Gas Distribution

Glenn Beaumont
President, Enbridge Gas Distribution
Key Messages

- Strong business fundamentals

- Approval of incentive regulation model provides a solid foundation for continued investment

- GTA project approval provides flexibility, reliability and access to supply basins for gas customers

- Gas supply, storage and pipeline capacity strategies designed to protect and enhance customer value
Business Fundamentals

Strong competitive position and continued growth

- Natural gas remains competitive vs. other fuels
- Customer additions remain steady
- New majority Liberal government in Ontario supports expanding access to natural gas

Annual Bill Comparison

- Natural Gas
- Heating Oil
- Electricity
- Propane

Average Number of Customers

- Actual 2012
- Actual 2013
- Forecast 2014
- LRP 2015
- LRP 2016
- LRP 2017
- LRP 2018
First Custom IR plan approved in Ontario

Five-year plan (2014 - 2018 inclusive)

Fair and balanced decision for customers and shareholders

- Allows for ROE upside and supports capital investment

Current ROE Forecasts (2014 – 2018)
Custom Incentive Regulation Plan - Capital

• Approval of five-year estimated capital to meet customer growth and system expansion
GTA Project

Provides increased capacity, reliability and supply diversity for gas customers

- Approved by Ontario Energy Board in January
- Increases capacity/reliability in the GTA/downtown Toronto
- Provides additional supply/basin optionality
- Construction begins: December 2014
- In service: Fall 2015

Total Cost = ~$700 M
**Gas Supply**

Focused on ensuring customer access to sufficient supply at lowest cost

- Increasing supply diversity
  - Access to Marcellus/Utica

- Optimizing transport
  - Reducing distance for winter needs

<table>
<thead>
<tr>
<th>Year</th>
<th>WCSB</th>
<th>Chicago</th>
<th>Dawn</th>
<th>Niagara</th>
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<tr>
<td>2015</td>
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<td>2018</td>
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Natural Gas Storage

Increased storage facilities to protect customers from cost variability

- Access to Dawn storage key to managing price volatility for customers
- More reliance on storage in future
- Increased storage development
TCPL Capacity Requirements

Ensure no impairment of customer supply access or increased Eastern Canada rate base burden

- Retention of required existing capacity and access
- Continued economic/industrial competitiveness vs. nearby jurisdictions

Conversion to Oil
Remaining Natural Gas
New Oil Pipeline (TCPL Proposed)
Alternative Oil Proposal Option
TCPL Proposed Replacement Gas Pipeline
Key Takeaways

• Business fundamentals remain strong

• Incentive Regulation model provides stability
  • First of its kind, custom plan in Ontario that allows for required investments

• GTA Project Approval provides increased flexibility, reliability and access to supply basins

• Gas supply, storage and pipelines capacity strategies will benefit customers
Q&A

Glenn Beaumont
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