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ESTIMATED 2016 – 2020 ACCRUAL COSTS
EGD PENSION PLANS

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To prepare the results in this report, actuarial assumptions are used to model a single scenario from a range of possibilities for each valuation basis. 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 regulatory 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.

Decisions about benefit changes, granting new benefits, investment policy, funding policy, benefit security and/or benefit-related issues should not be made solely on the basis of this projection, but only after careful consideration of alternative economic, financial, demographic, and societal factors, including financial scenarios that assume future sustained investment losses.

This report is based on our understanding of applicable law and regulations as at the valuation date. Mercer is not an accountant or auditor and is not responsible for the interpretation of, or compliance with, accounting standards; citations to, and descriptions of accounting standards provided in this report are for reference only. Mercer is not a law firm, and the analysis presented in this report is not intended to be a legal opinion. You should consider securing the advice of legal counsel with respect to any legal matters related to this report.

Contents

1

Introduction

Purpose

At the request of Gazifère Inc. ("Gazifère"), we have estimated the accrual (i.e. pension accounting) costs over the years 2016 to 2020 for the Pension Plan for Employees of Enbridge Gas Distribution Inc. and Affiliates (the "EGD RPP") of which Gazifère is a participating employer[1]. These estimates are based on economic conditions at May 31, 2015. Actual accrual costs in respect of these years will differ from the amounts estimated here, and will be based on future economic conditions and the plan's demographic and economic experience.

We understand this report will be provided to the Régie de l'énergie (the "Régie") in conjunction with Gazifère'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 EGD RPP, except where specifically noted.

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

Important Note

The purpose of this report is to estimate the accrual cost over the years 2016 to 2020, however, the occurrence and/or level of accrual cost over this period is highly dependent on:

- Enbridge Gas Distribution Inc.'s decision to file, or not to file, a funding valuation in a given year;
- Actual plan demographic experience;
- Financial market returns after May 31, 2015;
- Yields on high-quality Canadian corporate bonds after May 31, 2015;
- Funding decisions by Enbridge Gas Distribution Inc.; and
- Changes to Ontario pension legislation impacting contribution requirements (see page 9).

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

[1] Enbridge Gas Distribution Inc. and Enbridge Gas New Brunswick are the other two participating employers in the EGD RPP.

2

Background Information

Determination of Accrual Costs

The EGD RPP consists of a defined benefit ("DB") provision and a defined contribution ("DC") provision. Accrual costs in respect of the EGD RPP are determined annually based on actuarial valuations and extrapolations for financial reporting purposes.

Gazifère 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.

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

Accounting Standards and Methodology

An actuarial valuation of the EGD RPP was conducted as at December 31, 2014 (the "2014 Valuation") and the results are presented in our Preliminary Report on the Actuarial Valuation for Funding Purposes as at December 31, 2014 (the "2014 Report")[2]. Results from this valuation have been extrapolated forward and are the basis for the projections contained herein.

EGD'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 results contained in this report are in accordance with US accounting standards.

All results presented in this report are in Canadian dollars.

We have based our projections on accounting discount rates determined using the Mercer Discount Rate Model methodology.

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

[2] The 2014 EGD RPP Funding Report was being drafted at the time this report was prepared.

3

Financial Results

Financial Position at December 31, 2014 and Projected Future Financial Positions

We have projected the results of the actuarial valuation conducted as at December 31, 2014 for the EGD RPP forward to each of the years ending 2015 through 2019. The purpose of these projections is to estimate the accrual costs for 2016 through 2020. The projections are based on the economic environment as at May 31, 2015 and assumptions described in Appendix E. The actual economic environment as at each of the years ending 2015 through 2019 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 EGD RPP in the balance sheets shown below. However, the DC accrual costs of the EGD RPP are included in the P&L charges shown on pages 4 and 5.

Projected Accounting Balance Sheets

The table below details the actual balance sheet position of the EGD RPP as at December 31, 2014, as well as the projected position of the EGD RPP at each of year-end 2015 through 2019, assuming plan experience unfolds according to the assumptions described in Appendix E. Results are also presented for Gazifère's share of the EGD RPP.

