Enbridge Gas Franchise Agreement Renewal

Presentation to Municipality of South Huron



February 7, 2022

Enbridge Gas Inc.

North America's largest natural gas storage, transmission and distribution company

We deliver the energy that enhances people's quality of life.

Values Safety, Integrity, Respect, Inclusion.

• Experience

170+ years of experience in safe and reliable service.

Distribution Business

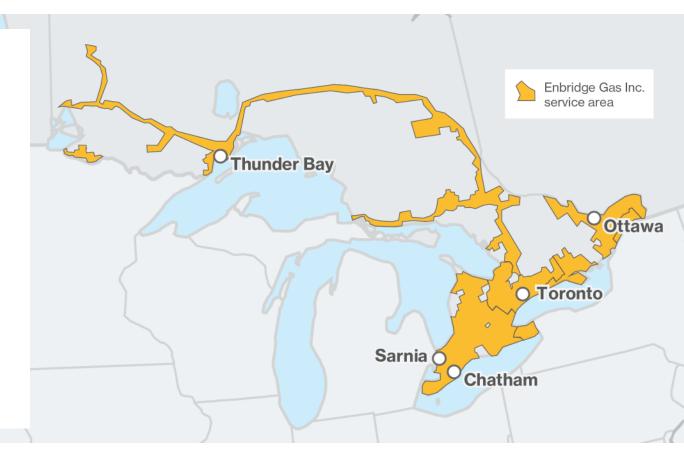
3.8M customers, heating >75% of Ontario homes.

Dawn Storage Hub

Canada's largest integrated underground storage facility and one of the top natural gas trading hubs in North America.

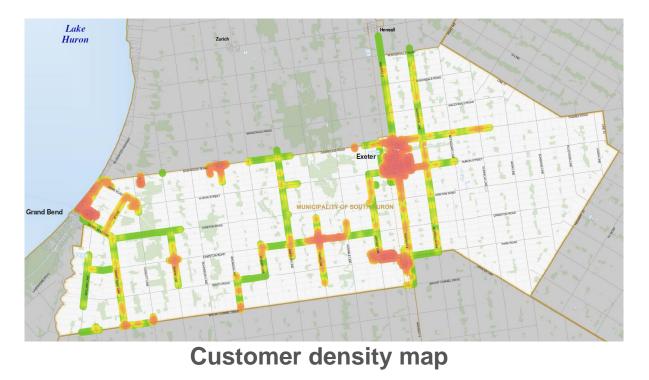
• Advancing Innovative Low-Carbon Solutions Conservation, cleaner technologies for heat/transportation (CNG, geothermal), green fuels (RNG, hydrogen).





Current operations—Municipality of South Huron





- 4,027 customers
- Kilometres of pipeline: 224.17
- Property taxes paid annually: approx. \$107,278.37
- Operations yard for southern Huron County located in Dashwood

Commitment to the community

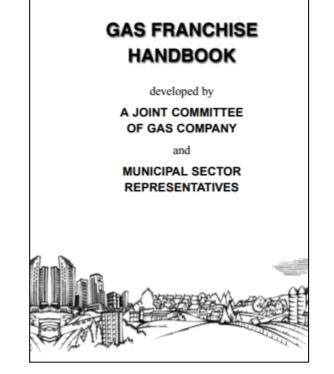


Over the past few years, Enbridge supported the following area organizations:

- South Huron Fire Department
- United Way Perth-Huron
- Huron Hospice
- Lake Huron Centre for Coastal Conservation
- Salvation Army Food Bank
- Society of St. Vincent de Paul Food Bank St. Peter's Conference

What is a Municipal Franchise Agreement?

- An agreement between a municipality and a natural gas distributor which allows the distributor to provide gas service.
- Terms and conditions are set and approved by the Ontario Energy Board (OEB)—the current Model Franchise Agreement was adopted by the OEB in 2000.
- Terms and conditions include emergency response, work in roadways, pipe relocation and decommissioning, various responsibilities of the gas company and the Municipality.
- The Model Franchise Agreement is used for all municipalities in Ontario and reflects the terms and conditions that the OEB has determined to be fair and reasonable.



