

## Natural Gas Price with Transportation Cost for Enbridge, Union Gas, and NRG<sup>3</sup>

Q3 ¢/m <sup>3</sup>	2013	2014	2015	2016	2017
Union Gas <sup>4</sup>	16.54	26.04	14.96	13.82	<b>19.23</b>
Enbridge <sup>5</sup>	18.71	23.26	21.15	15.23	<b>17.76</b>
NRG <sup>6</sup>	20.09	32.52	20.79	15.58	<b>19.19</b>

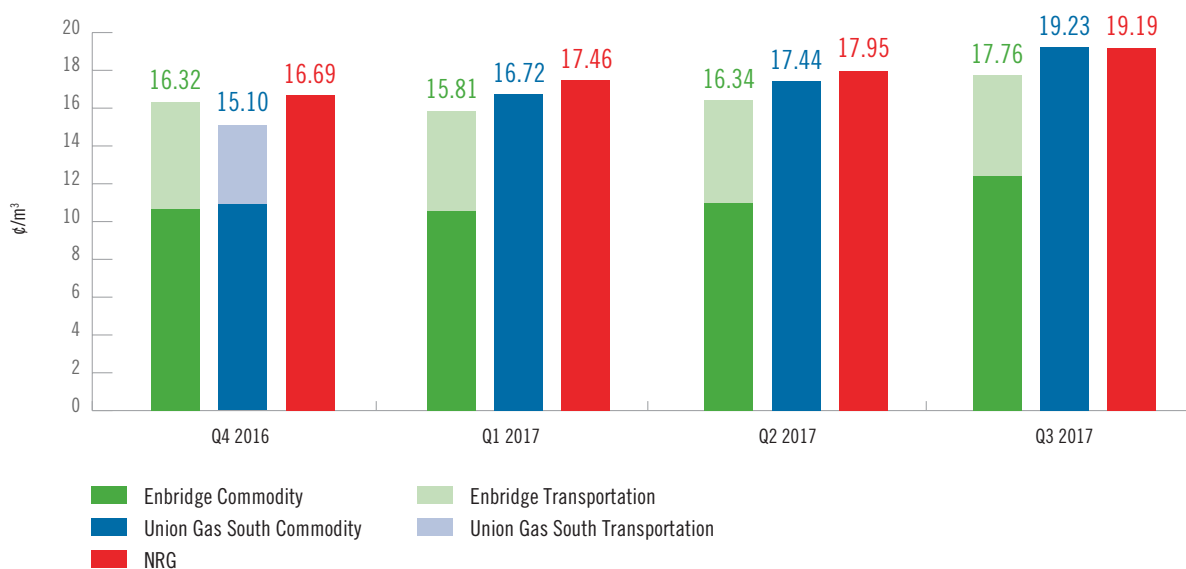
Source: OEB Natural Gas Rates effective July 1, 2017

The rate adjustment that took place effective July 1, 2017, 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 through the Quarterly Rate Adjustment Mechanism (QRAM), which captures any differences between forecast and actual commodity costs. Natural gas customers across Ontario saw modest increases on their bills from Q2 to Q3 2017.

Following approval from the OEB, effective January 1, 2017, Union Gas introduced a change in rate zones to better reflect the mix of natural gas supply markets and transportation to serve their franchise areas. Union's five previous rate zones have been reduced to three, with the existing Southern Rate zone remaining unchanged, and the four Northern rate zones being merged into two zones, North-Western and North-Eastern. In conjunction with this change, the OEB approved price now combines commodity and transportation costs into one gas supply charge going forward.

Enbridge will continue to present effective prices of the commodity, while NRG's pricing continues to include commodity, storage and transportation charges. For consistency of reporting, transportation costs have been included in this section for all three utilities starting in Q1 2017.

### Natural Gas Price and Transportation by Quarter (¢/m<sup>3</sup>)



3. 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](http://www.ontarioenergyboard.ca/OEB/Consumers/Natural+Gas/Natural+Gas+Rates)

