



Canadian Pipelines

Presented by:

Jessica Chen

Julie Wang

Tina Chui

Lawrence Chiu



Agenda

- 1 Industry Overview
- 2 Keyera
- 3 Enbridge
- 4 TransCanada Corporation

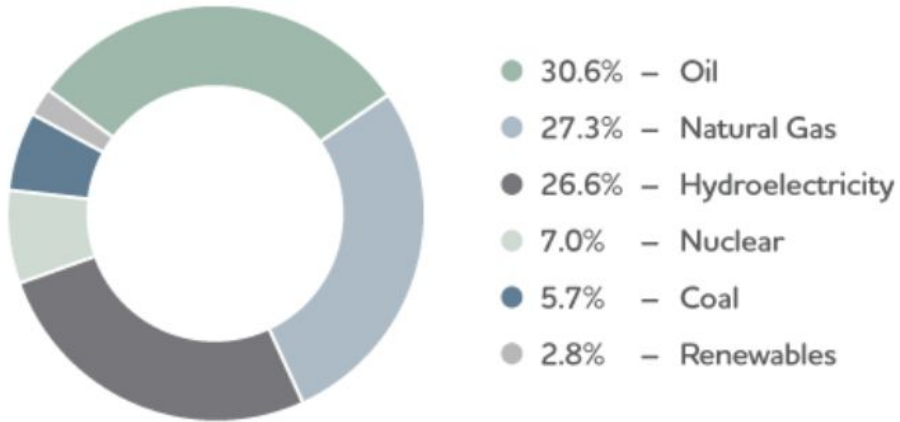
History



- The first Canadian transmission pipeline was built in 1853. It was the longest pipeline in the world at the time.
- Then in 1862, Canada built one of the world's first oil pipelines

Facts About Canadian Pipelines

Canada energy use by source



2/3 of Canadian energy needs:

Natural gas and crude oil

Source: BP Statistical Review of World Energy – June 2017

Facts About Canadian Pipelines

3rd

- Canada holds the largest oil reserves outside of OPEC, and has the third largest in the world.

97%

- The percentage of Canadian natural gas and crude oil production transported by transmission pipelines.