Balance Sheet Position ($Millions)		
12.31.2014 (Actual)	**EGD RPP (Total)**	**Gazifère Only**
Assets	$930.2	$15.1
Benefit obligation	$1,017.6	$19.0
Excess (deficit)	($87.4)	($3.9)
12.31.2015 (Projected)		
Assets	$971.1	$15.2
Benefit obligation	$1,065.8	$20.0
Excess (deficit)	($94.7)	($4.8)
12.31.2016 (Projected)		
Assets	$983.0	$15.2
Benefit obligation	$1,098.8	$21.0
Excess (deficit)	($115.8)	($5.8)
12.31.2017 (Projected)		
Assets	$1,039.2	$16.7
Benefit obligation	$1,132.2	$22.1
Excess (deficit)	($93.0)	($5.4)
12.31.2018 (Projected)		
Assets	$1,097.5	$18.4
Benefit obligation	$1,166.1	$23.1
Excess (deficit)	($68.6)	($4.7)
12.31.2019 (Projected)		
Assets	$1,158.0	$20.5
Benefit obligation	$1,200.4	$24.3
Excess (deficit)	($42.4)	($3.8)

Summary of Accrual Costs

Based on the projected financial positions above, the resulting US GAAP P&L accrual costs for the plans over 2016 – 2020 including both the DB and DC provisions are summarized below.

Accrual Costs - US GAAP ($Millions)	EGD RPP (Total)
2016 Projected P&L Charge	$29.6
2017 Projected P&L Charge	$28.8
2018 Projected P&L Charge	$26.5
2019 Projected P&L Charge	$24.3
2020 Projected P&L Charge	$22.6

Gazifère's Share of Funding

The following table provides the same results as on page 4, but only in respect of Gazifère's share of accrual costs and with results rounded to thousands.

Accrual Costs - US GAAP - Gazifère Only	
2016 Projected P&L Charge	$1,182,000
2017 Projected P&L Charge	$1,180,000
2018 Projected P&L Charge	$1,129,000
2019 Projected P&L Charge	$1,064,000
2020 Projected P&L Charge	$985,000

4

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. Based on the information provided to us, we believe that the actuarial assumptions are reasonable for the purposes described in this report.

In our 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, reflecting application of EGD's accounting policies described in this report.
- This report has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada.

Benedict O. Ukonga
FSA, FCIA

August 19, 2015
Date

APPENDIX A

Sensitivity of Results

The estimated impact on accrual costs of positive and negative "shocks" to the EGD RPP's assets and benefit obligations are given in this appendix. These "shocks" are assumed to occur at the end of 2016 in all scenarios.

Amounts in this appendix reflect only Gazifère'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 2016 that is 12.0%[3] higher or lower than our baseline assumption of 5.79%.

Table A.1: Positive Asset Shock in 2016 (+20% equity return)

Accrual Costs - Gazifère Only		
	US GAAP P&L Charge	**∆ From Baseline**
2016	$1,182,000	-
2017	$970,000	($210,000)
2018	$1,026,000	($103,000)
2019	$1,045,000	($19,000)
2020	$1,066,000	$81,000

Table A.2: Negative Asset Shock in 2016 (-20% equity return)

Accrual Costs - Gazifère Only		
	US GAAP P&L Charge	**∆ From Baseline**
2016	$1,182,000	-
2017	$1,418,000	$238,000
2018	$1,333,000	$204,000
2019	$1,249,000	$185,000
2020	$1,152,000	$167,000

[3] EGD RPP assets include a 60.0% allocation to growth assets; this, multiplied by +/- 20%, equals a return adjustment of +/- 12.0%.

Yield curve shift of +/- 1%

This scenario assumes a year-end 2016 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 EGD RPP's assets. In other words, this sensitivity is intended to represent a pure obligation shock, whereas the previous sensitivity was a pure asset shock.

