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ESTIMATED 2015 CASH FUNDING COSTS

EGD PENSION PLANS

07 AUGUST 2014

MARSH & McLENNAN COMPANIES

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Note to reader regarding actuarial valuations and projections:

Mercer has prepared this report exclusively for Gazifère Inc. to provide an estimate of the 2015 minimum cash funding requirements. This report may not be used or relied upon by any other party or for any other purpose; Mercer is not responsible for the consequences of any unauthorized 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.

The results shown in this report are extrapolated from funding valuation results shown in the Report on the Actuarial Valuation as at December 31, 2013 (the "2013 Report"), and are subject to the same Important Notices and qualifications described in the 2013 Report except as specifically noted in this report. The 2013 Report is incorporated by reference into this report, and is essential to understanding these results. A copy of the 2013 Report will be provided upon request.

The results are based on the actuarial assumptions used in the 2013 Report, except where explicitly noted. The solvency and hypothetical wind-up assumptions have also been updated to reflect market conditions at June 30, 2014. Our extrapolation reflects a single scenario from a range of possibilities. However, the future is uncertain, and the plan's actual experience will likely differ from the assumptions utilized and the scenarios presented; these differences may be significant or material. This report is presented at a particular point in time and should not be viewed as a prediction of the plan's future financial condition or its ability to pay benefits in the future. There were no changes in the actuarial methods used in the 2013 Report.

The results shown in this report are based on the membership data used in the 2013 Report assuming no changes since December 31, 2013.

The results shown in this report are based on plan provisions provided by the plan administrator. There were no changes made to the plan provisions since December 31, 2013.

Because actual plan experience will differ from the assumptions, 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 valuation report or reports.

The results shown in this report include a projection of plan assets, plan liabilities, contribution requirements, cash flows to a date that is after the date of this report. Such projections are sensitive to many factors that are unknowable at this time, including (but not limited to) the level of market interest rates, investment performance on the pension fund to the projection date, and other plan demographic and economic experience over the projection period. As a result, actual plan assets, plan liabilities, financial reporting expense, contribution requirements, cash flows in future years will be different from those projected and these differences may be significant or material.

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Introduction

Purpose

At the request of Gazifère Inc. (the "Company"), we have estimated the minimum cash funding requirements in 2015 for the Pension Plan for Employees of Enbridge Gas Distribution Inc. and Affiliates (the "Plan" or the "RPP") of which Gazifère Inc. is a participating employer. Actual cash funding requirements in respect of 2015 may 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 cash funding requirements in respect of all employers participating in the RPP, except where specifically noted.

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.

Important to Note

The purpose of this report is to estimate the minimum required cash contributions in 2015. However, the occurrence and/or level of required contributions in 2015 are highly dependent on:

- Enbridge Gas Distribution Inc.'s decision to file, or not to file, a valuation at December 31, 2014;
- Actual plan demographic experience;
- Financial market returns after June 30, 2014;
- Changes in long-term government bond yields after June 30, 2014;
- Amount of funding contributions paid into the RPP; and
- Changes to the prescribed spread used to determine solvency discount rates after June 30, 2014.

These items will cause actual contributions in 2015 to differ from the estimates provided in this report.

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Background Information

Determination of Contribution Requirements

The RPP consists of a defined benefit ("DB") provision and a defined contribution ("DC") provision. Minimum required cash funding to the DB component is determined based on actuarial valuations filed with the Financial Services Commission of Ontario ("FSCO") and the Canada Revenue Agency ("CRA"). Valuations may be filed at the plan sponsor's discretion, but must be filed at least once every three years.

In addition to Gazifère Inc., two other employers participate in the RPP. The tables in this report provide results for the Plan as a whole, as well as Gazifère Inc.'s portion only.

Financial Position at December 31, 2013

An actuarial valuation of the RPP was conducted as at December 31, 2013 (the "2013 Valuation") and the results are presented in our Report on the Actuarial Valuation for Funding Purposes as at December 31, 2013 (the "2013 Report"). The following is a summary of the going concern and solvency valuation results for the RPP as shown in the 2013 Report.