How we operate in South Huron.



South Huron's franchise



- The latest franchise agreement renewal was finalized at a Council meeting on October 7, 2002 with the former Union Gas Limited.
- The 2002 franchise agreement is the same OEBapproved 2000 Model Franchise Agreement as is being proposed for the current renewal.

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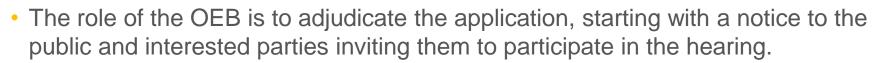
Serving the Municipality.

How is a franchise agreement renewed?



- A 6-to-12-month process.
- Begins with the delivery of a franchise renewal package to the Municipality (one year in advance of expiry).
- The package must be placed on the agenda of Municipal Council and a Resolution passed in support of the franchise renewal. Then, the municipality puts a bylaw related to the franchise agreement through 1st and 2nd readings.
- Enbridge Gas prepares an application to the Ontario Energy Board (OEB), publishes a Notice in a local newspaper and serves the Municipal Clerk with a copy of the Notice.
- The regulatory process to renew the franchise cannot proceed until Enbridge Gas has received a certified copy of the Resolution provided with the renewals package.

How is a franchise agreement renewed? Cont'd



- Once the OEB considers all of the evidence before it, including providing for questions on that evidence and any written submissions, the OEB makes a determination as to whether or not to approve the franchise agreement.
- If approved, the OEB will issue a Decision and Order granting approval of the franchise agreement.
- The OEB's Decision and Order, the unapproved bylaw, and approved MFA are again forwarded to the Clerk for consideration by Municipal Council and 3rd and final reading of the bylaw.
- Once the bylaw is approved by Municipal Council, the franchise agreement continues for another 20 years.



ONTARIO ENERGY BOARD NOTICE

Enbridge Gas Distribution Inc. has applied to renew its natural gas franchise agreement with the Town of Collingwood.

Learn more. Have your say.

Enbridge Gas Distribution Inc. has applied to the Ontario Energy Board for:

 The renewal of a franchise agreement with the Town of Collingwood which would grant to Enbridge Gas Distribution Inc. the right to build, operate and add to the natural gas distribution system and to distribute, store and transmit natural gas for a period of 20 years.

2.An order that the agreement of the municipal voters of the Town of Collingwood is not required in relation to renewing the natural gas franchise agreement.

THE ONTARIO ENERGY BOARD IS HOLDING A PUBLIC HEARING

The Ontario Energy Board (OEB) will hold a public hearing to consider Enbridge Gas' requests. end of this hearing, the OEB will decide whether to grant Enbridge Gas' requests.

The OEB is an independent and impartial public agency. We make decisions that serve the public interest. Our goal is to promote a financially viable and efficient energy sector that provides you with reliable energy services at a reasonable cost.

BE INFORMED AND HAVE YOUR SAY

ou have the right to information regarding this application and to be involved in the process.

You can review the application filed by Enbridge Gas on the OEB's website now.
 You can file a letter with your comments, which will be considered during the hearing.

You can file a letter with your comments, which will be considered during the hearing.
 You can become an active participant (called an intervenor). Apply by May 15, 2017 or the

hearing will go ahead without you and you will not receive any further notice of the proceeding.
 At the end of the process, you can review the OEB's decision and its reasons on our website.

The OEB does not intend to provide for an award of costs for this hearing.

LEARN MORE

Our file number for this case is EB-2017-0159. To learn more about this hearing, find instructions on how to file letters or become an intervence, or to access any document related to this case, please enter the file number EB-2017-0150 on the CEB webrite: http://www.be.adparticipate. You can also phone our Consumer Relations Centre at 1-877-632-2727 with any questions.

ORAL VS. WRITTEN HEARINGS

There are two types of OEB hearings- oral and written. The OEB intends to proceed with this application by way of a written hearing unless a party satisfies the OEB that there is good reason for not holding a written hearing. If you believe an oral hearing is necessary, you must provide written reasons to the OEB by May 15, 2017.