Table A.3: Positive Obligation Shock in 2016 (+1% shift in yield curve)

Accrual Costs - Gazifère Only		
	US GAAP P&L Charge	**∆ From Baseline**
2016	$1,182,000	-
2017	$685,000	($495,000)
2018	$747,000	($382,000)
2019	$814,000	($250,000)
2020	$884,000	($101,000)

Table A.4: Negative Obligation Shock in 2016 (-1% shift in yield curve)

Accrual Costs - Gazifère Only		
	US GAAP P&L Charge	**∆ From Baseline**
2016	$1,182,000	-
2017	$1,601,000	$421,000
2018	$1,466,000	$337,000
2019	$1,328,000	$264,000
2020	$1,168,000	$183,000

Proposed changes to Pension Legislation

The contribution requirements for the DB provision of the EGD RPP funding are determined based on actuarial valuations filed with the Financial Services Commission of Ontario (“FSCO”) and the Canada Revenue Agency. The Ontario Ministry of Finance has announced proposed changes to the funding regulations of the Ontario *Pension Benefits Act* (“Act”). These proposed changes will affect plan sponsors’ future contribution requirements. Specifically, contribution holidays would not be permitted unless the actuarial valuation establishing a going concern funding excess also revealed a transfer ratio, as defined in the Act, in excess of 1.05, after the contribution holiday has been taken.

This sensitivity scenario assumes that, commencing in 2016, the Act will be revised as currently proposed and that plan sponsors will not be permitted to take a contribution holiday unless the transfer ratio threshold is met.

Table A.5: Contribution Requirement Shock in 2016 (elimination of existing contribution holiday)

Accrual Costs - Gazifère Only		
	US GAAP P&L Charge	**∆ From Baseline**
2016	$1,159,000	($23,000)
2017	$1,138,000	($42,000)
2018	$1,095,000	($34,000)
2019	$1,032,000	($32,000)
2020	$991,000	$6,000

APPENDIX B

Total Accrual Costs

The accrual costs shown on pages 4 and 5, 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 in year actuarial gains and losses and past service costs) are reflected in the Other Comprehensive Income (“OCI”) statement. This appendix includes estimates of both direct P&L charges and indirect OCI charges over 2016 through 2020. The P&L charges are split between the DB provision and the DC provision.

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

Accrual Costs – US GAAP – Gazifère Only

	P&L Charge (DB Provision)	P&L Charge (DC Provision)	OCI Charge	Total Charge
2016 Charge	$1,105,000	$77,000	$142,000	$1,324,000
2017 Charge	$1,101,000	$79,000	$149,000	$1,329,000
2018 Charge	$1,048,000	$81,000	$164,000	$1,293,000
2019 Charge	$980,000	$84,000	$181,000	$1,245,000
2020 Charge	$899,000	$86,000	$201,000	$1,186,000

APPENDIX C

Required Disclosures

Terms of Engagement

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

- The information presented in this report has been prepared for the internal use of Gazifère 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 from December 31, 2014 using actual asset experience to May 31, 2015 and our best estimate of asset returns (net of expenses) after May 31, 2015. Projected future cash flows have also been incorporated.

- We have projected benefit obligations forward using the expected cost of benefits accruing over 2015 through 2019, reflecting interest over each period and adjusting year-end 2015 benefit obligations to reflect the economic environment as at May 31, 2015. Benefit obligations in future periods are projected forward with these same May 31, 2015 assumptions and methodology. Projected future cash flows have also been incorporated.

- Our calculations are based on the assumptions and methodology described in Appendix E. The discount rate assumption reflects market conditions as at May 31, 2015 and is based on the Mercer Discount Rate Model.

- Our calculations are based on extrapolations of valuations performed using membership data as at December 31, 2014. The membership data used in our projections and calculations is summarized in Appendix F.

- Our calculations reflect the provisions of the EGD RPP as at May 31, 2015. Based on the information provided by the EGD, no substantive amendments have been made to the EGD RPP since that date. A summary of the plan provisions is provided in Appendix G.

Subsequent Events

After checking with representatives of EGD, to the best of our knowledge there have been no events subsequent to May 31, 2015 which, in our opinion, would have a material impact on the results of the projection.

APPENDIX D

Plan Assets

The DB assets of the EGD RPP are held in trust by CIBC Mellon. We have relied upon the unaudited fund statements provided by CIBC Mellon as at May 31, 2015.

The starting point for our projections of assets was the market value of the EGD RPP's assets as at May 31, 2015.

