Liquids Pipelines

grow organically.
minimize risk.
streamline.

North American Liquids Pipelines

Premier market position and growth platform

North American Liquids Pipelines

U.S. Natural Gas Pipelines

Canadian Transmission & Midstream

Natural Gas Utilities

Renewable Power

U.S. Midstream
Liquids Pipelines System

North America’s Premier Portfolio

- High quality producing basins
- Access to the best refining markets
- Competitive tolls drive highest producer netbacks
- Stable, low risk commercial underpinnings
- Strong, creditworthy customers
- Unique service offerings & flexibility

Liquids Pipelines EBIT Contribution

### 2016 Pro Forma ENB EBIT by Segment

- **Gas Distribution Utilities & Power**
- **Gas Transmission & Midstream**
- **Liquids Pipelines**

<table>
<thead>
<tr>
<th>Segment</th>
<th>EBIT Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas Distribution Utilities &amp; Power</td>
<td>~15%</td>
</tr>
<tr>
<td>Gas Transmission &amp; Midstream</td>
<td>~35%</td>
</tr>
<tr>
<td>Liquids Pipelines</td>
<td>~50%</td>
</tr>
</tbody>
</table>

### 2016 Pro Forma LP EBIT by Business

<table>
<thead>
<tr>
<th>Business</th>
<th>EBIT Contribution</th>
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<tbody>
<tr>
<td>Other</td>
<td>Highly Contracted</td>
</tr>
<tr>
<td>Southern Lights Pipeline</td>
<td>Long Term Take or Pay</td>
</tr>
<tr>
<td>Bakken System</td>
<td>Common carrier with indexed rate*, Long Term Take or Pay</td>
</tr>
<tr>
<td>Regional Oil Sands</td>
<td>Long Term Take or Pay</td>
</tr>
<tr>
<td>Mid-Continent &amp; Gulf Coast</td>
<td>Long Term Take or Pay on Express</td>
</tr>
<tr>
<td>Lakehead System</td>
<td>100% Cost of service or equivalent agreements*</td>
</tr>
<tr>
<td>Canadian Mainline</td>
<td>Competitive Tolling Settlement</td>
</tr>
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</table>

*Contract terms for our Lakehead system expansion projects mitigate volume risk for all expansions subsequent to Alberta Clipper. In the event volumes were to decline significantly, the pipeline could potentially file cost of service rates. Similarly, the Bakken Classic system can also file cost of service rates if there is a substantial divergence between costs and revenues on the pipeline.
The Mainline System
Unparalleled strategic footprint

- Comprised of Canadian Mainline and Lakehead System in the U.S.
  - Largest, longest and most complex petroleum pipeline system in the world
- Combined annual operating capacity of ~2.85 MMbpd
  - January 2017 record deliveries of 2.645 MMbpd ex-Gretna
- Expansive terminal presence provides operational flexibility
- Access to ~3.5 MMbpd of connected refineries and downstream pipelines
  - Primary supply source for premium Midwest market
  - Directly connects to Enbridge’s downstream market access pipelines

Unparalleled strategic footprint

Market Access Pipelines
>1 MMbpd of long term take or pay contracts pull volume through the Mainline

- Long term Take-or-Pay agreements in place for >1 MMbpd
- Commercial structures provide cash flow certainty to Enbridge over the term of the contracts
- International Joint Tariffs provide incentivized long-haul service from the Enbridge Mainline to downstream markets
- Light and heavy crude service to refineries in Eastern Canada, US Midwest, US Midcontinent and US Gulf Coast
  - Tidewater access through Seaway docks
Mainline Competitive Positioning
Mainline utilization driven by connected refineries and downstream pipelines

1. Mainline system is sole source of supply for ~1.9 mmbpd refinery demand
2. >1 mmbpd of downstream pipeline take or pay commitments support Mainline system throughput certainty
3. Lowest tolls to the Midwest (PADD II) and USGC

Mainline Netback Analysis
Heavy crude – Indicative tolls

- Midwest markets provide premium netback to WCSB producers
- USGC market access ensures that Canadian heavy is at pipeline toll parity to Maya
Mainline – WCSB Capacity Requirements
Supply forecast supports incremental pipeline capacity growth to match demand

**WCSB Capacity Outlook** (KPBD)

- Western Canadian Demand + Existing Infrastructure
- Enbridge Mainline
- CAPP 2016

Source: CAPP 2016 Forecast, Enbridge Estimates

Mainline – Secured Growth
Improved reliability and capacity expansion

- **Line 3 Replacement**
  - Restores line capacity to 760 kbpd (+375 kbpd)
  - Expected In-Service: 2019
  - Capital: $7.5B ($4.9B CAD, $2.6B USD)
  - 15 year toll surcharge on every mainline barrel
  - Low teens return on significant incremental investment
  - Toll mechanism offers volume downside protection

