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ESTIMATED 2013 - 2017 ACCRUAL COSTS

EGD PENSION PLANS

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MARSH & McLENNAN COMPANIES

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Note to reader regarding actuarial valuations and projections:

This report may not be relied upon for any purpose other than those explicitly noted in the Introduction, nor may it be relied upon by any party other than the parties noted in the Introduction. Mercer is not responsible for the consequences of any other use. A projection is a snapshot of a plan's estimated financial condition at a particular point in time; it does not predict a pension plan's future financial condition or its ability to pay benefits in the future.

If maintained indefinitely, a plan's total cost will depend on a number of factors, including the amount of benefits the plan pays, the number of people paid benefits, the amount of plan expenses, and the amount earned on any assets invested to pay the benefits. These amounts and other variables are uncertain and unknowable at the projection date.

To prepare the results in this report, actuarial assumptions are used to model a single scenario from a range of possibilities. The results based on that single scenario are included in this report. However, the future is uncertain and the plan's actual experience will differ from those assumptions; these differences may be significant or material. Different assumptions or scenarios within the range of possibilities may also be reasonable, and results based on those assumptions would be different. Furthermore, actuarial assumptions may be changed from the projection date to the valuation date, and from one valuation to the next because of changes in accounting standards and professional requirements, developments in case law, plan experience, changes in expectations about the future and other factors.

The projection results shown in this report also illustrate the sensitivity to one of the key actuarial assumptions, the discount rate. We note that the results presented herein rely on many assumptions, all of which are subject to uncertainty, with a broad range of possible outcomes and the results are sensitive to all the assumptions used in the projection.

Because actual plan experience will differ from the assumptions used in this projection, decisions about benefit changes, investment policy, funding amounts, benefit security and/or benefit-related issues should be made only after careful consideration of alternative future financial conditions and scenarios, and not solely on the basis of a projection or a valuation report.

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1

Introduction

Purpose

At the request of Gazifère Inc. (the “Company”), we have estimated the accrual (i.e. pension accounting) costs over 2013 to 2017 for:

- The Pension Plan for Employees of Enbridge Gas Distribution Inc. and Affiliates (the “RPP”) *of which Gazifère Inc. is a participating employer*;
- The Supplementary Executive Retirement Plan of Enbridge Gas Distribution Inc. and Affiliates (the “SERP”); and
- The Supplementary Senior Executive Retirement Plan of Enbridge Gas Distribution Inc. and Affiliates (the “SSERP”),

based on economic conditions at March 31, 2012. Actual accrual costs in respect of these years will differ from the amounts estimated here, and will be based on future economic and demographic experience. We understand this report will be provided to the Régie de l’énergie (the “Régie”) in conjunction with the Company’s application for recovery of pension costs from ratepayers.

Note that information contained in this report reflects all assets, liabilities and costs in respect of all employers participating in the RPP, except where specifically noted. Gazifère Inc. does not participate in the SERP and SSERP as Enbridge Gas Distribution Inc. is the only employer participating in these plans.

The information presented is prepared for the internal use of the Company and for filing with the Régie. This information presented is not intended or suitable for any other purpose.

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Background Information

Determination of Accrual Costs

The RPP consists of a defined benefit (“DB”) provision and a defined contribution (“DC”) provision. Accrual costs in respect of the RPP are determined annually based on actuarial valuations and extrapolations for financial reporting purposes. The SERP and SSERP are closed supplemental pension arrangements sponsored by Enbridge Gas Distribution Inc. and are relatively small compared to the RPP. Projected costs for the SERP and SSERP have been included here for completeness.

The Company has indicated that only direct charges to the Statement of Profit & Loss (“P&L charges”) are applicable for determining costs on the accrual basis. Therefore, all accrual costs in the body of this report only reflect P&L charges. Charges to the Statement of Other Comprehensive Income (“OCI charges”) have been included in Appendix B, for information purposes.

Accounting Standards and Methodology

The most recent actuarial valuation of the plans for financial reporting purposes was as at December 31, 2011. These valuations have been extrapolated forward and are the basis for the projections contained herein.

The Company’s fiscal year end date is December 31, and the measurement date for plan assets and obligations as described in this report is December 31.

