



Union Gas Supply Update

Karen Vince, June 5, 2018





Gas supply update

Supply portfolio

Market trends

Pricing trends

Safe harbour statement

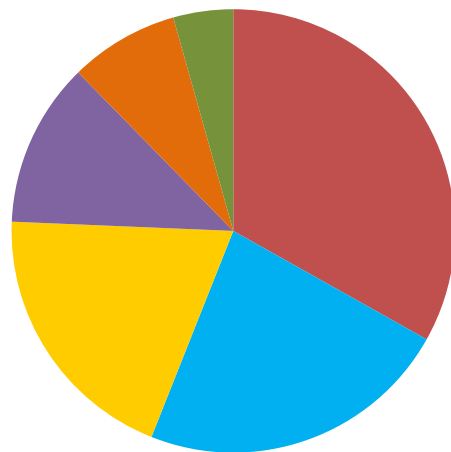
Certain information provided in this presentation constitutes forward-looking statements. Although Enbridge believes these statements are based on information and assumptions which are current, reasonable and complete, these statements are necessarily subject to a variety of risks and uncertainties.

A further discussion of the risks and uncertainties facing Enbridge can be found in the Enbridge's filings with Canadian and United States securities regulators.

While Enbridge makes these forward-looking statements in good faith, should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary significantly from those expected. Except as may be required by applicable securities laws, Enbridge assumes no obligation to publicly update or revise any forward-looking statements made herein or otherwise, whether as a result of new information, future events or otherwise.

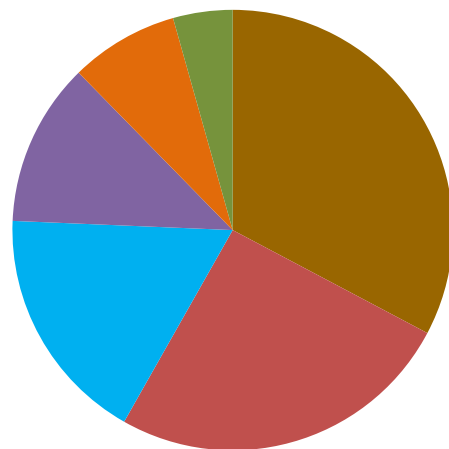
Change in supply portfolio

Pre NEXUS 2017/18



| | Pipeline (supply point) | % | Avg. daily qty (TJ/d) |
|--|--------------------------------|-------|-----------------------|
| | Dawn/Other | 33.1% | 160 |
| | Vector (Chicago) | 22.9% | 111 |
| | DTE (Michcon) | 19.6% | 95 |
| | Panhandle (Field Zone/Ojibway) | 12.0% | 58 |
| | TransCanada (WCSB) | 8.0% | 38 |
| | TransCanada (Niagara) | 4.4% | 21 |