For simplicity, we have excluded assets and liabilities with respect to the DC provision of the RPP in the balance sheets shown below.

	RPP	Gazifère Inc. Only
Going Concern Financial Status		
Market value of assets	$837,980,000	$13,272,400
Going concern funding target	$797,633,100	$13,874,000
Funding excess (shortfall)	$40,346,900	($601,600)
Solvency Financial Position		
Solvency assets	$837,330,000	$13,262,100
Solvency liability	$839,524,400	$13,698,800
Solvency excess (shortfall)	($2,194,400)	($436,700)

The 2013 Valuation was filed with FSCO and the CRA. Contributions to the RPP by the Company, and other participating employers, must be made in accordance with the 2013 Valuation until a new valuation is filed with the regulators (but no later than December 31, 2016).

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Estimated 2015 Contribution Requirements

The *Pension Benefits Act (Ontario)* (the "Act") prescribes the minimum contributions that must be made to the RPP. The minimum contributions are comprised of going concern current service cost (in respect of the DB and DC components) and special payments to fund any going concern or solvency shortfalls. When a plan has a going concern funding excess, the Act permits the application of the funding excess to be applied to reduce employer required current service cost contributions. The funding excess may be so applied, at the discretion of Enbridge, until the funding excess has been fully utilized.

Based on the 2013 Valuation, before application of any funding excess, the minimum 2015 contribution requirements are as follows:

2015	RPP	Gazifère Inc. Only
DB going concern current service cost	$22,324,000	$553,001
DC current service cost	$1,135,700	$65,102
Special payments	$0	$0
Total minimum cash contribution	$23,459,700	$618,103

As summarized in Section 2, the RPP as a whole had a going concern funding excess of $40,346,900 and a solvency deficit of $2,194,900 as at December 31, 2013. The solvency deficiency was fully funded by special payments in 2014 and therefore no special payments are required for 2015 and 2016 on the basis of the assumptions and methods described in the 2013 Report. Accordingly, Enbridge Gas Distribution Inc. and the other participating employers of the RPP are permitted to apply the going concern funding excess to reduce employer required current service cost contributions for these years. Under the terms of the plan, the going concern funding excess may also be applied to reduce employer required DC contributions in 2015 and 2016.

If the going concern funding excess is applied against the required 2015 contributions, the minimum 2015 contribution requirement for Gazifère Inc. is $0. We note however, that if actual experience develops in line with the assumptions in the 2013 Report and Enbridge Gas Distribution Inc. and the participating employers elect to apply the going concern funding excess against required contributions, the financial position of the plan is expected to deteriorate and a new solvency deficit is expected to emerge when the next required valuation report is filed.

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Projection to December 31, 2014

At the request of Gazifère Inc., we have prepared an estimate of the RPP's financial position as at December 31, 2014 and an estimate of the minimum 2015 contribution requirements if a new valuation is filed at the date. Note that a new valuation report is not required to be filed until December 31, 2016.

Projected Financial Position at December 31, 2014

We have projected the results of the December 31, 2013 actuarial valuation of the RPP forward to December 31, 2014. The projection is based on the assumptions described in Appendix C, with updates to some assumptions to reflect the economic environment as at June 30, 2014. The actual economic and regulatory environment as at December 31, 2014 and actual plan experience over this period may differ significantly from these assumptions.

For simplicity, we have excluded assets and liabilities with respect to the DC provision of the RPP in the balance sheets shown below.

Projected Going Concern Balance Sheet

The table below details the actual going concern financial position of the RPP as at December 31, 2013, as well as the projected position at December 31, 2014, assuming plan experience unfolds according to the assumptions described in Appendix C.

