Natural Gas Effective Price for Enbridge and Union[3]

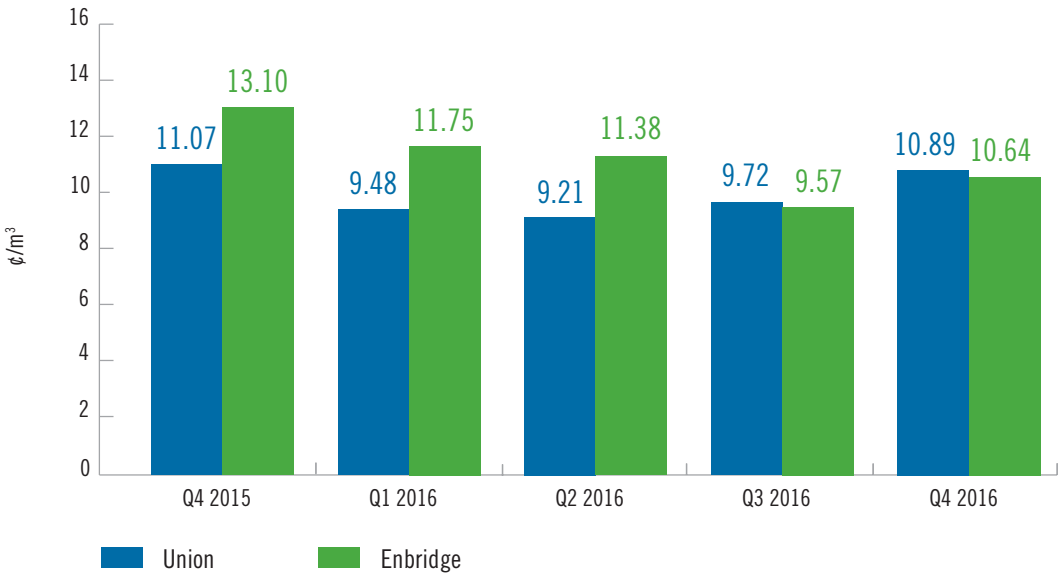
Q4 ¢/m³	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Union Gas[4]	24.93	35.11	11.34	13.19	12.74	9.58	12.29	19.21	11.07	**10.89**
Enbridge	26.01	35.46	12.95	13.78	12.23	8.81	11.46	17.68	13.10	**10.64**

Source: OEB Natural Gas Rates effective October 1, 2016.

The rate adjustment that took place for the fourth quarter, effective October 1, 2016, includes an adjustment to the gas supply charge, which is based on a forecast of market prices over the next 12 months. It also includes an update to the cost adjustment factor, which is the mechanism to account for any differences between forecast and actual commodity costs.

Enbridge's and Union's effective price increases were primarily attributable to forecast natural gas price increases over the next 12 months and to the disposition of deferral account balances.

Natural Gas Effective Prices by Quarter (¢/m³)

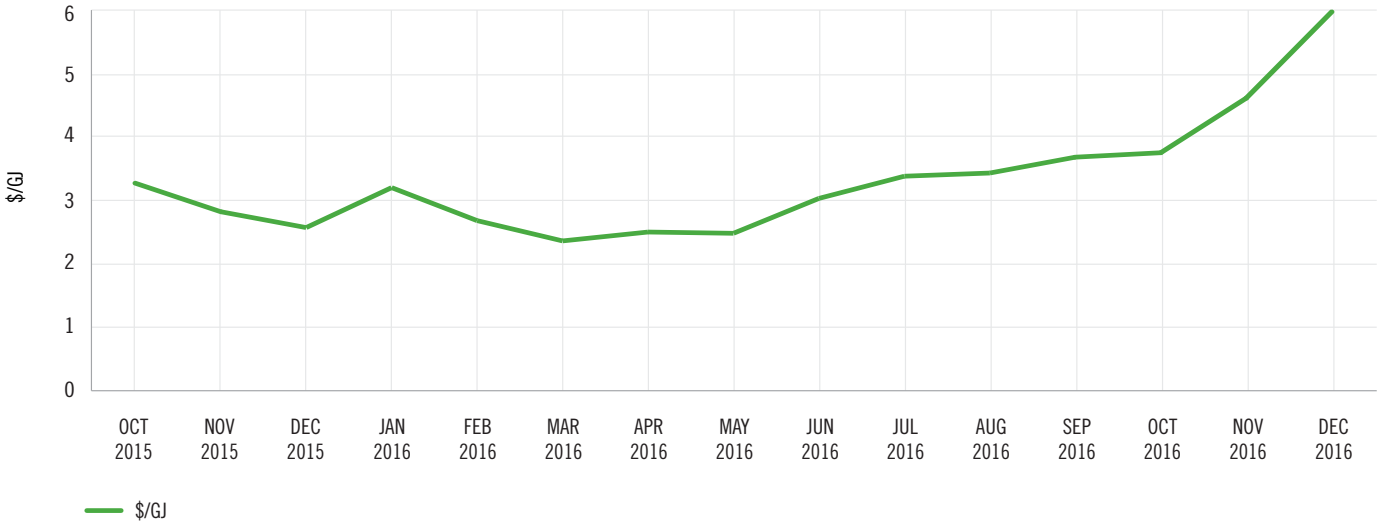


3. Enbridge and Union are highlighted because they serve the vast majority of customers in Ontario. For more information on the Ontario Energy Board's Quarterly Rate Adjustment Mechanism (QRAM) prices please see www.ontarioenergyboard.ca/OEB/Consumers/Natural+Gas/Natural+Gas+Rates.