The reconciliation of the DB assets of the EGD RPP between January 1, 2015 and May 31, 2015, as reported in the unaudited fund statements provided by CIBC Mellon, is provided below:

Reconciliation of EGD RPP DB Assets	
January 1, 2015	$930,244,200
PLUS	
Company contributions	$0
Investment income	$50,858,900
LESS	
Pensions paid and lump-sum refunds	$17,488,100
Administration and investment fees	$584,100
May 31, 2015	$963,030,900
5 month rate of return net of expenses[4]	5.45%

[4] Assuming mid-period cash flows.

Investment Policy

The EGD 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 EGD RPP's investment objectives. A significant component of this investment policy is the asset mix.

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

	Investment Policy – EGD RPP	
	Target @ 5.31.2015	**Actual @ 12.31.2014**
Canadian equities	21.0%	22.2%
Global equities	17.0%	32.6%
Emerging market equities	6.5%	
Fixed income – universe	30.0%	28.4%
Fixed income – real return	10.0%	7.7%
Infrastructure	9.0%	3.4%
Real estate	6.5%	4.3%
Cash and cash equivalents	0.0%	1.4%
	100%	100.0%

Because of the mismatch between the EGD 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 EGD RPP will fluctuate over time. These fluctuations could be significant and could cause the EGD 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 EGD RPP assets at May 31, 2015 using our best estimate of asset returns (net of all expenses) from June 1, 2015 to December 31, 2015 of 3.38% (net annual rate of return of 5.79%).

Asset returns (net of all expenses) after December 31, 2015 are assumed to be 5.79%.

Estimated future cash flows, including minimum funding contributions have been incorporated into our projections. Contributions are based on funding and solvency standards set by the *Pension Benefits Act* (Ontario) and our understanding of Enbridge's funding policy.

Actual asset experience 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 EGD RPP. The objective under this method is to expense each participant's benefits under the EGD RPP as they would accrue, taking into consideration future salary increases and the EGD RPP's 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 EGD RPP's service cost is the sum of the individual service costs, and the EGD RPP's benefit obligation is the sum of the individual benefit obligations for all participants.

Accounting Policies

Accounting Standards

The results in this report are based on the requirements of US accounting standards.

Measurement Date

Gazifère'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

Gazifère has elected to amortize past service costs resulting from plan amendments to the EGD 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, which is 12.9 for the EGD RPP as at December 31, 2014.

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	3.90%
Expected rate of return on invested assets	6.75%
Inflation	2.25%
ITA limit / YMPE increases	2.75%
Pensionable earnings increases	2.75%, plus age based merit and promotion scale
Target bonus rate	SME: Actual bonus Non-SME: 12% if non-union; 5% if union
Bonus load	135% of target
Indexation of pensions in payment	1.125%
Mortality rates	100% of the rates of the 2014 Private Sector CPM Mortality Table
Mortality improvements	Fully generational using CPM Improvement Scale B
Retirement rates	Age related table
Termination rates	Age related table
Disability rates	None
Expenses	Implicit in long-term rate of return on assets
Percentage with spouse	80% married
Age difference	A male is assumed to be three years older than his spouse
DB/DC choice	Continue in current component

Sample rates from the age related tables are summarized below:

Age	Termination - Male	Termination - Female	Retirement
20	5.0%	5.0%	0.0%
25	5.0%	5.0%	0.0%
30	5.0%	5.0%	0.0%
35	4.6%	4.6%	0.0%
40	3.0%	3.0%	0.0%
45	2.5%	2.5%	0.0%
50	1.5%	1.5%	0.0%
55	0.0%	0.0%	5.0%
56	0.0%	0.0%	5.0%
57	0.0%	0.0%	5.0%
58	0.0%	0.0%	5.0%
59	0.0%	0.0%	5.0%
60	0.0%	0.0%	17.5%
61	0.0%	0.0%	17.5%
62	0.0%	0.0%	17.5%
63	0.0%	0.0%	17.5%
64	0.0%	0.0%	17.5%
65	0.0%	0.0%	50.0%
66	0.0%	0.0%	50.0%
67	0.0%	0.0%	50.0%
68	0.0%	0.0%	50.0%
69	0.0%	0.0%	50.0%
70	0.0%	0.0%	100.0%

A 17.5% 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 EGD RPP before being eligible to retire we have assumed two-thirds will elect a commuted value determined on a basis consistent with the February 2011 CIA Standard, and that one-third will elect a deferred pension, with pension commencement at age 55.