Going Concern Financial Position ($Millions)

12.31.2013 (Actual)	**RPP**	**Gazifère Inc. Only**
Assets	$838.0	$13.3
Liabilities	$797.6	$13.9
Funding excess (shortfall)	$40.4	($0.6)
12.31.2014 (Projected)		
Assets	$914.1	$15.3
Liabilities	$823.4	$14.7
Funding excess (shortfall)	$90.7	$0.6

Projected Solvency Balance Sheet

The table below details the actual solvency financial position of the RPP as at December 31, 2013, as well as the projected position at December 31, 2014, assuming plan experience unfolds according to the assumptions described in Appendix C.

Solvency Financial Position ($Millions)

12.31.2013 (Actual)	RPP	Gazifère Inc. Only
Assets	$837.3	$13.3
Liabilities	$839.5	$13.7
Solvency excess (deficiency)	($2.2)	($0.4)
12.31.2014 (Projected)		
Assets	$913.5	$15.2
Liabilities	$935.5	$16.0
Solvency excess (deficiency)	($22.0)	($0.8)

Summary of Minimum Required Cash Costs

Based on the projected financial position above assuming a new valuation is filed as at December 31, 2014, the resulting minimum required cash funding for the RPP in 2015 is as follows:

Cash Costs

2015 (Projected)	RPP	Gazifère Inc. Only
DB going concern current service cost	$22,324,000	$553,001
DC current service cost	$1,135,700	$65,102
Solvency amortization payments	$4,809,200	$178,485
Total minimum cash contribution	$28,268,900	$796,588

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Actuarial Opinion

In my opinion, for the purposes of the projections,

- The membership data on which the projections are based are sufficient and reliable;
- The assumptions are appropriate; and
- The methods employed in the projections are appropriate.

This report has been prepared, and my opinion given, in accordance with accepted actuarial practice in Canada. It has also been prepared in accordance with the funding and solvency standards set by the *Pension Benefits Act (Ontario)*.

Laurie Alook
FSA, FCIA

07 August 2014
Date

APPENDIX A

Required Disclosures

Terms of Engagement

In accordance with our terms of engagement with the Company, 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.

- We have reflected a margin for adverse deviations as directed by the Company in our going concern projection by reducing the going concern discount rate by 0.85% per year.

- We have reflected the Company's decisions for determining the solvency funding requirements, summarized as follows:

  - The same plan wind-up scenario was hypothesized for both hypothetical wind-up and solvency valuations;

  - Certain excludable benefits were excluded from the solvency liabilities; and

  - The solvency financial position was determined on a projected market value basis.

- We have projected assets forward from December 31, 2013 using actual asset returns (net of expenses) to June 30, 2014 and our best estimate of asset returns (net of expenses) after June 30, 2014. Projected future cash flows have also been incorporated.

- We have projected liabilities forward using the expected cost of benefits accruing over 2014, reflecting interest and adjusting year-end 2014 solvency and hypothetical wind-up liabilities to reflect the economic environment as at June 30, 2014. 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, 2013, described in Appendix C.

- Our calculations are based on the assumptions and methodology described in Appendix C. We have used the same going concern valuation assumptions and methods as were used for the valuation as at December 31, 2013. The hypothetical wind-up and solvency economic assumptions have been updated to reflect market conditions as at June 30, 2014. Emerging experience will affect the funded position of the RPP.

- Our calculations are based on extrapolations of valuations performed using membership data as at December 31, 2013. The membership data used in our projections and calculations is summarized in Appendix D.

- Our calculations reflect the provisions of the RPP as at June 30, 2014. Based on the information provided by the Company, no substantive amendments have been made to the RPP since that date. A summary of the plan provisions is provided in Appendix E.

Subsequent Events

After checking with representatives of the Company, to the best of our knowledge there have been no events subsequent to June 30, 2014 which, in our opinion, would have a material impact on the results of the projection.

Next Required Valuation

In accordance with pension benefits legislation, the next actuarial valuation of the RPP to be filed with FSCO and CRA will be required as at a date not later than December 31, 2016, or as at the date of an earlier amendment to the RPP.