The Company is proposing to transition from reporting under Canadian GAAP to US GAAP. By year-end 2013, financial reporting is expected to be entirely on a US GAAP basis. Results contained in this report are in accordance with US GAAP.

All results presented in this report are in Canadian dollars.

For year-end 2011 financial reporting, the Company adopted the discount rate methodology proposed by the Canadian Institute of Actuaries (“CIA”) in September 2011. As of December 31, 2011 the CIA methodology resulted in a discount rate approximately 80 basis points lower than the rate determined using Enbridge’s previous methodology. We have based our projections on accounting discount rates determined using the CIA methodology going forward.

Additional details on the assumptions and methodology used in these projections are given in Appendix E.

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Financial Results

Financial Position at December 31, 2011 and Projected Future Financial Positions

We have projected the results of the December 31, 2011 actuarial valuations of the plans for financial reporting purposes forward to each of the years ending 2012 through 2016. The purpose of these projections is to estimate the accrual costs for 2013 through 2017. **The projections are based on the economic environment as at March 31, 2012 and assumptions described in Appendix E. The actual economic environment as at each of the years ending 2012 through 2016 and actual plan experience over this period may differ significantly from these assumptions.**

For simplicity, we have excluded assets and benefit obligations with respect to the DC provision of the RPP in the balance sheets shown below. However, the DC accrual costs of the RPP are included in the P&L charges shown on pages 5 and 6.

Projected Accounting Balance Sheets

The table below details the actual balance sheet position of the plans as at December 31, 2011, as well as the projected position of the plans at each of year-end 2012 through 2016, assuming plan experience unfolds according to the assumptions described in Appendix E.

Balance Sheet Position ($Millions)

	RPP	SERP	SSERP	TOTAL
12.31.2011 (Actual)				
Assets	$715.6	$15.5	$7.7	$738.8
Benefit obligation	$827.1	$15.1	$5.8	$848.0
Excess (deficit)	($111.5)	$0.4	$1.9	($109.2)
12.31.2012 (Projected)				
Assets	$758.6	$15.8	$7.5	$781.9
Benefit obligation	$873.9	$15.0	$5.6	$894.5
Excess (deficit)	($115.3)	$0.8	$1.9	($112.6)
12.31.2013 (Projected)				
Assets	$811.8	$15.7	$7.2	$834.7
Benefit obligation	$901.3	$14.7	$5.3	$921.3
Excess (deficit)	($89.5)	$1.0	$1.9	($86.6)
12.31.2014 (Projected)				
Assets	$863.1	$15.4	$6.9	$885.4
Benefit obligation	$929.3	$14.3	$4.9	$948.5
Excess (deficit)	($66.2)	$1.1	$2.0	($63.1)
12.31.2015 (Projected)				
Assets	$913.0	$15.0	$6.5	$934.5
Benefit obligation	$957.9	$13.8	$4.5	$976.2
Excess (deficit)	($44.9)	$1.2	$2.0	($41.7)
12.31.2016 (Projected)				
Assets	$962.0	$14.5	$6.1	$982.6
Benefit obligation	$987.2	$13.3	$4.1	$1,004.6
Excess (deficit)	($25.2)	$1.2	$2.0	($22.0)

Summary of Accrual Costs

Based on the projected financial positions above, the resulting US GAAP P&L accrual costs for the plans over 2013 – 2017 are summarized below.

Accrual Costs – US GAAP ($Millions)

	RPP	SERP	SSERP	TOTAL
2013 Projected P&L Charge	$37.5	$0.9	$0.1	$38.5
2014 Projected P&L Charge	$32.4	$0.7	$0.1	$33.2
2015 Projected P&L Charge	$28.9	$0.5	$0.0	$29.4
2016 Projected P&L Charge	$25.7	$0.4	$0.0	$26.1
2017 Projected P&L Charge	$22.9	$0.3	$0.0	$23.2

Gazifère Inc.'s Share of Funding

In addition to Gazifère Inc., two other employers participate in the RPP. The following tables provide the same results as those on page 5, but are only in respect of Gazifère's share of costs[1] and with results not rounded.