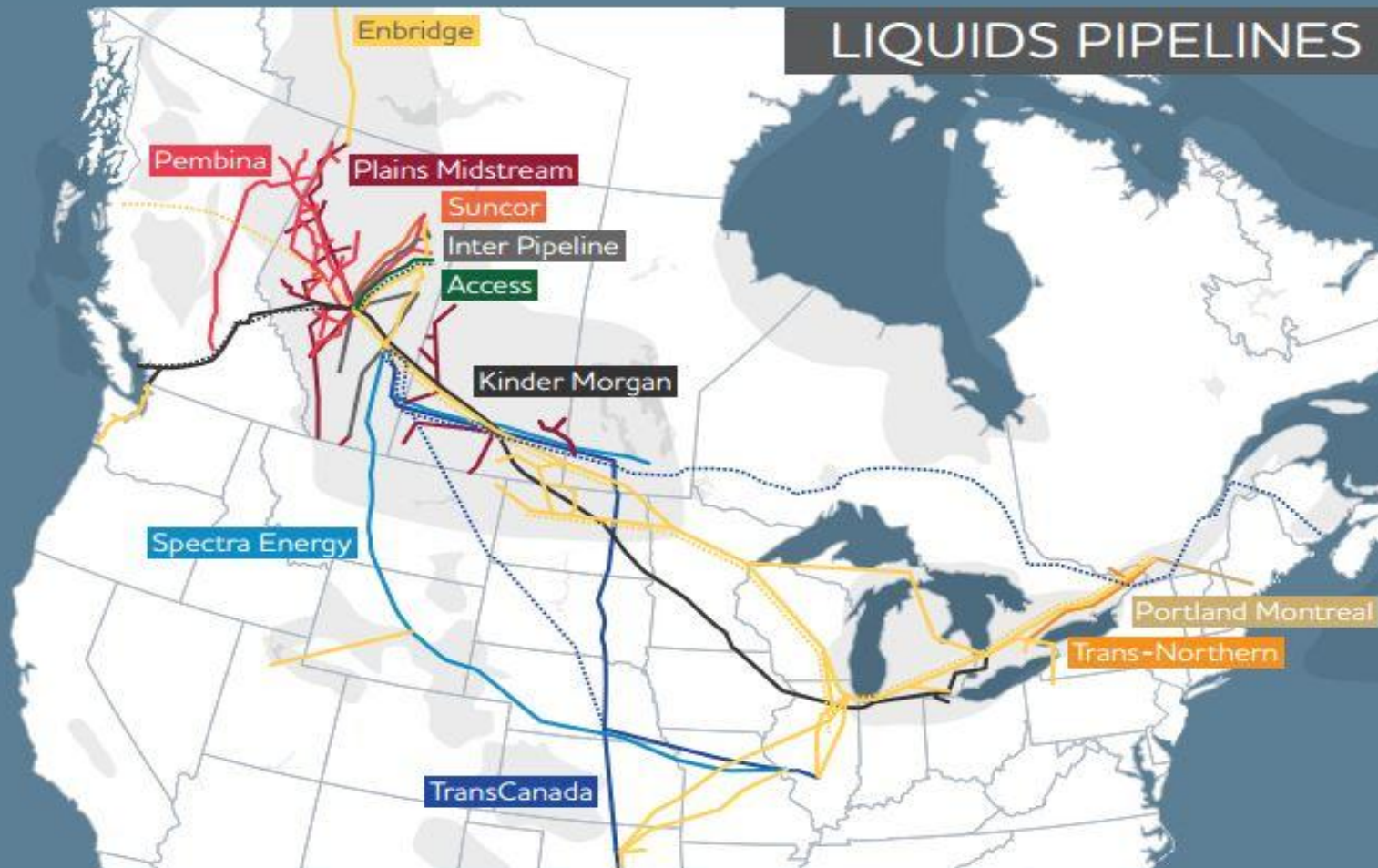
830,000 km

- Estimate of Canada's underground natural gas and liquids pipeline network (gathering, transmission and delivery lines).