Gain and Loss Analysis

A reconciliation of the actual going concern financial position of the RPP between December 31, 2013 and the projected going concern financial position at December 31, 2014 follows:

Reconciliation of Financial Status ($Millions)	2014
Funding excess (shortfall) as at December 31, 2013	$40.4
Interest on funding excess (funding shortfall) at 5.50% per year	$2.2
Special payments with interest	$2.3
Net investment return different than expected	$45.8
Funding excess (shortfall) as at December 31, 2014	$90.7

Discount Rate Sensitivity

The following table summarizes the effect on the projected December 31, 2014 liabilities and 2015 current service costs of the RPP shown in this report of using a discount rate which is 1.00% lower than that used in the projection:

Scenario ($Millions)	Projection Basis	Reduce Discount Rate by 1%
Going concern liabilities	$823.4	$947.0
Solvency liabilities	$935.5	$1,063.7
DB current service cost	$22.3	$28.1

Projected Hypothetical Wind-up Balance Sheet at December 31, 2014

The table below details the hypothetical wind-up financial position of the RPP as at December 31, 2013, as well as the projected position as at December 31, 2014.

Hypothetical Wind-up Financial Position ($Millions)	12.31.2013 (Actual)	12.31.2014 (Projected)
Assets	$837.3	$913.5
Liabilities	$1,003.8	$1,121.9
Wind-up excess (deficiency)	($166.5)	($208.4)

The assumptions and methodology used to determine the projected hypothetical wind-up balance sheet as at December 31, 2014 are described in Appendix C.

Wind-up Incremental Cost

The wind-up incremental cost is an estimate of the present value of the projected change in the RPP hypothetical wind-up liabilities from December 31, 2013 to December 31, 2014 (before assumption changes), adjusted for benefit payments expected to be made over the period.

The estimated 2014 wind-up incremental cost determined in this projection is $23.4M.

APPENDIX B

Plan Assets

The DB assets of the RPP are held in trust by CIBC Mellon. For the purpose of our projection, we have relied upon the unaudited fund statements provided by CIBC Mellon as at June 30, 2014.

Investment Policy

The RPP's administrator adopted a statement of investment policy and procedures, last revised in 2014. This policy is intended to provide guidelines for the manager(s) as to the level of risk which is commensurate with the RPP's 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 – EGD RPP	
	Target @ 6.30.2014	**Actual @ 12.31.2013**
Canadian equities	21.0%	22.2%
Global equities	17.0%	33.1%
Emerging market equities	6.5%	
Fixed income – universe	30.0%	28.1%
Fixed income – real return	10.0%	7.6%
Infrastructure	9.0%	3.6%
Real estate	6.5%	4.6%
Cash and cash equivalents	0.0%	0.8%
	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 C

Actuarial Methods and Assumptions

Actuarial 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 values of assets at June 30, 2014 to December 31, 2014 using our best estimates of asset returns (net of all expenses). The best estimate of asset returns from July 1, 2014 to December 31, 2014 used was 3.18%.

Estimated future cash flows, including minimum funding contributions have been incorporated into our projections.

Actual assets returns will differ from this estimate.

Valuation of Actuarial Liabilities and Current Service Cost

For purposes of this estimate, we have continued to use the projected unit credit actuarial cost method for the valuation of actuarial liabilities and current service cost of the RPP. Under this method, we determine the present value of benefit cash flows expected to be paid in respect of service accrued prior to the valuation date, based on projected final average earnings.

Actuarial Assumptions – Projected Going Concern Basis

The present value of future benefit payment cash flows is based on economic and demographic assumptions. At each valuation we determine whether, in our opinion, the actuarial assumptions are still appropriate for the purposes of the valuation, and we revise them, if necessary. Emerging experience will result in gains or losses that will be revealed and considered in future actuarial valuations.

For purposes of this projection, we have used the same going concern valuation assumptions as were used for the December 31, 2013 valuation of the RPP, summarized below.