Accrual Costs – US GAAP – Gazifère Only

	RPP	SERP	SSERP	TOTAL
2013 Projected P&L Charge	$989,088	$ -	$ -	$989,088
2014 Projected P&L Charge	$853,100	$ -	$ -	$853,100
2015 Projected P&L Charge	$760,631	$ -	$ -	$760,631
2016 Projected P&L Charge	$678,155	$ -	$ -	$678,155
2017 Projected P&L Charge	$604,308	$ -	$ -	$604,308

[1] Note that Gazifère Inc. does not participate in the SERP and SSERP as Enbridge Gas Distribution Inc. is the only employer participating in these plans.

Important to Note

The purpose of this report is to estimate the accrual costs over 2013 through 2017. However, the actual level of costs in 2013 through 2017 is highly dependent on:

- Financial market returns after March 31, 2012;
- Changes in long-term high-quality corporate bond yields after March 31, 2012;
- Any changes to the Company's discount rate methodology in the future; and,
- Actual plan demographic experience.

These items will cause actual accrual costs over 2013 through 2017 to differ from the estimates provided in this report.

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Actuarial Opinion

The methods used in the projections of benefit obligations and determination of plan costs were selected by Management in accordance with the requirements of US accounting standards (US GAAP).

Management has selected the assumptions used in the projections of plan obligations and determination of plan costs. They are Management's best estimate assumptions, selected for accounting purposes, in accordance with US accounting standards (US GAAP). I am not expressing any opinion on these assumptions.

In my opinion, for the purposes of the projections,

- The membership data on which the projections are based are sufficient and reliable;
- The calculations have been made in accordance with the requirements of US accounting standards (US GAAP), reflecting application of the Company's accounting policies described in this report.

This report has been prepared, and my opinion given, in accordance with accepted actuarial practice in Canada.

Allen Hornung
FCIA, FSA

June 18, 2012

Date

APPENDIX A

Sensitivity of Results

The estimated impact on accrual costs of positive and negative “shocks” to the plan’s assets and benefit obligations are given in this appendix. These “shocks” are assumed to occur at the end of 2013 in all scenarios.

Amounts in this appendix reflect only Gazifère Inc.’s share of costs.

Equity markets return +/- 20% more than expected

This scenario assumes that equity markets return 20% more or less than baseline assumptions, resulting in a return over 2013 that is 12.0%[2] higher or lower than our baseline assumption of 6.37%.

Table A.1: Positive Asset Shock in 2013 (+20% equity return)

	Accrual Costs – Gazifère Only	
	US GAAP P&L CHARGE	***Δ from baseline***
2013	$989,088	-
2014	$476,866	*($376,235)*
2015	$447,547	*($313,084)*
2016	$409,757	*($268,398)*
2017	$373,612	*($230,697)*

Table A.2: Negative Asset Shock in 2013 (-20% equity return)

	Accrual Costs – Gazifère Only	
	US GAAP P&L CHARGE	***Δ from baseline***
2013	$989,088	-
2014	$1,240,353	*$387,253*
2015	$1,098,509	*$337,887*
2016	$973,362	*$298,207*
2017	$862,587	*$258,279*

[2] RPP assets include a 60.0% allocation to growth assets, multiplied by +/- 20% equals return adjustment of +/- 12.0%. SERP and SSERP assets include a 35% allocation to growth assets, so the adjustment for these plans is +/- 7.0%.

Yield curve shift of +/- 1%

This scenario assumes a year-end 2013 parallel shift in the yield curve which benefit obligation discount rates are based on. We have assumed this change would not impact the fixed income portion of the plan's assets. In other words, this sensitivity is intended to represent a pure obligation shock (resulting from any economic or demographic experience different than expected), whereas the previous sensitivity was a pure asset shock.

Table A.3: Positive Obligation Shock in 2013 (+1% shift in yield curve)

	Accrual Costs – Gazifère Only	
	US GAAP P&L CHARGE	***Δ from baseline***
2013	$989,088	-
2014	$516,914	*($336,187)*
2015	$523,770	*($236,862)*
2016	$533,345	*($144,810)*
2017	$530,338	*($73,970)*

Table A.4: Negative Obligation Shock in 2013 (-1% shift in yield curve)

	Accrual Costs – Gazifère Only	
	US GAAP P&L CHARGE	***Δ from baseline***
2013	$989,088	-
2014	$1,117,008	*$263,907*
2015	$941,611	*$180,980*
2016	$786,474	*$108,319*
2017	$648,769	*$44,461*

APPENDIX B

Total Accrual Costs

The accrual costs shown on pages 5 and 6, and in Appendix A, are only in respect of direct charges to the P&L statement. Under US GAAP, additional charges (primarily in respect of recognizing actuarial gains and losses) are reflected in the OCI statement. This appendix includes estimates of both direct P&L charges and indirect OCI charges over 2013 through 2017.