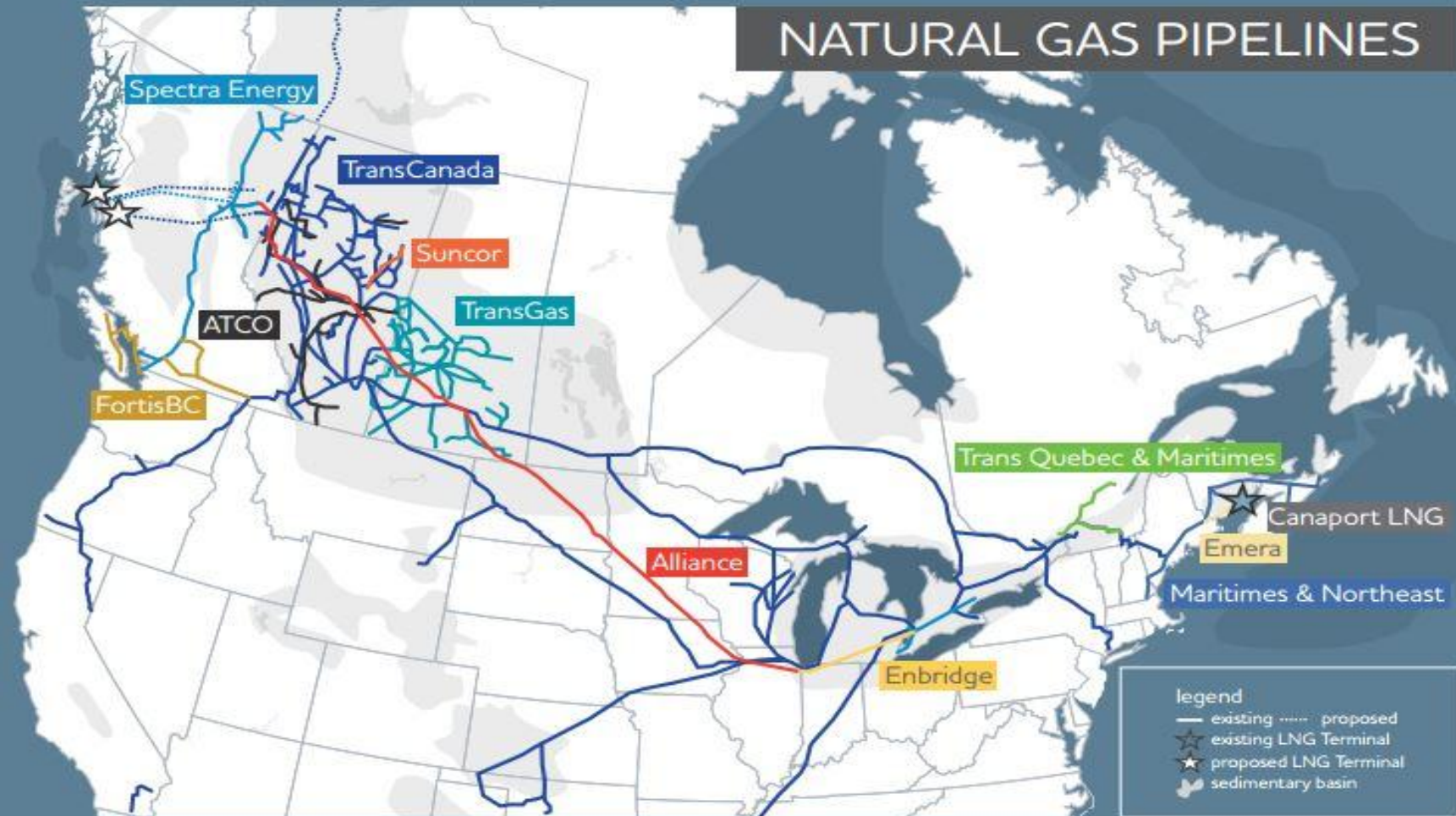
\$11.5 billion

- How much Canada's transmission pipeline contributed to Canada's gross domestic product (GDP) in 2015.

LIQUIDS PIPELINES



NATURAL GAS PIPELINES



Why are we using pipelines?