Post NEXUS 2017/18

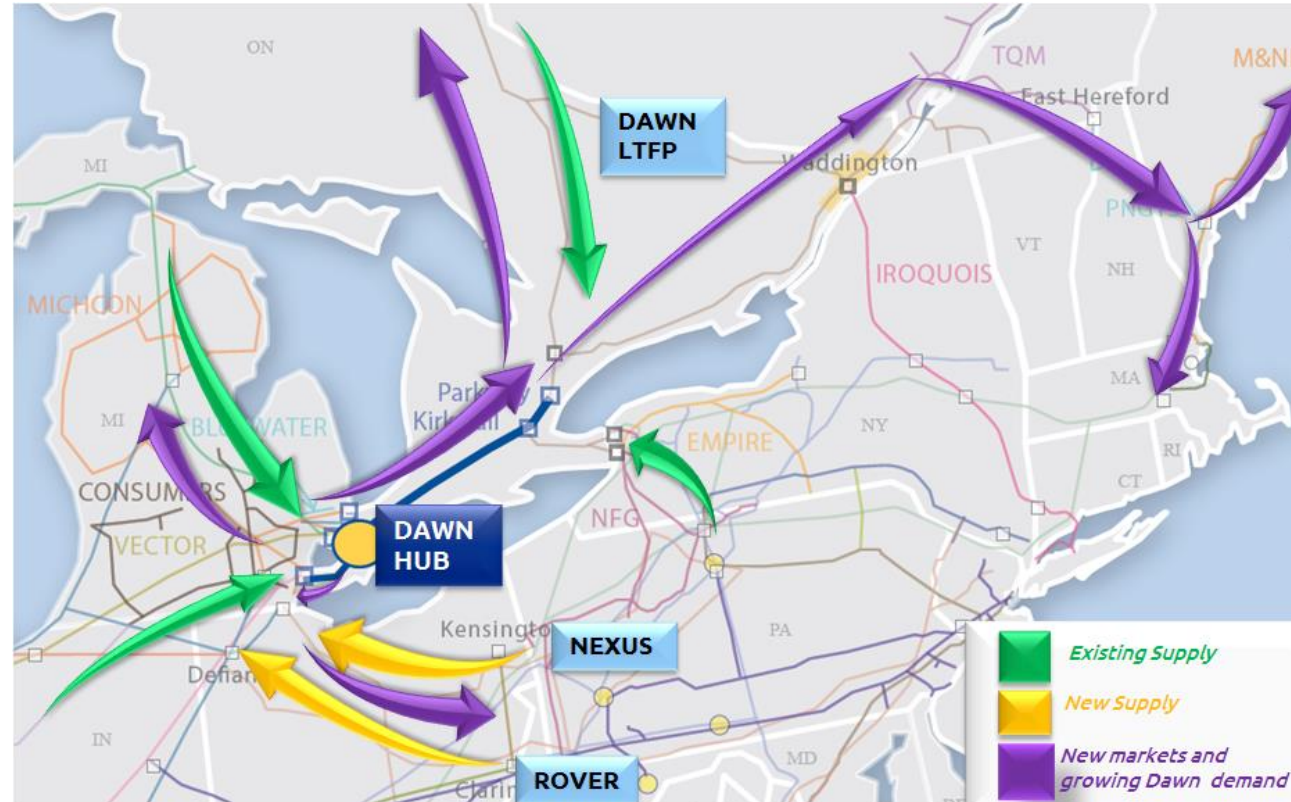


| | Pipeline (supply point) | % | Avg. daily qty (TJ/d) |
|--|--------------------------------|-------|-----------------------|
| | NEXUS | 32.7% | 158 |
| | Dawn/Other | 25.5% | 123 |
| | Vector (Chicago) | 17.5% | 84 |
| | Panhandle (Field Zone/Ojibway) | 12.0% | 58 |
| | TransCanada (WCSB) | 8.0% | 38 |
| | TransCanada (Niagara) | 4.4% | 21 |