Amounts in this appendix reflect only Gazifère Inc.'s share of costs.

Accrual Costs – US GAAP – Gazifère Only

	P&L CHARGE	OCI CHARGE	TOTAL CHARGE
2013 Charge	$989,088	$41,621	$1,030,709
2014 Charge	$853,100	$44,392	$897,492
2015 Charge	$760,631	$47,074	$807,705
2016 Charge	$678,156	$49,693	$727,848
2017 Charge	$604,308	$52,271	$656,580

APPENDIX C

Required Disclosures

Terms of Engagement

In accordance with our terms of engagement with the Company and Enbridge, our projections are based on the following material terms:

- The information presented in this report has been prepared for the internal use of the Company and for filing with the Régie. This information presented is not intended or suitable for any other purpose.

- The projections and calculations of costs have been prepared in accordance with US accounting standards (US GAAP). They are based on methods, assumptions and accounting policies selected by Management;

- We have projected assets forward using benchmark asset returns (net of expenses) to March 31, 2012 and our best estimate of asset returns (net of expenses) after March 31, 2012. Projected future cash flows have also been incorporated.

- We have projected benefit obligations forward using the expected cost of benefits accruing over 2012 through 2016, reflecting interest over each period and adjusting year-end 2012 benefit obligations to reflect the economic environment as at March 31, 2012. Benefit obligations in future periods are projected forward with these same March 31, 2012 assumptions and methodology. Projected future cash flows have also been incorporated.

- The starting point for our asset projection was the market value of assets as of December 31, 2011, shown in Appendix D.

- Our calculations are based on the assumptions and methodology described in Appendix E. The discount rate assumption has been updated from the rate used in the December 31, 2011 valuation to reflect market conditions as at March 31, 2012 and the CIA discount rate methodology proposed in September 2011.

- Our calculations are based on extrapolations of a valuations performed using membership data as at December 31, 2011. The membership data used in our projections and calculations is summarized in Appendix F.

- Our calculations reflect the provisions of the Plan as at March 31, 2012. Based on the information provided by Enbridge, no substantive amendments have been made to the Plan since that date. A summary of the plan provisions is provided in Appendix G.

Subsequent Events

The RPP is being amended effective July 1, 2012 to comply with legislative changes requiring "grow-in" benefits for Ontario members involuntarily terminated without cause. This amendment has not been reflected in this report, as the financial impact is not expected to be material. After checking with representatives of Enbridge, to the best of our knowledge there have been no other events subsequent March 31, 2012 which, in our opinion, would have a material impact on the results of the projection.

APPENDIX D

Plan Assets

The DB assets of the RPP and the invested assets of the SERP and SSERP are held in trust by CIBC Mellon. SERP and SSERP assets also include the refundable tax account held with CRA. We have relied upon the audited fund statements provided by PriceWaterhouseCoopers LLP as at December 31, 2011.

The starting point for our projections of assets were the market value of each plan's assets as at December 31, 2011.

Investment Policy

The plans' administrator adopted a statement of investment policy and procedures, last revised in 2011. This policy is intended to provide guidelines for the manager(s) as to the level of risk which is commensurate with the plans' investment objectives. A significant component of this investment policy is the asset mix.

The target and actual asset mix for the RPP is provided for information purposes:

	Investment Policy – RPP	
	Target @ 3.31.2012	**Actual @ 12.31.2011**
Canadian equities	21.0%	18.8%
Global equities	17.0%	29.5%
Emerging market equities	6.5%	
Fixed income – universe	30.0%	32.7%
Fixed income – real return	10.0%	11.6%
Infrastructure	9.0%	6.4%
Real estate	6.5%	0.0%
Cash and cash equivalents	0.0%	1.0%
	100%	100%

Because of the mismatch between the RPP assets (which are invested in accordance with the above investment policy) and the liabilities (which tend to behave like long bonds) the financial position of the RPP will fluctuate over time. These fluctuations could be significant and could cause the RPP to become under, or over, funded.

