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President, Enbridge Gas Distribution

Key Messages

- Deliver strong, predictable, risk-adjusted returns
- Leverage low cost and abundant fuel source to enhance competitiveness of core franchise
- Execute record $3B core business growth capital program
- Build optionality to extend growth in new areas
Gas Distribution Footprint

Largest gas distribution franchise in Canada serving over 2 million customers

Safety and Reliability

Safe and reliable operations are fundamental to a strong natural gas franchise

- Strong safety record enhances credibility with customers and regulators

- Focus areas:
  - System integrity
  - Damage prevention
  - Emergency response

EGD Damages per 1000 Locates

**Strategic Positioning**

Stable low risk business delivers strong risk-adjusted returns and foundation for growth

- Stable, predictable earnings and cash flow
- Low risk commercial model
  - Regulated return
  - No direct commodity exposure
- $3 billion capital investment approved under current model
  - Largest Canadian franchise
  - Strong population growth
- Foundational asset base supports broader energy strategy

**Gas Distribution Fundamentals**

Low cost supply enhances fuel competitiveness and provides new growth opportunities

**North American Gas Production (Bcf/d)**

**Residential Energy Prices (Energy Equivalent ($/GJ))**

Source: Wood Mackenzie; ENB Gas & NGL Fundamentals

Source: Various external sources
Gas Supply

- Increase supply diversity
  - Access to low cost supply (Marcellus/Utica)
- Optimize transport
  - Reduce distance for winter needs
- Capture new growth opportunities

Custom Incentive Regulation

**Innovative model provides strong risk-adjusted returns with $3B approved capital investment**

- Annual ROE reset protects against rising interest rates
- Upside sharing
- $3B approved capital investment required to meet customer needs
- No direct commodity exposure
Core Customer Growth

- One of the fastest growing natural gas distribution companies in North America
- Consistently add 35k+ customers per year
- Ontario government supports rural community expansion

System Renewal and Expansion: GTA Project

- Increases capacity and reliability in the GTA and downtown Toronto
- Leverages additional supply and basin optionality
- Serves growing customer base through additional infrastructure

Largest single capital investment in Gas Distribution history

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Gas Storage Opportunities

- Storage investment reduces gas price volatility
  - Storage is fundamental to support reliable, low cost supply
  - Infrastructure renewal opportunities
    - Coincides with changing supply chain patterns
  - Opportunity to position storage investments for long term growth

Future Growth

- Strong investment opportunities drive continued growth
  - Capital Investment Opportunities ($billions)
  - Future Growth Platforms
    - New Community Expansion
    - Combined Heat and Power
    - Natural Gas for Transportation
    - Natural Gas Storage

- 2015 Medium-term: Core Capital
- 2016/17 Medium-term: Future Growth Platforms
- 2018/19 Longer term: Core Capital
- Total: Core Capital and Future Growth Platforms
Key Takeaways

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