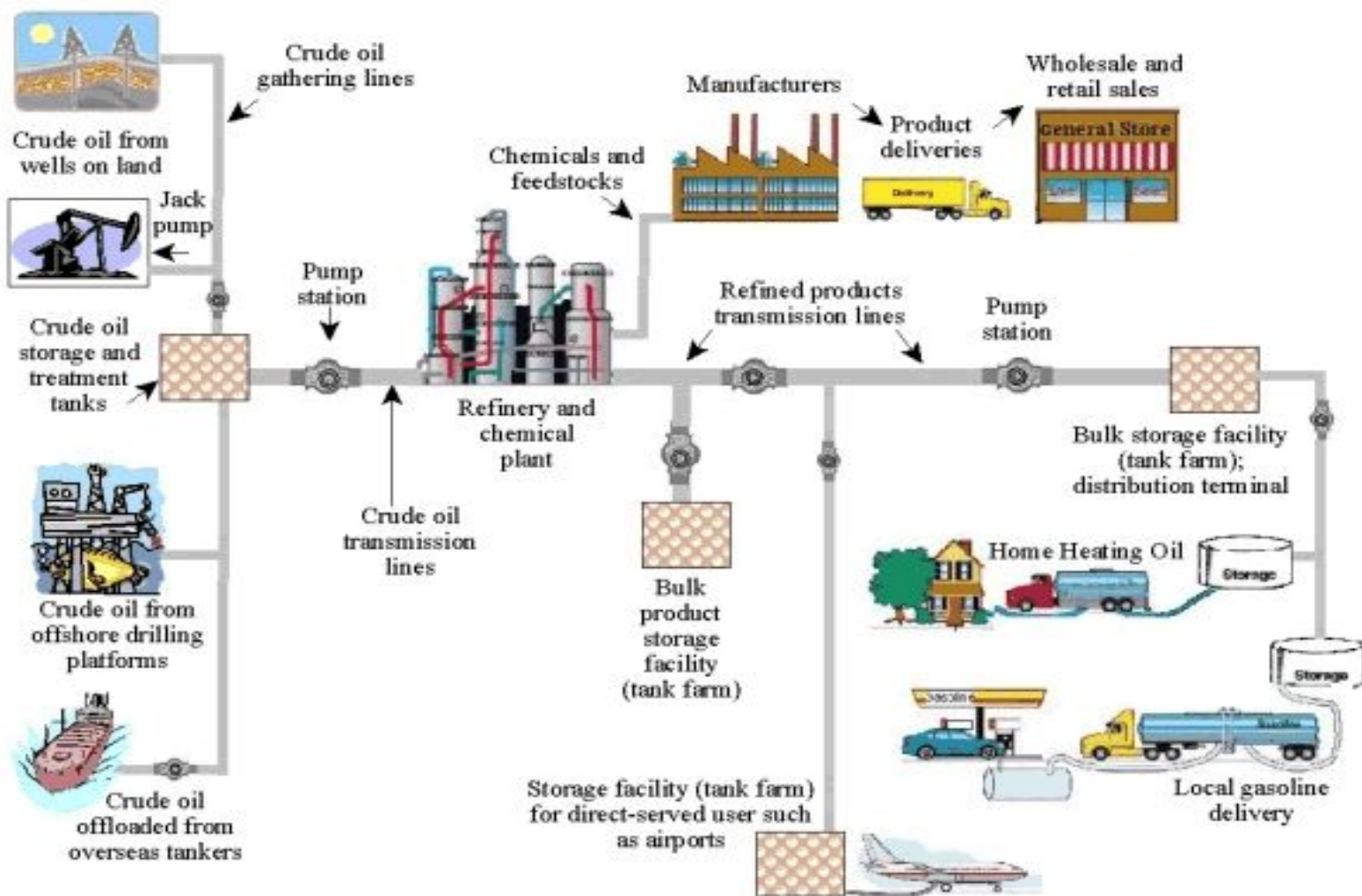
- Oil and gas is found mainly in the Western regions of the country. Pipelines are the most practical way to deliver oil and gas from the remote producing regions to our country's more populated areas.
- More than 100,000 km of underground pipeline transport the majority of Canada's daily crude and natural gas production.

What do pipelines transport?

- Natural gas and crude oil – 2/3 of Canadian energy needs
- Petroleum is a liquid mixture found underground that can be used to make gasoline, diesel fuel, and many other products (also called crude oil)
- Natural Gas is a mixture of gases – mostly methane. It is found underground with petroleum.
- Natural gas is the cleanest burning fossil fuel.

Types of petroleum pipelines

- There are essentially three major types of pipelines:
- Gathering pipeline systems: gather crude oil from production wells.
- Crude oil pipeline systems: transport crude oil from the gathering systems to refineries.
- Refined products pipeline systems: from refineries to the end user or to storage and distribution terminals



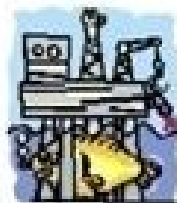
Type of Natural Gas pipelines

- Natural gas is formed when layers of decomposing plant and animal matter are exposed to intense heat and pressure under the surface of the Earth over millions of years.
- There are essentially three major types of pipelines along the transportation route:
- [Gathering](#) pipeline systems gather raw natural gas from production wells.
- [Transmission](#) pipeline systems
- [Distribution](#) pipeline systems