APPENDIX E

Accounting Methods and Assumptions

Accounting Methods

Valuation of Assets

The market value of assets is used to determine pension costs.

For purposes of these estimates, we have projected the market value of RPP DB assets at December 31, 2011 using benchmark asset returns (net of all expenses) of 3.88% from January 1, 2012 to March 31, 2012, and our best estimate of asset returns (net of all expenses) of 4.78% from April 1, 2012 to December 31, 2012. Therefore, the annual rate of return over 2012 for the RPP (net of all expenses) assumed in our projection is 8.66%. The annual rate of return over 2012 in respect of the SERP and SSERP was one half of this amount, or 4.33%.

Asset returns after December 31, 2012 are assumed to be 6.37% per year for the RPP, and 3.63% per year for the SERP and SSERP. These assumptions were provided to us by Management.

Estimated future cash flows have been incorporated into our projections.

Actual assets over year-end 2012 through 2016 will differ from these estimates.

Valuation of Benefit Obligations and Current Service Cost

For purposes of these estimates, we have continued to use the projected unit credit method for the valuation of benefit obligations and current service cost of the plans. The objective under this method is to expense each participant's benefits under the plans as they would accrue; taking into consideration future salary increases and the plans' benefit allocation formula. Thus, the total pension, to which each participant is expected to become entitled at retirement, is broken down into units, each associated with a year of past or future credited service.

The benefit deemed to accrue for an individual during a fiscal year is the excess of the accrued benefit for valuation purposes at the end of the fiscal year over the accrued benefit for valuation purposes at the beginning of the fiscal year. Both accrued benefits are calculated from the same projections to the various anticipated separation dates. An individual's benefit obligation is the present value of the accrued benefit for valuation purposes at the beginning of the fiscal year and the service cost is the present value of the benefit deemed to accrue in the fiscal year.

The plan's service cost is the sum of the individual service costs, and the plan's benefit obligation is the sum of the individual benefit obligations for all participants under the plan.

There is no current service cost in respect of the SERP or SSERP.

Accounting Policies

Accounting Standards Transition

The Company currently reports in accordance with Canadian GAAP accounting standards.

The Company is proposing to adopt US GAAP accounting standards on January 1, 2013. Due to the requirement to provide comparative information in the first set of US GAAP financial statements, the Company will transition to US GAAP from Canadian GAAP on January 1, 2012. On that date, a transition adjustment will be made to retained earnings to bring the existing Canadian GAAP balances in line with the requirements of US GAAP. The Company will continue to report under Canadian GAAP for the fiscal year ending December 31, 2012. Two sets of financial results would be maintained for the fiscal year ending December 31, 2012, one for Canadian GAAP and one for US GAAP. At January 1, 2013, the Company will no longer report under current Canadian GAAP and will commence with reporting entirely under US GAAP for the fiscal year ending December 31, 2013.

Measurement Date

The Company's fiscal year end date is December 31, and the measurement date for plan assets and obligations under US GAAP is also December 31.

Attribution

Under US GAAP, obligations are attributed to the period beginning on the employee's date of joining the plan and ending on the earlier of the date of termination, death or retirement.

Amortizations of Prior Service Costs and Gains and Losses

The Company has elected to amortize past service costs resulting from plan amendments to the RPP on a linear basis over the average remaining service period of active members expected to receive benefits under the plan at the time the amendments were made.

Cumulative gains and losses in excess of 10% of the greater of the PBO or market value of plan assets are amortized over the average remaining service period of active members expected to receive benefits under the plan (10.1 years for the RPP, 4.3 years for the SERP and 14.7 years for the SSERP as at December 31, 2011).

Accounting Assumptions

The following assumptions, provided to us by Management, were used in valuing the benefit obligations under the plan and the employer's pension cost.

