

# Utilities



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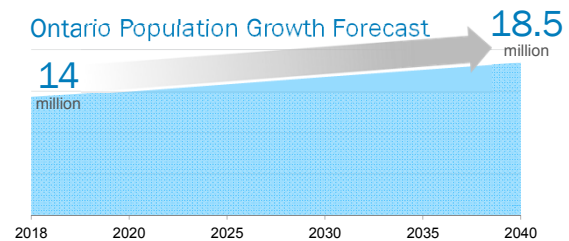
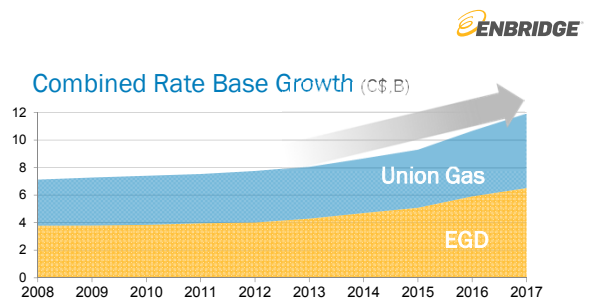
## Our Premium Utility

### Tier 1 North American Gas Utility

- Largest volume and fastest growing franchise
  - 12+ million people and businesses
  - 3.7 million meters
  - 50,000+ annual customer additions
- Investing \$1+ B capital per year

### Dawn Storage Hub and Transmission

- 280 Bcf of Dawn storage with growth potential
  - 2nd most liquid trading hub in North America
- Dawn-Parkway Transmission connects multiple supply basins with strategic growth markets
  - Ontario, Quebec, US Northeast



Largest and fastest growing natural gas utility in North America

# Utilities - Strategic Priorities



Optimize the Base Business	Execute Secured Projects	Grow the Business
<ul style="list-style-type: none"> <li>• Focus on operational efficiencies and capture synergies from amalgamation                             <ul style="list-style-type: none"> <li>- Grow earnings through cost reduction</li> <li>- Leverage Enbridge's transformation experience</li> <li>- Build best in class utility operating model</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Deliver near-term in-franchise rate base growth</li> </ul>	<ul style="list-style-type: none"> <li>• Secure future in-franchise growth and expand to new communities</li> <li>• Expand Dawn Hub storage and transmission</li> <li>• Extend with additional regulated assets, natural gas transport and renewable natural gas opportunities</li> </ul>

Pursuing amalgamation efficiencies and growth while maintaining customer focus & safe reliable operations

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# Focus on Amalgamation



## Incentive mechanism enhances earnings

- Day One benefits
- Five year O&M synergy capture
- Low capital investments to achieve O&M savings
- Inflation protection
- Retain 150 bps of earnings above regulated ROE
- Reliable cash flow growth

## Enhanced organic growth

- Capital threshold ensures renewal of rate base
- Incremental Capital Module allows for capital above threshold to be included in rate base earnings

## Incentive Rate Structure

<b>Term</b>	5 years
<b>Annual Inflation</b>	GDP index
<b>Stretch Factor</b>	0.3%
<b>Earnings Threshold</b>	Earnings sharing at 50%:50% above 150 bps over OEB allowed ROE
<b>Unbudgeted Capital Expenditures</b>	Incremental Capital Module
<b>Start Date</b>	January 1, 2019

An attractive regulatory outcome on Day One enables potential to achieve premium ROE

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# Amalgamation Benefits



## Low risk earnings growth

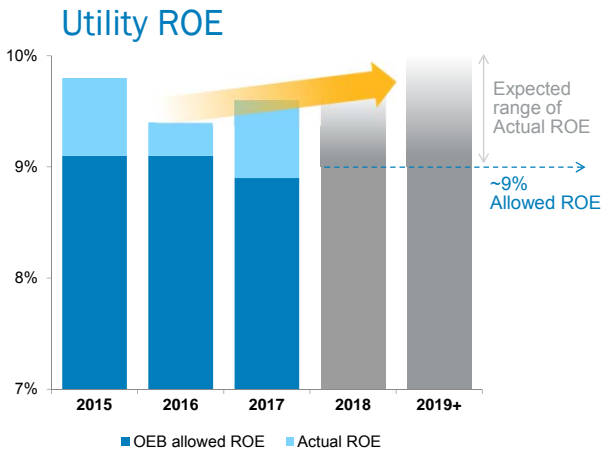
- Benefits accrue immediately to Enbridge

## Amalgamation activities underway

- Integration has already commenced
- Common enterprise platforms

## Major synergy capture areas

- Operations & work management
- Customer care
- Shared services
- Storage & transmission, gas control and supply
- Management and other area functions



