream - Phase 6
- Sabal Trail - Phase 2 & 3

**TOTAL 2020+: ~\$4B**

~\$4B of system expansions/extensions

<sup>1</sup> ISD under review

Grow Organically

# Focus on Footprint Extensions and Expansions



Western Canada



U.S. Gulf Coast Markets

U.S. Northeast & Southeast

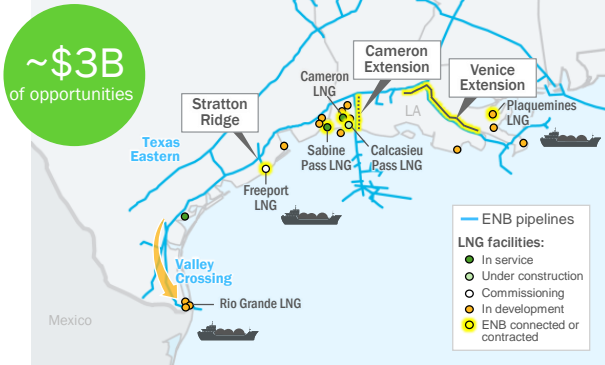
Systems competitively positioned to secure growth from evolving supply/demand patterns

Grow Organically

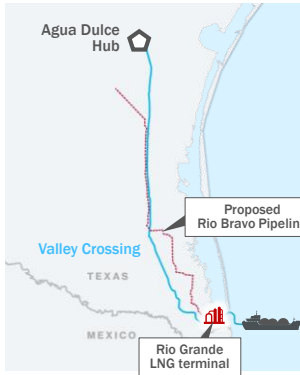
# Gulf Coast Market - LNG Opportunities



## USGC LNG Opportunities



## Rio Bravo Pipeline

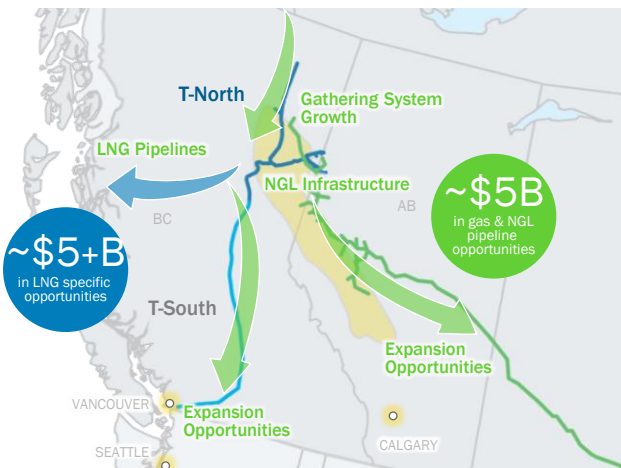


- Announced MOU with NextDecade to explore joint development opportunities to supply the Rio Grande LNG facility

Long history of supporting LNG supply, with significant opportunities under development

Grow Organically

# Western Canada Opportunities



## Westcoast System Expansions

- **T-North & T-South:** Expansions to accommodate domestic and LNG export demand, as well as system reinforcements to ensure deliverability

## NGL Infrastructure

- **Project Frontier:** Early stage development project to manage NGL content on Westcoast system
- Fixed fee for service framework

## LNG Supply

- Leverage Westcoast Connector permitted pathway
- Other new project developments

Enbridge well-positioned to capture diverse range of organic expansion and extension opportunities

Grow Organically

## Power Generation & Industrial Demand



### Power Generation Market

- Further coal retirements planned through 2025
- Low-cost natural gas positioned to replace aging coal facilities
- Growth in renewables requires stable base load gas fired generation

### Industrial Demand

- Continued growth in U.S. petro chemical demand

Gas fired power generation replacing coal, providing system expansion opportunity

## Strong ESG Track Record to Support Growth



### Operations



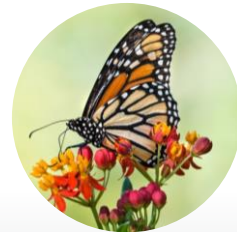
- Industry commitment to reduce methane emissions
- Continuous engagement with regional stakeholders to support community safety initiatives

### Incorporating Renewables



- Employ adjacent solar installations to self-power compressor stations
- Integrate renewables with existing gas infrastructure

### Construction



- **Valley Crossing:** 42-mile segment is one of largest uninterrupted pollinator pathways in US
- **NEXUS:** FERC noted environmental compliance program sets the standard

Established history of advancing sustainability measures in project execution and operations



# Gas Transmission – Summary



- Premier demand-pull driven asset base serving key regional markets
- Positioned for significant growth in 4 key regions



1-2%

per year  
base business  
growth  
post-2020

- Re-contracting rates
- Rate proceedings
- Ongoing system modernization
- Cost management

~\$4B

Secured projects  
in execution

- Pipeline expansions/extensions, including Atlantic Bridge, Westcoast system and other smaller projects

~\$2B

per year future  
development  
opportunities

- USGC & Canadian LNG connections
- Further W. Canadian expansions
- Power generation connectivity

## Q&A

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