ACY

If you write a letter of comment, your name and the content of your letter will be put on the public record and the OEB website. Howeve, your personal telephone number, home address and e-mail address will be removed. If you are a business, all your information will remain public. If you apply to become an intervence, al information will be public.

This hearing will be held under section 9(3) and 9(4) of the Municipal Franchises Act, R.S.O. 1990, c.M.55.



The regulatory process.

Additional updates for South Huron



1. Natural Gas Expansion Program Phase 2



- In 2020, Enbridge Gas applied to the Ontario Energy Board (OEB) and Provincial Government under the Natural Gas Expansion Program Phase 2 (NGEP) to serve the Kirkton and Woodham area.
- The provincial government received over 200 applications, representing over \$2B in total cost.
- The provincial government made the decisions on which projects would proceed in June 2021.
- Unfortunately, the provincial government did not select the Kirkton and Woodham area.
- So, what are the next potential options?

Overview of the NGEP program.

2. Expansion Surcharge Program update



- November 2020: The Ontario Energy Board (OEB) approved Enbridge Gas' proposal for what was known at the time as the 'temporary connection surcharge' program (now referred to as Expansion Surcharge).
- In situations where the cost to attach to the Enbridge Gas system is not economically feasible at the regular OEB approved rates, the Expansion Surcharge is applied in addition to regular OEB approved rates for the applicable rate class and is a substitute for an upfront lump sum payment.
- Enbridge is currently examining several projects across Ontario and will advise the Municipality if any could proceed once review is complete.

3. Enbridge net-zero announcement



- Net zero target by 2050 for Enbridge operations.
- 35% reduction in greenhouse gas emissions intensity by 2030 for Enbridge operations.
- Incentive compensation linked to progress on ESG targets and goals.
- What does this all mean?

Enbridge Sets New Environmental, Social and Governance Goals for the Future

November 6, 2020

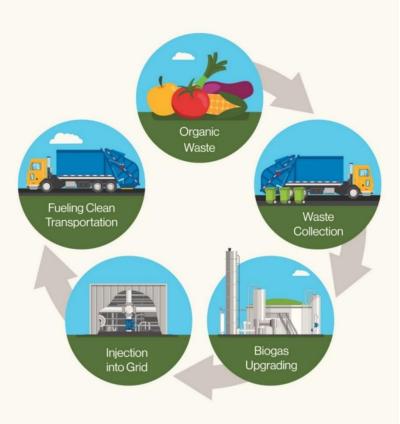
- · Net zero target by 2050; 35% reduction in greenhouse gas emissions intensity by 2030
- Accelerated diversity representation in the workforce
- · Incentive compensation linked to progress on ESG targets and goals

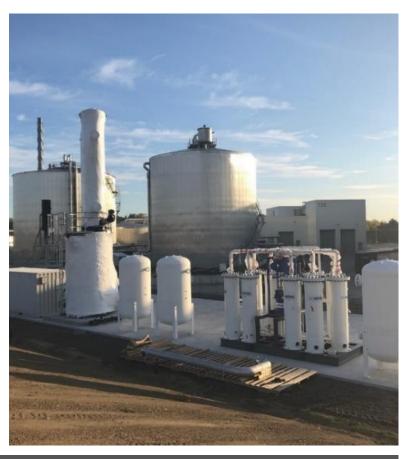
CALGARY, AB, Nov. 6, 2020 /CNW/ - Enbridge Inc. (TSX: ENB) (NYSE: ENB) (Enbridge or the Company) today announced expanded environmental, social and governance (ESG) goals and targets¹ related to greenhouse gas (GHG) emissions reduction and diversity and inclusion as well as increasing transparency and accountability of our ESG priorities and results. Setting goals in areas core to our business and stakeholders is just one of the ways Enbridge is further integrating ESG into strategy, operations and decision-making.

Enbridge Inc. has announced a goal of net-zero for operations by 2050.











Towards a low-carbon future

Thank you

Q&A