Ability to consistently earn above 9% OEB allowed ROE

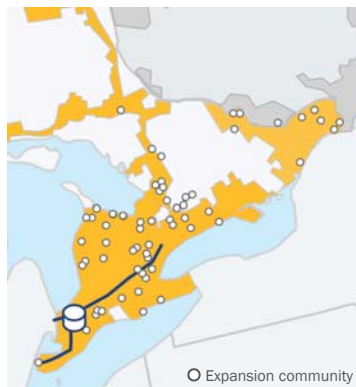
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# Organic Growth in Rate Base

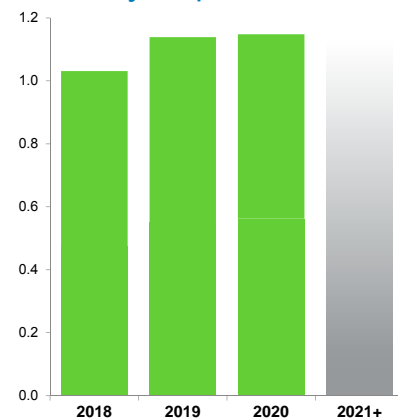


## Over \$1B/year in capital additions

- Utility Growth
  - 50,000 new customer additions annually
  - Over 50 new expansion communities
- Maintenance/Renewal
  - Execution of an optimized asset plan
  - Continued investment for safe and reliable operations
- Incremental Capital Module (ICM)
  - Rate protected funding of additional core utility projects



## Utility Cap Ex (\$B)



Highly transparent investments in regulated rate base drives DCF growth

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# Expansion of Dawn Hub and Transmission

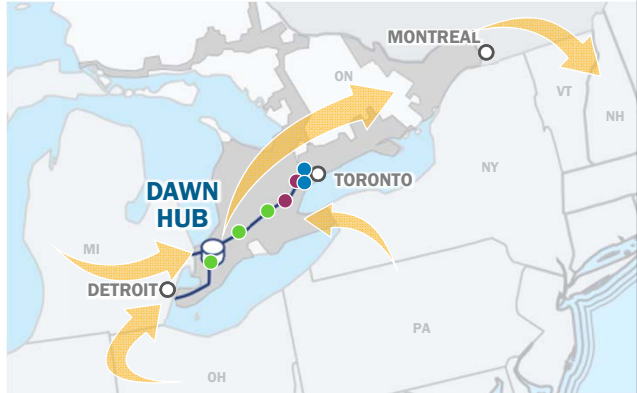


## Successful track record of phased growth of transmission system

- 3 year 1.2 Bcf expansion delivered on time/budget
- New 2021/22 Expansion Open Season positively received by Ontario and US NE markets

## Market leader in storage services

- Highly reliable, competitively priced storage providing services to regional market
- Potential for future expansion



1.2 Bcf Expansion Projects: ● 2017 ● 2016 ● 2015

Continued potential for additional low risk storage and transmission investment opportunities

# Extension Opportunities in Gas & Electricity



	<b>CNG</b> Compressed Natural Gas	<b>RNG</b> Renewable Natural Gas	<b>Ontario</b> Electricity Transmission
<b>Rationale</b>	<ul style="list-style-type: none"> <li>• Low cost and low carbon transportation solution for trucking and return to depot vehicle markets</li> </ul>	<ul style="list-style-type: none"> <li>• Carbon pricing, clean fuel standards drive demand for energy from organics</li> <li>• OEB decision allows injection systems with full regulatory protection</li> </ul>	<ul style="list-style-type: none"> <li>• A further rate base growth opportunity</li> </ul>
<b>Current opportunities</b>	<ul style="list-style-type: none"> <li>• Municipal projects</li> <li>• Fort Erie public stations</li> <li>• 3 stations along Ontario Hwy 401</li> </ul>	<ul style="list-style-type: none"> <li>• City of Toronto</li> <li>• Commercial operator in Southwest Ontario</li> </ul>	<ul style="list-style-type: none"> <li>• East West Tie Line currently before regulator</li> </ul>
<b>Potential</b>	<ul style="list-style-type: none"> <li>• 20 regional stations</li> <li>• 6 stations on 400 series Highways</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial landfills</li> <li>• 15 - 20 injection &amp; upgrading projects</li> </ul>	

Low risk rate base investment opportunities

## Utilities - Summary



- Largest and fastest growing gas utility franchise in North America
- Steady annual growth opportunities through new customer additions and system expansions



- 1-2%**  
per year  
base business  
growth  
post-2020
  - Amalgamation synergies
  - Cost management
  - Revenue escalators
  - Storage & transportation optimization
- \$1B**  
Secured projects  
in execution  
(through 2020)
  - Rate base additions driven by customer growth
- ~\$1B**  
per year future  
development  
opportunities  
post-2020
  - Post-2020 customer additions
  - Community expansions
  - Dawn-Parkway expansions
  - RNG/CNG growth
  - Ontario electricity transmission

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## Q&A

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