Enbridge Gas Ontario
50 Keil Drive North
Chatham, Ontario N7M 5M1
Canada

July 20, 2026

Jean-François Tremblay
General Manager
Enbridge Gaz Québec
706 Boulevard Gréber
Gatineau, QC J8V 3P8

Dear Mr. Tremblay,

This letter is intended to provide an update on matters that are closely related to the natural gas supply that is provided to Enbridge Gaz Québec ("Enbridge Gaz") under the Rate 200 wholesale service agreement with Enbridge Gas Ontario ("Enbridge Gas" or the "Company"). Enbridge Gas has provided Enbridge Gaz with a safe, reliable, and cost-effective supply of natural gas under this agreement since 1991 and remains committed to ensuring the continued delivery of these services.

Following a prolonged period of elevated natural gas prices and heightened market volatility across North America from the third quarter of 2021 through early 2023, market conditions have largely stabilized. During that period, prices were influenced by several factors, including geopolitical uncertainty, increased integration between North American and global energy markets through liquefied natural gas ("LNG") exports, and a tightening supply-demand balance that resulted in persistently low storage inventory levels. Since early 2023, North American natural gas markets have adjusted to higher and more sustained levels of LNG exports. As a result, market prices have increasingly reflected traditional fundamentals, including the impacts of seasonal weather patterns, domestic supply and demand conditions, and resulting storage inventory levels.

During the winter of 2025/26, natural gas prices experienced a brief but significant increase due to sustained colder-than-normal weather and periods of extreme cold in January 2026, the resulting price spike proved to be temporary. Prices declined rapidly following the conclusion of cold weather events, despite occurring concurrently with geopolitical tensions associated with the conflict in Iran. Since February 2026, natural gas prices have remained relatively stable and have been driven by North American supply and demand fundamentals rather than geopolitical developments. Strong production levels and favorable supply-demand balance have resulted in above-average North American storage inventories following the peak winter demand period, contributing to lower commodity prices throughout the first half of 2026.

Current forward natural gas prices indicate relatively stable pricing through the remainder of the summer injection season, followed by a gradual increase into the winter heating season, consistent with normal seasonal market expectations. Natural gas prices traded on the New York Mercantile Exchange ("NYMEX") at Henry Hub remain the primary benchmark for the North American natural gas market and form the basis for regional pricing (locational basis) differentials across the continent. As of June 29, 2026, the NYMEX forward curve ranged from approximately $3.15 US/MMBtu in the near term to $4.36 US/MMBtu for the peak winter 2026/27 season. The average forward price through 2030 is approximately $3.56 US/MMBtu.[1]

[1] See Enbridge Gas's 5-Year Gas Supply Plan (EB-2025-0065) and 2026 Annual Update (EB-2026-0092) for additional detail regarding market conditions, and the Company's gas supply portfolio, planning principles and processes.

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Enbridge Gas recognizes the importance of reducing greenhouse gas emissions and supporting Ontario's broader energy transition objectives. To date, Enbridge Gas has supported these objectives through the procurement of renewable natural gas ("RNG"), certified natural gas, and hydrogen. Enbridge Gas continues to evaluate opportunities to support the energy transition while balancing customer affordability, market availability, regulatory requirements, and system reliability considerations.

Enbridge Gas continuously evaluates and adapts its gas supply portfolio in response to evolving North American and global energy market conditions. Through prudent planning, ongoing market analysis, and active management of commodity and service arrangements, the Company seeks to mitigate risk and secure reliable, cost-effective natural gas supplies for its customers. The Company remains committed to engaging constructively with market participants, transportation and storage service providers, regulators, and other stakeholders to protect the interests of its ratepayers, including Enbridge Gaz. Enbridge Gas will continue to prudently manage its gas supply plan to ensure that Enbridge Gaz continues to receive reliable and cost-effective service under the Rate 200 wholesale agreement.

Sincerely,

Adam Stiers

Adam Stiers

Manager, Gas Supply Acquisition