- **Southern Access Expansion**
  - Expands line capacity to 1,200 kbpd
  - Expected In-Service: 2019
  - Capital: $0.4B USD
  - Connects restored Line 3 volumes to Market Access pipelines
  - Cost of Service Toll for Lakehead System
  - Toll Surcharge on IJT
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Mainline – Potential Future Expansions
Low cost, highly executable, staged expansions to match supply

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Incremental Capacity 2019+

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Total Unsecured Incremental Capacity: +500 KBPDP

Market Access pipelines provide downstream solutions for incremental Mainline volume

- Optionality for Mainline barrels to flow into Midwest and USGC markets

*Incremental capacity refers to long-haul volumes
Mainline – WCSB Capacity Requirements
Mainline expansions are best positioned to meet industry capacity needs

WCSB Capacity Outlook (KPBD)

- Enbridge Mainline
- Western Canadian Demand + Existing Infrastructure
- Line 3 Replacement + 2019 Incremental Capacity
- Post-2019 Enbridge incremental capacity

Source: CAPP 2016 Forecast, Enbridge Estimates

Mainline Commercial Plan

1. Maximize current Mainline Throughput
2. Complete Mainline Secured Growth Projects
3. Advance Mainline Expansion Options
4. Initiate Post-CTS Tolling Discussions

The Window of Opportunity
- Ongoing incentive profit
- No 're-basing' downside
- Competitive tolls
- Potential for Mainline contracts
- Minimal volume risk

Ex-Gretna (KPBD)

Annual Capacity
Ex-Gretna Deliveries

Incremental Capacity Post Line 3 Replacement
System DRA Optimization +75
BEP Idle +100
System Station Upgrades +100
Line 4 Capacity Restoration +75
Line 13 Reversal +150
Total +500
Express & Platte Pipelines
Significant PADD IV presence with potential commercial synergies

- **Express Pipeline** – 280 kbpd
  - Hardisty to Casper
  - Uniquely situated pipeline for import of growing Canadian crude supply
  - Stable, secure fee-for-service revenue

- **Platte Pipeline** – 170 kbpd
  - Casper to Wood River
  - Enhanced connectivity to provide increased utilization
  - Brings diverse crude supply to the Midwest
  - Mix of producers, refiners, marketers

- **Potential Commercial Synergies**
  - Express Pipeline expansion
  - Enhancing connections to markets via other Enbridge assets

Oil Sands
Stable and secure, embedded growth

- Unparalleled gathering system that connects WCSB crude oil with transportation access to valuable markets
- Current throughput capacity into Edmonton & Hardisty hubs ~2MMbpd
  - 9 connected Oil Sands projects, 11 by year end
  - Average contract length of 25 years
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**Potential for future growth**

- Third party volumes on Norlite
- Cheecham Terminal enhancement

* Enbridge share of total capital cost. Total project cost is expected to be $1.3B with Keyera funding 30% of the project
**Bakken Region**

**Enhanced market access for light crude supply**

- **North Dakota System – 210 kbdp**
  - Highly competitive toll to high value markets drives strong utilization
  - Western system upgrades could provide improved market access and optimize line capacity

- **Bakken Pipeline System**
  - Enbridge’s effective interest is 27.6% (US$1.6B)
  - Participation further enhances Enbridge Network

- **Dakota Access Pipeline – 520 kbdp**
  - Highly competitive tolls; Contracted with take or pay agreements
  - Expandable to 570 kbdp

- **Energy Transfer Crude Oil Pipeline – 360 kbdp**
  - Joint tariff service via DAPL into E-USGC market
  - Highly competitive tolls; Contracted with take or pay agreements
  - Opportunity to draw volume from upstream Enbridge pipelines

**USGC – The Opportunity**

**Strong regional fundamentals**

Fundamentals illustrate growing crude oil export need

<table>
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<tr>
<th>WEST TEXAS</th>
<th>WEST-USGC</th>
<th>CENTRAL-USGC</th>
<th>EAST-USGC</th>
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</thead>
<tbody>
<tr>
<td>Permian</td>
<td>Houston</td>
<td>Pl. Arthur</td>
<td>St. James</td>
</tr>
<tr>
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<td></td>
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Leverage expertise in fee-for-service, independent terminal & pipeline operation

Platform for future growth across multiple commodities and modes of transport
**Liquids Pipelines**

*Key priorities summary*

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**grow organically.**
- Execute on $14B of secured projects from 2017-2019
- Grow our business through low cost capacity expansions and incentive tolling

**minimize risk.**
- Operate safely and reliably
- Maximize current mainline throughput
- Initiate post-CTS tolling discussions

**streamline.**
- Leverage Express/Platte within Enbridge portfolio
- Identify additional synergy opportunities

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**Q&A**