Union Gas
supply—future
trends

Supply at Dawn

New transportation capacity from Marcellus/Utica shale



Renewable natural gas (RNG)

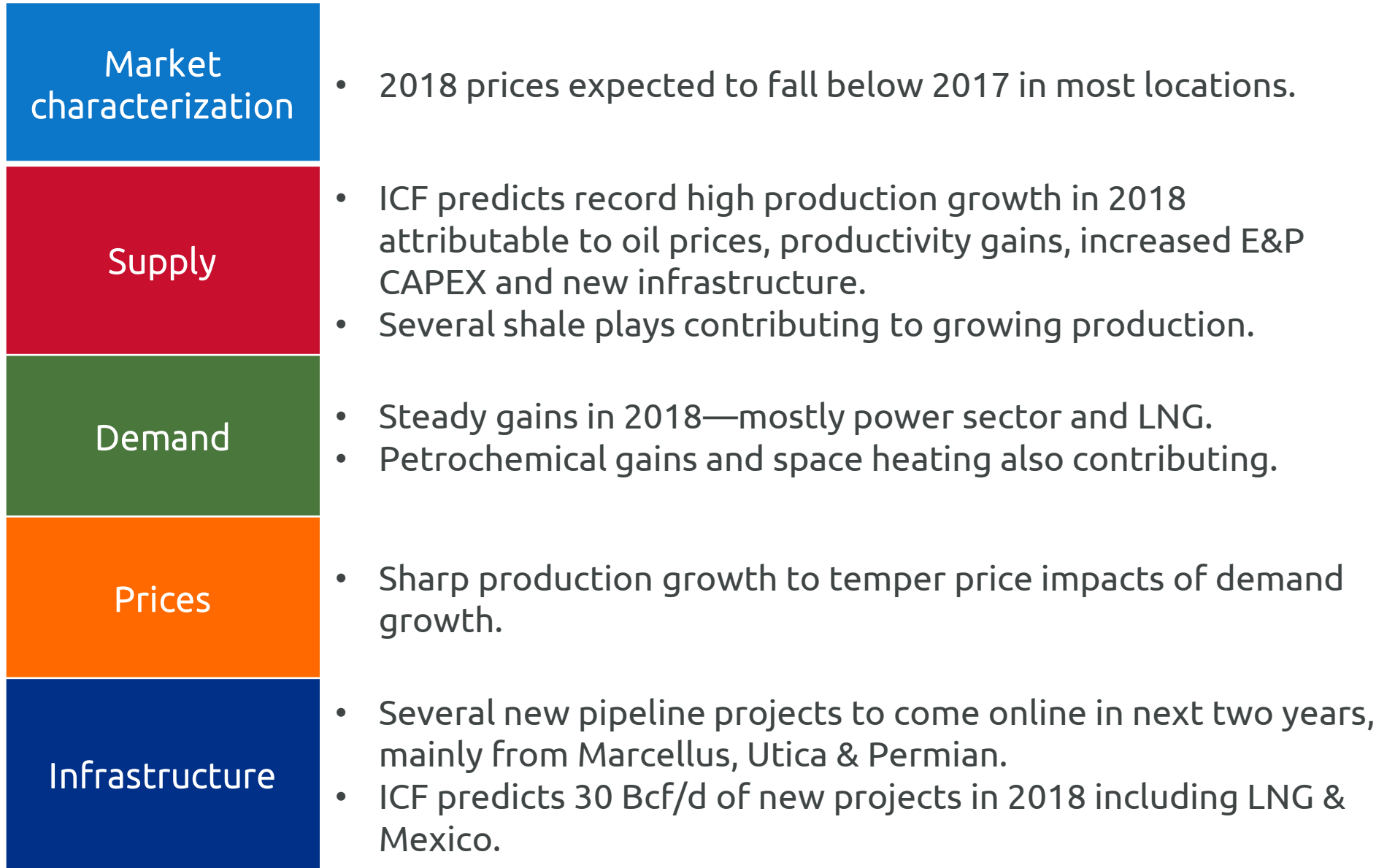
- Union Gas and Enbridge Gas Distribution working to accommodate RNG.
- Provincial government had dedicated funds to help subsidize cost of RNG.
- Program suspended until at least after the provincial election.