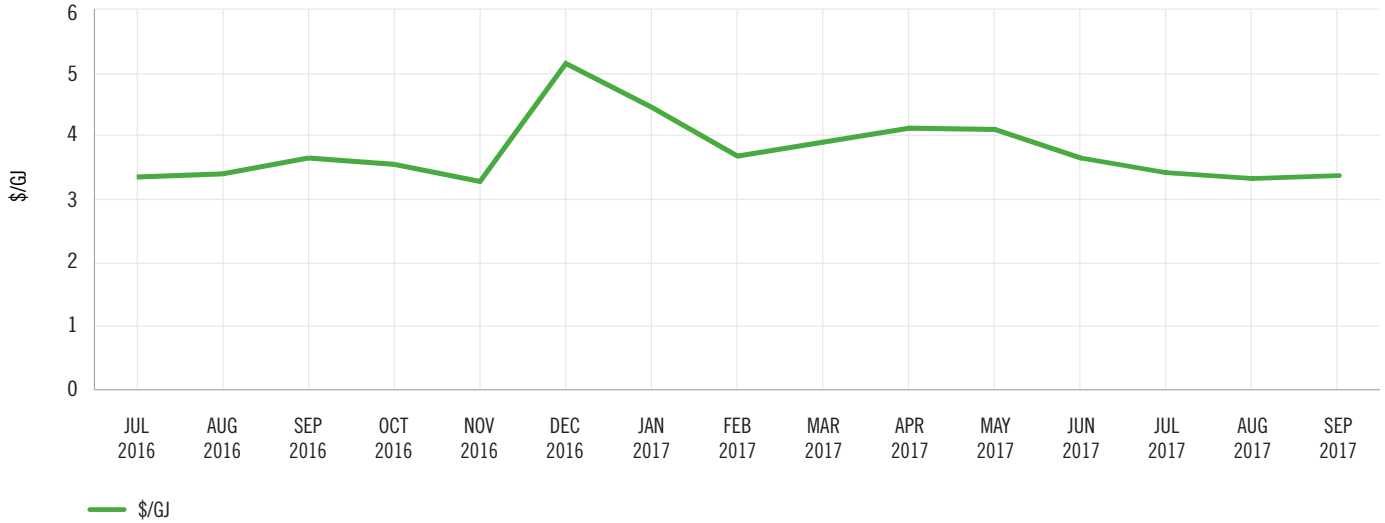
4. Union Gas' rate class is residential Southern Rate Zone (M1).

5. Enbridge's rate class is residential Rate Number 1. This table includes OEB-approved transportation costs for all LDCs. Previous editions of the table included a pre-OEB approved transportation costs for Enbridge.

6. The rate for NRG also includes storage charges.

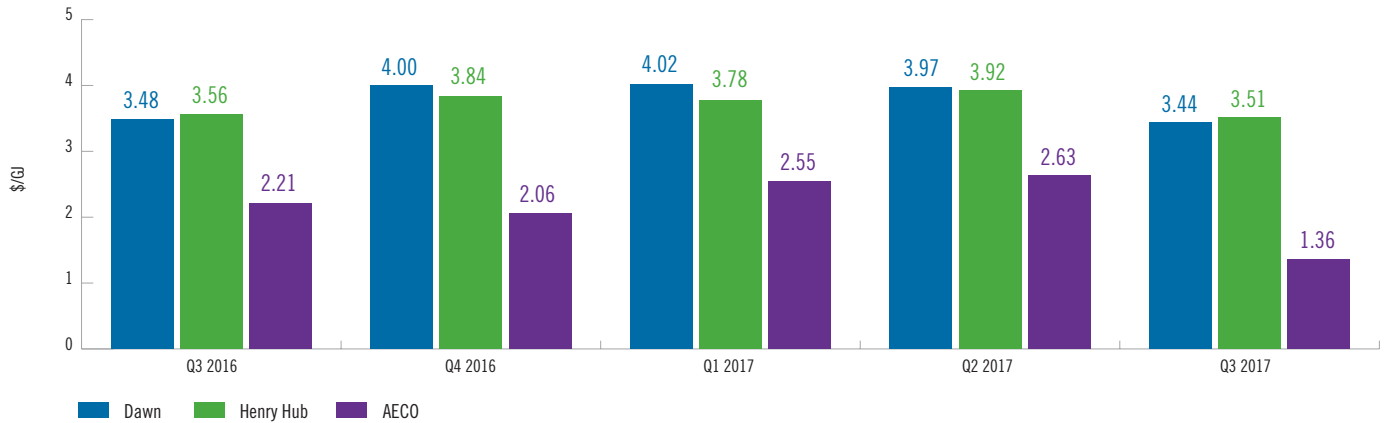
# Average Natural Gas Spot Prices

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	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Dawn (ON)	3.48	4.00	4.02	3.97	3.44
Henry Hub (US)	3.56	3.84	3.78	3.92	3.51
AECO (AB)	2.21	2.06	2.55	2.63	1.36

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

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

Trading Hub	2016	2017 YTD
Dawn (ON)	3.21	3.81
Henry Hub (US)	3.16	3.73
AECO (AB)	2.06	2.18

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

### Natural gas price forecasts for select trading hubs, 2018–2019 (\$/GJ)

Trading Hub	2018	2019
Dawn (ON)	3.80	4.18
Henry Hub (US)	3.62	3.80
AECO (AB)	2.39	2.60

Source: Canadian Enerdata Ltd. as of October 2, 2017

# 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
Q3 2016 – Sept 23, 2016	257.8	110%	92%
Q4 2016 – Dec 23, 2016	231.8	90%	82%
Q1 2017 – March 24, 2017	110.4	77%	39%
Q2 2017 – June 23, 2017	149.0	82%	53%
Q3 2017 – Sept 22, 2017	246.5	96%	87%

Note: Maximum Storage Capacity for Eastern Canada was raised from 279.0 bcf to 281.8 bcf starting in October 2016.

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.