Utilities

grow organically.
minimize risk.
streamline.

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

<table>
<thead>
<tr>
<th></th>
<th>Customers</th>
<th>2016 new customers</th>
<th>Rate base</th>
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</thead>
<tbody>
<tr>
<td>Enbridge</td>
<td>2.1MM</td>
<td>~30,000</td>
<td>$5.9B</td>
</tr>
<tr>
<td>Union Gas</td>
<td>1.4MM</td>
<td>~22,000</td>
<td>$4.8B</td>
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<tr>
<td><strong>Total</strong></td>
<td>3.5MM</td>
<td>~52,000</td>
<td><strong>$10.7B</strong></td>
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2016 Pro forma EBIT

Utilities 13%

$8.4B

**Competitive Positioning**

Ontario economic and population growth to continue driving rate base

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

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

**Forecast**

- Ontario
- Greater Toronto Area

**Ontario Growth Outlook** (population, millions)

- 2006: 11.5 million
- 2011: 12.0 million
- 2016: 12.5 million
- 2021: 13.0 million
- 2026: 13.5 million
- 2031: 14.0 million
- 2036: 14.5 million
- 2041: 15.0 million

**Greater Toronto Area**

- 2006: 6.5 million
- 2011: 7.0 million
- 2016: 7.5 million
- 2021: 8.0 million
- 2026: 8.5 million
- 2031: 9.0 million
- 2036: 9.5 million
- 2041: 10.0 million
Competitive Positioning
Natural gas cost competitiveness further supports rate base growth

- 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

Residential Energy Prices* ($/GJ)

Natural gas expected to remain the lowest cost energy alternative

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
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

Strong and Consistent Rate Base Growth

Ontario expected to drive continued strong rate base growth of 4-5% per year
Historical Financial Performance
Stable low-risk regulated business delivers strong risk adjusted returns

Strong History of Delivering Superior Returns at or above Allowed ROE

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
## Gas Distribution
### Key Priorities Summary

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<tr>
<td>• Strong continued rate base growth</td>
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<tr>
<td>• Expansions of Dawn area infrastructure</td>
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<td></td>
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<tr>
<td>• Attach new communities</td>
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<tr>
<td>• Establish new, balanced regulatory framework with incentive upside</td>
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<td></td>
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<tr>
<td>• Significant opportunity to achieve rate payer and shareholder synergy benefits</td>
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