ICF Natural Gas Outlook

Source: ICForecast, March 2018 Q1 Base Case

Near-term market trends

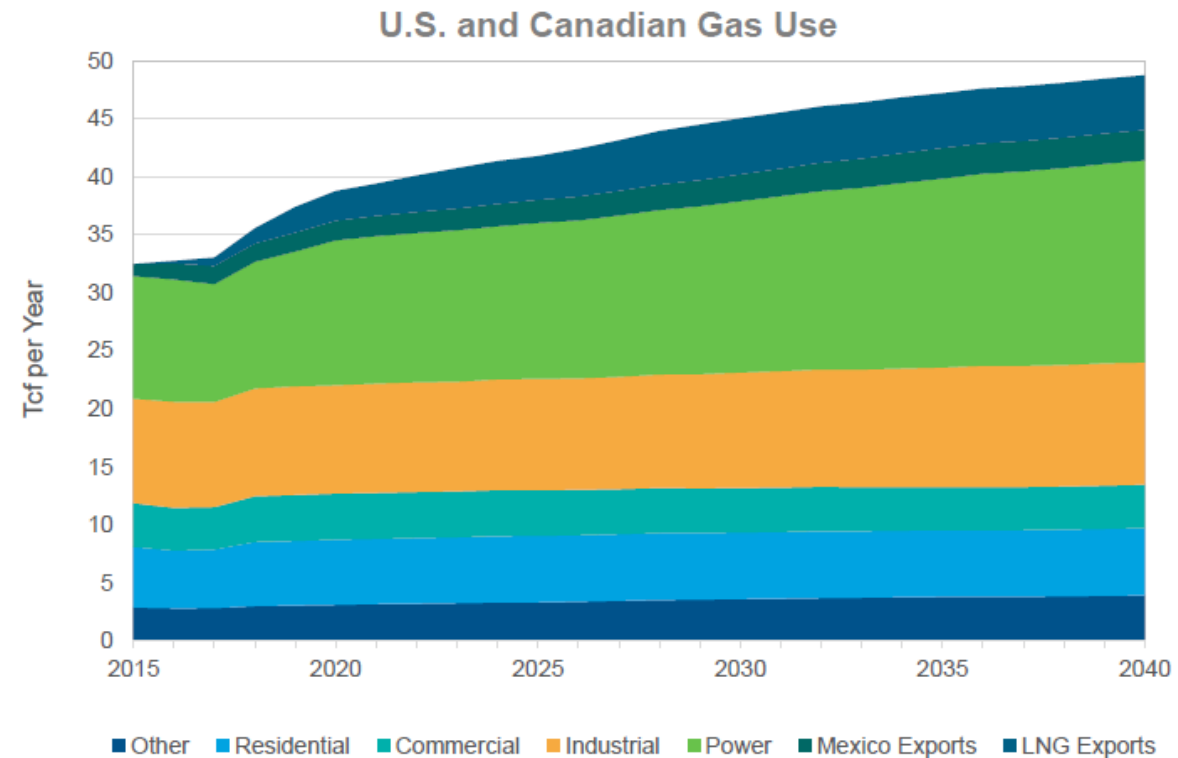


Long-term market trends



Projected market growth

- **By 2040, U.S. and Canadian gas demand is projected to increase by about 16.0 Tcf (44 Bcf/d) compared to 2017.**
 - An average annual growth rate of roughly 1.7% per year from 2017 to 2040.
- **Almost half of the growth comes from the power sector, which increases to 17.4 Tcf (47.8 Bcf/d) by 2040.**
- **Natural gas exports (LNG and Mexico) are key drivers for near- and long-term demand growth.**
 - Feed gas deliveries for LNG exports are projected to reach 4.7 Tcf (13 Bcf/d) by 2040.
 - Mexican Exports grow to 2.6 Tcf (7.2 Bcf/d) by 2040.

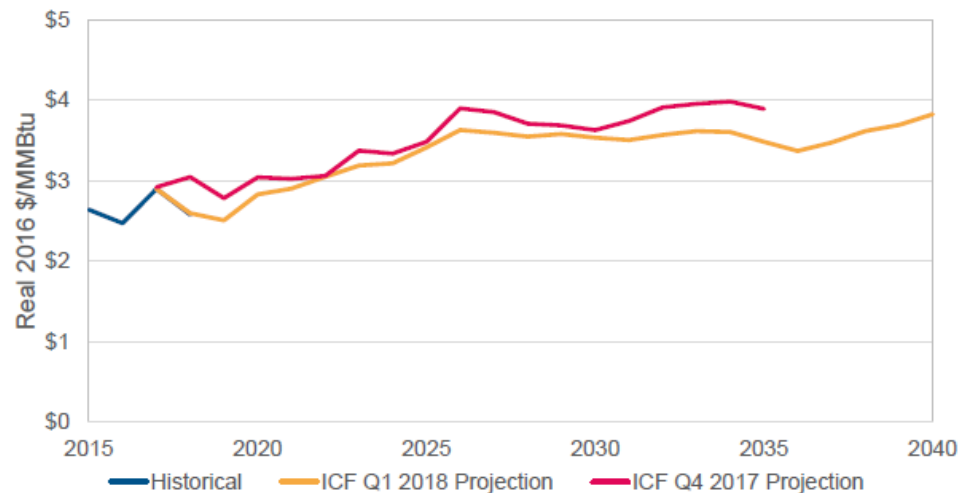


Change in Henry Hub price

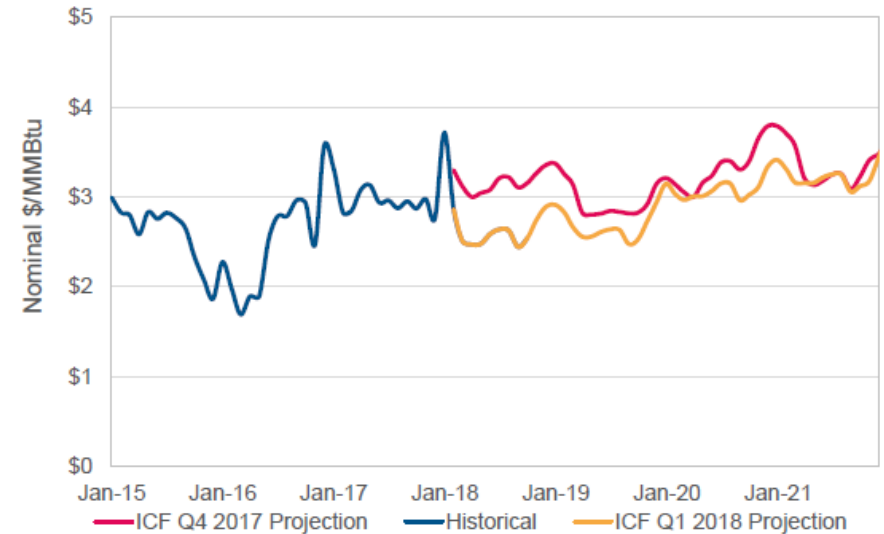
Q1 2018 vs Q4 2017

- Henry Hub price in Q1 2018 is lower by about 6.5% on an average from 2018 through 2035 compared to Q4 2017.
- Robust production growth driven by growth in associated gas production from the U.S. tight oil (shale) regions such as Niobrara, Permian, and Bakken regions and growth from Haynesville region resulted in lower Henry Hub price in Q1 2018 forecast.
- Long-term prices are expected to range between \$2.75 and \$3.5 per MMBtu.
 - Low-cost gas supplies limit upward pressure on gas prices despite strong market growth.