Measurement date	December 31
Discount rate	4.33%
Expected rate of return on invested assets – RPP	7.00%
Expected rate of return on invested assets – SERP/SSERP	3.20%
Inflation	2.25%
Increases in pensionable earnings	3.50%
Increases in the YMPE	2.75%
Increases in maximum pension permitted under the *Income Tax Act*	2.75%
Indexation of pensions in payment	1.24% per year in respect of Contributory service, 1.13% per year in respect of Non-Contributory and Senior Manager service
Mortality	UP-1994 generational mortality table
Disability	No allowance for future disabilities
Withdrawal	See tables of sample rates
Expenses	Implicit in long-term rate of return on assets
Retirement	See table of sample rates
Percentage with spouse	80% married
Age difference	A male is assumed to be 2 years older than his spouse
Headcount	No allowance made for headcount growth

Sample rates from the age related tables are summarized below:

Age	Termination - Male	Termination - Female	Retirement
20	5.0%	9.5%	0.0%
25	5.0%	13.0%	0.0%
30	5.0%	11.0%	0.0%
35	4.6%	8.5%	0.0%
40	3.0%	4.0%	0.0%
45	2.5%	3.9%	0.0%
50	1.5%	2.8%	0.0%
55	0.0%	0.0%	5.0%
56	0.0%	0.0%	5.0%
57	0.0%	0.0%	7.5%
58	0.0%	0.0%	7.5%
59	0.0%	0.0%	10.0%
60	0.0%	0.0%	20.0%
61	0.0%	0.0%	20.0%
62	0.0%	0.0%	20.0%
63	0.0%	0.0%	20.0%
64	0.0%	0.0%	20.0%
65	0.0%	0.0%	100.0%

A 20% retirement rate is assumed in lieu of the above rate in the year in which a member qualifies for early retirement with an unreduced pension and in each subsequent year until age 65.

Our assumptions are based on the economic environment as of March 31, 2012, the discount rate methodology proposed by the CIA in September 2011, and input provided by Enbridge for the December 31, 2011 accounting valuation. Assumptions as at year-end 2012 through 2016 will reflect the economic environment and input from Enbridge at those times, and may differ from those used in these projections.

APPENDIX F

Membership Data

Analysis of Membership Data at December 31, 2011

For purposes of these estimates, we have based our projections on membership data as at December 31, 2011 for each plan, which was provided by Enbridge. Membership data was projected forward based on the assumptions described in Appendix E.

Membership data for the RPP as at December 31, 2011 are summarized below.

	12.31.2011 (RPP)
Active Members Accruing Defined Benefit Service (Non-SMEs)	
Number	1,872
Total base earnings at the valuation date	$141,763,000
Average base earnings at the valuation date	$75,700
Average years of Non-SME DB pensionable service	12.4 years
Average age	45.4 years
Active Members Accruing Defined Benefit Service (SMEs)	
Number	33
Total base earnings at the valuation date	$6,836,000
Average base earnings at the valuation date	$207,200
Average years of SME DB pensionable service	3.4 years
Average age	50.7 years
Suspended Defined Benefit Members Accruing Defined Contribution Service	
Number	73
Total base earnings at the valuation date	$6,314,000
Average base earnings at the valuation date	$86,500
Average years of Non-SME DB pensionable service	5.6 years
Average age	46.0 years
Other Suspended Defined Benefit Members (Non-SMEs)	
Number	18
Total base earnings at the valuation date	$1,962,000
Average base earnings at the valuation date	$109,000
Average years of Non-SME DB pensionable service	4.3 years
Average age	40.6 years
Other Suspended Defined Benefit Members (SMEs)	
Number	16
Total base earnings at the valuation date	$4,234,000
Average base earnings at the valuation date	$264,600
Average years of Non-SME DB pensionable service	7.2 years
Average years of SME DB pensionable service	1.8 years
Average age	44.3 years

	12.31.2011 (RPP)
Active Defined Contribution Members without Defined Benefit Service	
Number	197
Total base earnings at the valuation date	$16,347,000
Average base earnings at the valuation date	$83,000
Average age	41.4 years
Suspended Defined Contribution Members without Defined Benefit Service	
Number	5
Total base earnings at the valuation date	$667,000
Average base earnings at the valuation date	$133,000
Average age	36.5 years
Deferred Pensioners	
Number	191
Total annual pension	$936,000
Average annual pension	$4,900
Average age	48.5 years
Pensioners and Survivors	
Number	1,458
Total annual lifetime pension	$29,650,000
Average annual lifetime pension	$20,300
Total annual temporary pension	$1,878,000
Average annual temporary pension	$7,000
Average age	71.9 years

APPENDIX G

Summary of Plan Provisions

For purposes of these projections, we have reflected the provisions of the plans in effect on March 31, 2012. The plans have not been amended since December 31, 2011. However, the RPP is being amended effective July 1, 2012 to comply with legislative changes requiring "grow-in" benefits for Ontario members involuntarily terminated without cause. This amendment has not been reflected in this report, as the financial impact is not expected to be material.