4. Reflects Union Gas' Southern Rate Zone

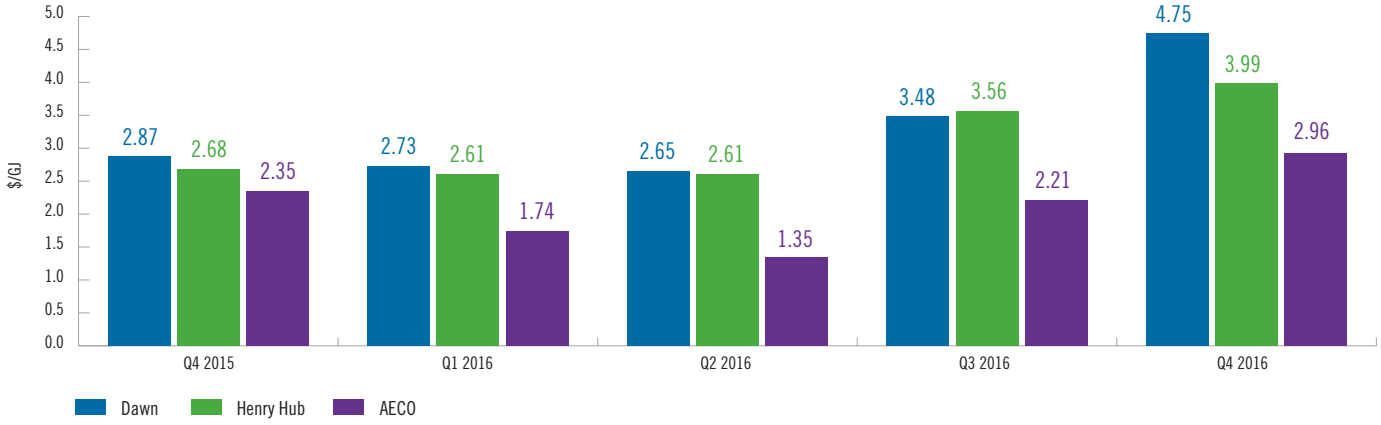
Average Natural Gas Spot Prices

Monthly average natural gas spot prices at Dawn, ON ($/GJ)



Source: Canadian Enerdata Ltd.

Quarterly average natural gas spot prices at select trading hubs ($/GJ)



Source: Dawn and AECO prices from Canadian Enerdata Ltd.; Henry Hub prices from U.S. Energy Information Administration.

Quarterly average natural gas spot prices at select trading hubs ($/GJ)

Trading Hub	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Dawn (ON)	2.87	2.73	2.65	3.48	4.75
Henry Hub (US)	2.68	2.61	2.61	3.56	3.99
AECO (AB)	2.35	1.74	1.35	2.21	2.96

Source: Dawn and AECO from Canadian Enerdata Ltd.; Henry Hub from U.S. Energy Information Administration.

The Q4 increase in daily spot natural gas prices at the three trading hubs can be attributed to:

- Colder than normal weather at the start of the Q4 winter heating season in Ontario, Quebec and the eastern US increased demand and raised natural gas prices; and
- Increased electricity consumption in the U.S. northeast which put pressure on natural gas supply.

Annual average natural gas spot prices at select trading hubs ($/GJ)

Trading Hub	2015	2016 to end of Q4
Dawn (ON)	3.56	3.27
Henry Hub (US)	3.16	3.19
AECO (AB)	2.56	2.06

Source: Dawn and AECO from Canadian Enerdata Ltd.; Henry Hub from U.S. Energy Information Administration.

Natural gas price forecasts for select trading hubs, 2017–2018

Trading Hub	2017	2018
Dawn (ON)	US$3.82/MMBtu	US$3.84/MMBtu
Henry Hub (US)	US$3.45/MMBtu	US$3.46MMBtu
AECO (AB)	C$3.30/GJ	C$3.32/GJ

Source: Canadian Enerdata Ltd. as of December 2016.

Eastern Canada Natural Gas Storage Balances

(as of quarter end)

Storage Survey Week	Storage Level (Billion Cubic Feet)	Storage Level vs. Same Week the Year Before	Storage Level vs. Total Capacity
Q4 2015 – Dec 25, 2015	257.7	116%	92%
Q1 2016 – March 26, 2016	143.4	196%	51%
Q2 2016 – Jun 24, 2016	181.3	147%	65%
Q3 2016 – Sept 23, 2016	257.8	110%	92%
Q4 2016 – Dec 23, 2016	231.8	90%	82%

Source: Canadian Enerdata Ltd.

In Eastern Canada, natural gas is stored primarily at Dawn, ON with a small amount of storage in New Brunswick. The New Brunswick storage does not service the Ontario natural gas market.

According to seasonal patterns, storage levels normally peak in late October or early November as withdrawals for natural gas heating begin to outpace storage injections. Prices are also more likely to see a cyclical rise during the winter heating season. Utilities buy a certain amount of natural gas during the summer months when the price is cheaper. The supply is stored, and then delivered to customers during the colder months.