Long-Term Henry Hub Price Forecast Real 2016

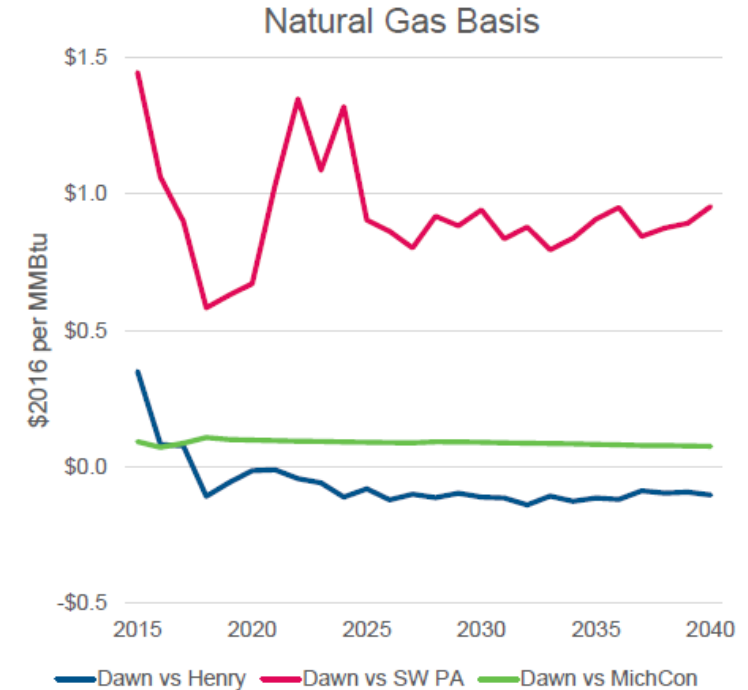
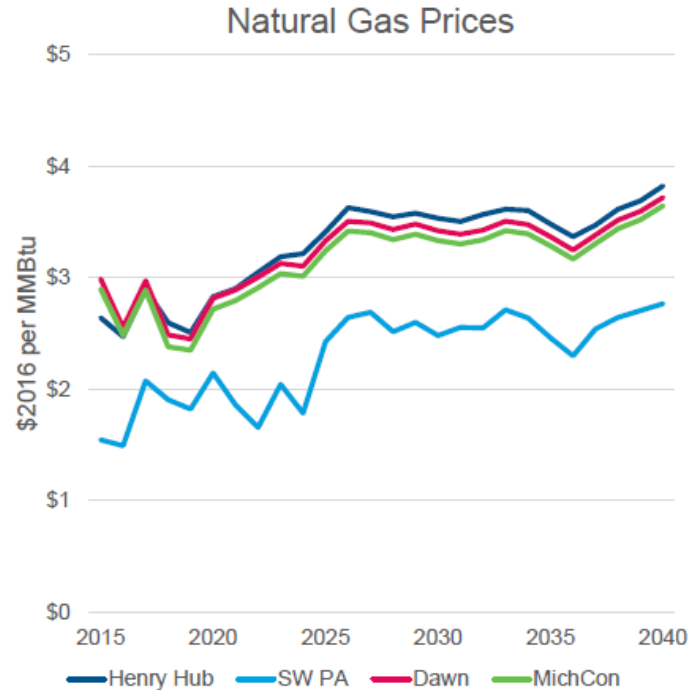


Near-term Henry Hub Price Forecast



Ontario spot prices and basis

- Prices at Dawn are projected to rise to hover around \$3/MMBtu through 2025 and stay below \$3.5/MMBtu (in 2016\$) afterwards.
- Basis between Dawn and Marcellus/Utica averages about \$1/MMBtu.
- Flows from Western Canada until 2027 and Marcellus/Utica post 2027 coupled with higher gas demand in the gulf coast keeps the prices at Dawn below the Henry Hub.
 - ICF projects that Dawn trades at a discount to Henry Hub through out the forecast.





Gas supply recap

Supply portfolio

Market trends

Pricing trends

Q&A