Assumption	**Current Valuation**	
Discount Rate:	5.50%	
Inflation:	2.25%	
ITA Limit / YMPE Increases:	2.75%	
Pensionable Earnings Increases:	3.50%	
Pensionable Bonus Rate:	Union	5%
	Non-union	12%
	SME	Target
Post Retirement Pension Increases:	1.125%	
Retirement Rates:	Age related table	
Termination Rates:	Age related table	
Mortality Rates:	100% of the rates of the 2014 Private Sector Canadian Pensioners Mortality Table (CPM2014Priv)	
Mortality Improvements:	Fully generational using CPM Improvement Scale B (CPM-B)	
Disability Rates:	None	
Eligible Spouse at Retirement:	80%	
Spousal Age Difference:	Male 2 years older	
DB/DC Choice:	Continue in current component	

The assumptions are best-estimate with the exception that the discount rate includes a margin for adverse deviations, as shown next.

Our assumptions are based on the economic environment as of December 31, 2013 and input provided by the Company for the December 31, 2013 valuation. Assumptions as at year-end 2014 will reflect the economic environment and input from the Company at those times, and may differ from those used in this projection.

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.

For members who terminate from the RPP before being eligible to retire, we have assumed two-thirds will elect a commuted value determined on a basis consistent with the 2011 CIA Standard, and that one-third will elect a deferred pension, with pension commencement at age 55.

The following is a summary of the rationale for the material assumptions that were used as at December 31, 2013.

Discount Rate

We have discounted the expected benefit payment cash flows using the expected investment return on the market value of the fund. Other bases for discounting the expected benefit payment cash flows may be appropriate, particularly for purposes other than those specifically identified in this valuation report.

The discount rate is comprised of the following:

- Estimated returns for each major asset class consistent with market conditions on the valuation date and the target asset mix specified in the RPP's investment policy.
- Additional returns assumed to be achievable due to active equity management equal to the fees related to active equity management. Such fees were determined by the difference between the provision for total investment expenses and the hypothetical fees that would be incurred for passive management of all assets.
- Implicit provision for investment and non-investment administrative expenses determined as the expected rate of investment and administrative expenses to be paid from the fund in the future. While recent experience has differed from the assumption, our discussions with management have led us to conclude that this assumption is appropriate.
- A margin for adverse deviations of 0.85%.

The discount rate was developed as follows:

Assumed investment return	6.72%
Additional returns for active management[1]	0.23%
Investment management and administrative expense provision	(0.60%)
Margin for adverse deviation	(0.85%)
Net discount rate	5.50%

Inflation

The inflation assumption is based on the mid-point of the Bank of Canada's inflation target range of between 1% and 3%, and market expectations of long-term inflation implied by the yields on nominal and real return bonds.

Income Tax Act Pension Limit and Year's Maximum Pensionable Earnings

The assumption is based on historical real economic growth and the underlying inflation assumption.

Pensionable Earnings

This assumption is based on Company expectations.

[1] Limited to the incremental cost of fees on an actively managed investment fund relative to a passively managed fund.

Mortality
The assumption for the mortality rates is based on the Canadian Pensioners' Mortality (CPM) study published by the Canadian Institute of Actuaries in February 2014. Due to the size of the Plan, specific data on plan mortality experience is insufficient to determine the mortality rates. After considering plan-specific characteristics, such as the type of employment, the industry experience, pension and employment income for the plan members, and data in the CPM study, it was determined to use the CPM mortality rates without adjustment. There is broad consensus among actuaries and other longevity experts that mortality improvement will continue in the future, but the degree of future mortality improvement is uncertain. The mortality improvement scale published in the CPM study represents one reasonable outlook for future improvement. We have used the CPM mortality improvement scale without adjustment. Based on this assumption, the life expectancy of a member aged 65 at the valuation date is 21.4 years for males and 23.9 years for females.