Rates from the age related merit and promotion component of the pensionable earnings increase assumption are summarized below:

Age	Merit and Promotion Non-SME	Merit and Promotion SME
<30	3.50%	3.75%
30-39	2.50%	2.75%
40-49	1.50%	1.75%
50-54	0.50%	1.25%
55+	0.50%	0.75%

Our assumptions are based on the economic environment as of May 31, 2015, the Mercer Discount Rate Model, and input provided by EGD for the December 31, 2014 accounting valuation. Assumptions as at year-ends 2015 through 2019 will reflect the economic environment and input from the EGD at those times, and may differ from those used in these projections.

APPENDIX F

Membership Data

Analysis of Membership Data at December 31, 2014

For purposes of these estimates, we have based our projections on membership data as at December 31, 2014 for the EGD RPP, which was provided by Enbridge. Membership data was projected forward based on the assumptions described in Appendix E.

Membership data for the EGD RPP as at December 31, 2014 are summarized below.

	12.31.2014 (EGD RPP)
Active Members Accruing Defined Benefit Service (Non-SMEs)	
Number	2,151
Total base earnings at the valuation date	$175,316,500
Average base earnings at the valuation date	$81,500
Average years of Non-SME DB pensionable service	10.3 years
Average age	43.7 years
Active Members Accruing Defined Benefit Service (SMEs)	
Number	40
Total base earnings at the valuation date	$8,443,000
Average base earnings at the valuation date	$211,100
Average years of Non-SME DB pensionable service	8.5 years
Average years of SME DB pensionable service	4.2 years
Average age	50.6 years
Suspended Defined Benefit Members Accruing Defined Contribution Service	
Number	50
Total base earnings at the valuation date	$4,579,300
Average base earnings at the valuation date	$91,600
Average years of Non-SME DB pensionable service	6.7 years
Average age	50.3 years
Other Suspended Defined Benefit Members (Non-SMEs)	
Number	27
Total base earnings at the valuation date	$3,136,600
Average base earnings at the valuation date	$116,200
Average years of Non-SME DB pensionable service	4.9 years
Average age	39.5 years
Other Suspended Defined Benefit Members (SMEs)	
Number	22
Total base earnings at the valuation date	$7,414,700
Average base earnings at the valuation date	$337,000
Average years of Non-SME DB pensionable service	4.0 years
Average years of SME DB pensionable service	1.2 years
Average age	50.6 years
Active Defined Contribution Members without Defined Benefit Service	
Number	139
Total base earnings at the valuation date	$12,553,800
Average base earnings at the valuation date	$90,300
Average age	43.1 years

	12.31.2014 (EGD RPP)
Suspended Defined Contribution Members without Defined Benefit Service	
Number	6
Total base earnings at the valuation date	$829,300
Average base earnings at the valuation date	$138,200
Average age	38.2 years
Deferred Pensioners	
Number	223
Total annual pension	$1,016,700
Average annual pension	$4,600
Average age	47.5 years
Pensioners and Survivors	
Number	1,623
Total annual lifetime pension	$35,728,800
Average annual lifetime pension	$22,000
Total annual temporary pension	$2,124,000
Average annual temporary pension	$6,600
Average age	72.1 years

APPENDIX G

Summary of Plan Provisions

For purposes of these projections, we have reflected the provisions of the plans in effect on May 31, 2015. The plans have not been amended since December 31, 2014.

EGD RPP - DB Component

The following is a summary of the main provisions of the DB component of the EGD RPP (the "Plan") in effect on May 31, 2015. This summary is not intended as a complete description of the Plan.

Background	The EGD 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 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 EGD'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 EGD RPP 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 • $2,818.89, 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.

EGD RPP - DC Component

The following is a summary of the main provisions of the DC component of the EGD RPP (the "Plan") in effect on May 31, 2015. This summary is not intended as a complete description of the Plan.

Background	The DC component of the EGD 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 EGD RPP 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[5] • 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 maximum amounts under the ITA.
Pensionable Earnings	Base salary plus 50% of actual bonus received.

[5] 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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