RPP - DB Component

The following is a summary of the main provisions of the DB component of the RPP in effect on March 31, 2012. This summary is not intended as a complete description of the RPP.

Background	The RPP became effective January 1, 1971. Benefits are based on a set formula and are entirely paid for by the participating employers. Effective July 1, 2001, the Plan was redesigned for all active or suspended members at that date. Prior to the redesign, participants in the DB component of the Plan accrued Contributory credited service. Following the redesign, all active and suspended members were required to elect to participate in either the DB component or the DC component of the Plan for future service. Participants in the DB component of the Plan accrue non-contributory or SME credited service. In the future, members who are not SMEs may switch between the DB and DC components on the January 1 following the date they achieve 40 points or 60 points. Any changes will affect service after the decision point only. Members who are SMEs must participate in the DB component of the Plan.
Eligibility for Membership	New employees become members of the Plan immediately. They may elect to participate in either the DB or DC component of the Plan. SMEs must participate in the DB component.
Vesting	All employees are immediately vested as of July 1, 2011.
Employee Contributions	No employee contributions are required or permitted based on the current plan provisions. Prior to July 1, 2001, employee contributions were required.

Retirement Dates	Normal Retirement Date • The normal retirement date is the first day of the month coincident with or next following the member's 65th birthday. Early Retirement Date • A member becomes immediately vested and may choose to retire as early as age 55.
Normal Retirement Pension	**Contributory Service:** 2.0% of Final Five Year Average Earnings multiplied by years of contributory credited service; less 100% of the Contributory Canada Pension Plan Entitlement. **Non-Contributory Service:** 1.2% of Final Three Year Average Earnings multiplied by years of non-contributory credited service; less 50% of the Non-Contributory Canada Pension Plan Entitlement; **SME Credited Service:** 2.0% of Final Three Year Average Earnings multiplied by years of SME credited service.
Final Five Year Average Earnings	Final Five Year Average Earnings is calculated using the highest 60 consecutive months of earnings received by the member in the 120 months immediately prior to termination or retirement, including 50% of the actual bonus received for senior executive employees.
Final Three Year Average Earnings	Final Three Year Average Earnings is calculated using the highest 36 consecutive months of earnings received by the member in the 120 months immediately prior to termination or retirement, plus the sum of the highest three Pensionable Bonus payments made in the last five years divided by 3.

Canada Pension Plan Entitlement	**Contributory Service:** One thirty-fifth of 25% of the lesser of the average earnings in the 60 months immediately preceding the date of exit and average of the YMPE in the five calendar years, including the current year, preceding the date of exit, multiplied by contributory credited service, to a maximum of 35 years. **Non-Contributory Service:** Calculated as if the member had reached age 65, multiplied by the ratio of the member's non-contributory credited service after the later of January 1, 1966 or age 18, to the number of years of possible CPP coverage to age 65, recognizing a dropout period of 15%, and reduced by 6% per year for every year the retirement date precedes age 65, to a maximum reduction of 30%.
Early Retirement Pension	The following benefits apply if a member retires early with Enbridge's consent: • If the member has attained age 60, the pension payable is as described above in the Normal Retirement section. • If the member has 30 years of continuous Service or has attained age 60, the member is eligible for the benefits described in the previous paragraph plus, for contributory credited service, an additional benefit of a bridge pension payable to age 65 equal to 100% of the Contributory Canada Pension Plan Entitlement. • If the member has not attained age 60 the member is also eligible, for non-contributory credited service, for an additional benefit of a bridge pension payable to age 60 equal to 50% of the Non-Contributory Canada Pension Plan Entitlement. • If the member has not attained age 60 or 30 years of continuous service at retirement, an early retirement reduction of 5% per year is applicable from age 60 in respect of contributory and non-contributory credited service. For SMEs, the early retirement reduction is 3% per year for SME credited service. The reduction applies to the benefit described in the immediately preceding paragraphs including the bridge pensions. If a member retires without consent the benefit is actuarially equivalent to the benefit payable at age 65.