Actuarial Methods and Assumptions – Projected Solvency and Hypothetical Wind-up Bases

The Canadian Institute of Actuaries requires actuaries to report the financial position of a pension plan on the assumption that the plan is wound-up on the effective date of the valuation, with benefits determined on the assumption that the pension plan has neither a surplus nor a deficit. For the purposes of the hypothetical wind-up valuation, the wind-up is assumed to occur in circumstances that maximize the actuarial liability.

To determine the actuarial liability on a hypothetical wind-up basis, we have valued those benefits that would have been paid had the RPP been wound up on the valuation date, including benefits that would be immediately payable if the employer's business were discontinued on the valuation date, with all members fully vested in their accrued benefits.

No benefits payable on wind-up were excluded from our calculations.

To determine the solvency liability, the cost of future indexing has been excluded from the solvency liability as permitted under the Act.

Upon wind-up members are given options for the method of settling their benefit entitlements. The options vary by eligibility and by province of employment, but in general, involve either a lump sum transfer or an immediate or deferred pension.

The value of benefits assumed to be settled through a lump sum transfer is based on the assumptions described in Section 3500 – *Pension Commuted Values* of the Canadian Institute of Actuaries' Standards of Practice applicable for June 30, 2014.

Benefits provided as an immediate or deferred pension are assumed to be settled through the purchase of annuities based on an estimate of the cost of purchasing annuities. However, there is limited data available to provide credible guidance on the cost of a purchase of partially indexed annuities in Canada. Furthermore, given the size of the RPP it may not be possible to settle the pensions via a single group annuity due to the limited availability of indexed and partially indexed annuities in Canada. In accordance with the *Canadian Institute of Actuaries Educational Note Supplement: Guidance for Assumptions for Hypothetical Wind-up and Solvency Valuations Update – Effective March 31, 2014, and Applicable to Valuations with Effective Dates Between March 31, 2014, and December 30, 2014* as well as with additional Canadian Institute of Actuaries guidance received subsequently that will be effective June 30, 2014, we have assumed that an appropriate proxy for estimating the cost of such purchase should be based on the yields on long-term Government of Canada bonds and real return bonds. The actual cost to settle the RPP's benefits on wind-up could be materially different.

We have not included a provision for adverse deviation in the solvency and hypothetical wind-up valuations.

The assumptions below are based on economic conditions as at June 30, 2014.

Basis for Benefits Assumed to be Settled Through a Lump Sum	
Mortality rates:	UP94 fully generational
Non-indexed interest rate:	2.70% per year for 10 years, 4.20% per year thereafter
Partially-indexed (50%) interest rate:	2.10% per year for 10 years, 3.00% per year thereafter
Partially-indexed (55%) interest rate:	2.00% per year for 10 years, 2.80% per year thereafter
Basis for Benefits Assumed to be Settled Through the Purchase of an Annuity	
Mortality rates:	UP94 fully generational
Non-indexed interest rate:	3.16% per year
Partially-indexed (50%) interest rate:	1.41% per year
Partially-indexed (55%) interest rate:	1.24% per year
Termination expenses:	$650,000

Termination Expenses

To determine the hypothetical wind-up and solvency position, a provision has been made for estimated termination expenses payable from the RPP's assets in respect of actuarial and administration expenses that may reasonably be expected to be incurred in terminating the RPP and to be charged to the RPP.

Because the settlement of all benefits on wind-up is assumed to occur on the valuation date and is assumed to be uncontested, the provision for termination expenses does not include custodial, investment management, auditing, consulting and legal expenses that would be incurred between the wind-up date and the settlement date or due to the terms of a wind-up being contested. Expenses associated with the distribution of any surplus assets that might arise on an actual wind-up are also not included in the estimated termination expense provisions.

In determining the provision for termination expenses payable from the RPP's assets, we have assumed that the plan sponsor would be solvent on the wind-up date. We have also assumed, without analysis, that the RPP's terms as well as applicable legislation and court decisions would permit the relevant expenses to be paid from the RPP.

Actual fees incurred on an actual plan wind-up may differ materially from the estimates disclosed in this report.

Incremental Cost

In order to determine the incremental cost, we estimate the hypothetical wind-up liabilities at the next valuation date. We have assumed that the cost of settling benefits by way of a lump sum or purchasing annuities remains consistent with the assumptions described above. Since the projected hypothetical wind-up liabilities will depend on the membership at the next valuation date, we must make assumptions about how the membership will evolve over the period until the next valuation.

We have assumed that membership will evolve in a manner consistent with the going concern assumptions as follows:

- Members terminate, retire and die consistent with the termination, retirement and mortality rates used for the going concern valuation;
- Pensionable earnings, the *Income Tax Act* pension limit and the Year's Maximum Pensionable Earnings increase in accordance with the related going concern assumptions;
- Active members accrue pensionable service in accordance with the terms of the RPP; and
- We have included an estimate of the incremental cost of new entrants to the RPP over the year.

APPENDIX D

Membership Data

Analysis of Membership Data at December 31, 2013

For purposes of these estimates, we have based our projections on membership data as at December 31, 2013, which was provided by Enbridge. Membership data was projected forward based on the assumptions described in Appendix C.

Membership data for the RPP as at December 31, 2013 are summarized below.

	12.31.2013
Active and Disabled Members Accruing Defined Benefit Service (Non-SME)	
Number	2,117
Total base earnings at the valuation date	$168,382,000
Average base earnings at the valuation date	$79,500
Average years of Non-SME DB pensionable service	10.6 years
Average age	44.0 years
Active and Disabled Members Accruing Defined Benefit Service (SME)	
Number	39
Total base earnings at the valuation date	$8,045,700
Average base earnings at the valuation date	$206,300
Average years of Non-SME DB pensionable service	8.2 years
Average years of SME DB pensionable service	3.5 years
Average age	49.8 years
Suspended Defined Benefit Members Accruing Defined Contribution Service	
Number	55
Total base earnings at the valuation date	$4,880,400
Average base earnings at the valuation date	$88,700
Average years of Non-SME DB pensionable service	6.2 years
Average age	48.3 years
Other Suspended Defined Benefit Members (Non-SMEs)	
Number	24
Total base earnings at the valuation date	$2,780,500
Average base earnings at the valuation date	$115,900
Average years of Non-SME DB pensionable service	4.8 years
Average age	37.8 years

Other Suspended Defined Benefit Members (SMEs)	
Number	20
Total base earnings at the valuation date	$6,308,800
Average base earnings at the valuation date	$315,400
Average years of Non-SME DB pensionable service	3.9 years
Average years of SME DB pensionable service	1.3 years
Average age	50.7 years
Active Defined Contribution Members without Defined Benefit Service	
Number	156
Total base earnings at the valuation date	$13,388,700
Average base earnings at the valuation date	$85,800
Average age	41.4 years
Suspended Defined Contribution Members without Defined Benefit Service	
Number	7
Total base earnings at the valuation date	$838,000
Average base earnings at the valuation date	$119,700
Average age	35.8 years
Deferred Pensioners	
Number[2]	219
Total annual pension	$1,012,600
Average annual pension	$4,800
Average age	48.1 years
Pensioners and Survivors	
Number	1,554
Total annual lifetime pension	$33,124,200
Average annual lifetime pension	$21,300
Total annual temporary pension	$2,033,600
Average annual temporary pension	$6,700
Average age	72.1 years

[2] Includes 10 pending terminations as at December 31, 2013.

APPENDIX E

Summary of Plan Provisions

For purposes of these projections, we have reflected the provisions of the plans in effect on June 30, 2014. The plan has not been amended since December 31, 2013.

RPP - DB Component

The following is a summary of the main provisions of the DB component of the EGD RPP in effect on June 30, 2014. This summary is not intended as a complete description of the EGD RPP.

Background	The RPP became effective January 1, 1971. Benefits are based on a set formula and are entirely paid for by Enbridge. 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: • 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.
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 • $2,770.00, 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.
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 June 30, 2014. 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.

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