Maximum Pension	The total annual pension payable from the Plan upon retirement, death or termination of employment cannot exceed the lesser of: • 2% of the average of the best three consecutive years of total compensation paid to the member by Enbridge; and • $2,646.67, or such other maximum as may apply from time to time indexed to the date of pension commencement, multiplied by his total credited Service and reduced for early retirement in accordance with the *Income Tax Act* rules.
Indexation of Pensions in Payment	On December 1 of each year a contractual cost of living increase equal to a percentage of the annual increase in the Consumer Price Index will apply to pensions in payment for at least one year. This percentage is 55% for contributory credited service and 50% for non-contributory and SME credited service. Indexation only applies to members that retire from active membership. Prior to July 1, 2001, any increases to pensions in payment were on an ad-hoc basis.
Death Benefits	**Death Before Eligible for Early Retirement** If a member dies before he is eligible for early retirement benefits, the member's spouse, or beneficiary if there is no spouse, will receive a lump sum settlement equal to 100% of the commuted value of the member's reduced accrued pension deferred to age 55, in respect of all credited service. **Death After Eligibility for Early Retirement** If a member dies after his early retirement date and before his pension payments have begun, the member's spouse, or beneficiary if there is no spouse, will receive either a lump sum settlement or an immediate pension equal in value to 100% of the commuted value of the member's reduced accrued pension, in respect of all credited service. **Death After Retirement** The death benefit payable is in accordance with the form elected. The normal form of pension is a Joint and 60% Survivor annuity for members with a spouse and a life annuity with a 15-year guarantee period for single members.
Termination Benefits	If a member's employment terminates for reasons other than death or retirement, the member is entitled to their reduced accrued pension deferred to age 55. The Member has the option to transfer the value of the benefit to a locked-in RRSP.

Disability Benefits	Disabled members are eligible to retire at age 65. For members whose disability commenced before July 1, 2001 salary is assumed to increase with the Average Industrial Wage, while for members whose disability commences after July 1, 2001 salary is assumed to increase with inflation, subject to a maximum of 5% per year, to retirement. The disabled member continues to accrue credited service while disabled.

RPP - DC Component

The following is a summary of the main provisions of the DC component of the RPP in effect on March 31, 2012. This summary is not intended as a complete description of the RPP.

Background	The DC component of the RPP became effective July 1, 2001. Employer contributions are remitted to individual member accounts and are credited with interest. Members receive the balance of their individual employer account upon termination, death or retirement.
Eligibility for Membership	New employees become members of the Plan immediately. They may elect to participate in either the DB or DC component of the Plan. SMEs must participate in the DB component.
Vesting	All employees are immediately vested as of July 1, 2011.
Employee Contributions	No employee contributions are required or permitted.
Employer Contributions	Employer contributions to the DC component are based on a member's points. • less than 40 points: 4.0% of pensionable earnings[3] • 40 to 60 points: 5.5% of pensionable earnings • greater than 60 points: 7.0% of pensionable earnings
Maximum Contribution	The employer contributions are limited to the amounts under the ITA.
Pensionable Earnings	Base salary plus 50% of actual bonus received.

[3] For members who were participating in the DC component of the Plan at June 30, 2001, the minimum employer contribution is 5.0% of pensionable DC earnings.

SERP / SSERP

The following is a summary of the main provisions of the SERP and SSERP in effect on March 31, 2012. This summary is not intended as a complete description of the SERP or SSERP.

Background - SERP	The SERP became effective November 19, 1987. It provides to designated employees benefit amounts that would otherwise be payable under the RPP beyond the ITA maximum pension limit on service accrued prior to January 1, 2000. The SERP is closed to new entrants.
Background - SSERP	The SSERP became effective November 19, 1984. Only members designated by Enbridge Gas Distribution Inc. were able to join the SSERP. The SSERP is closed to new entrants, and the only remaining members are pensioners and survivors.

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