Crude oil & natural gas from wells on land

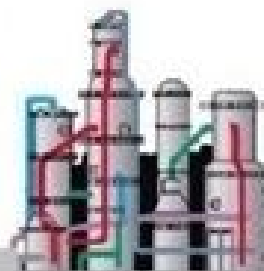
Storage and treatment facilities



Natural gas & crude oil from offshore drilling platforms

Gathering lines

Pump / compressor station



Natural gas processing facility / oil refinery and chemical plant

Crude oil & natural gas transmission lines

Storage facilities

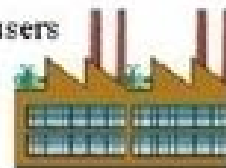


Crude oil & liquified natural gas offloaded from overseas tankers

Transmission lines

Pump / compressor station

Industrial users



Commercial users



Residential users

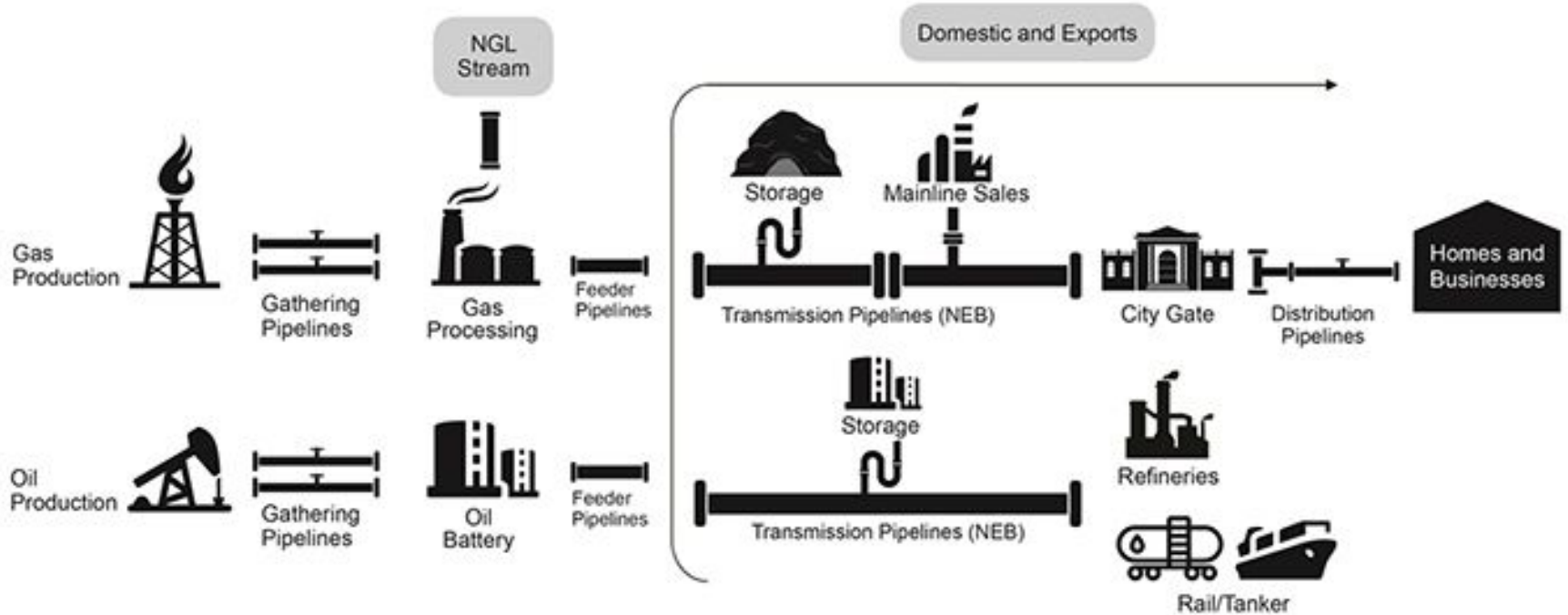


Transportation fuels



To end users, distribution systems and consumers

Canadian Pipeline Network



Canadian Pipeline Network

- Canada's pipeline network is comprised of four main groups of systems:
- Gathering pipelines move products from wellheads to oil batteries/collection facilities or natural gas processing facilities.
- Feeder pipelines then move the products into storage tanks or transmission pipelines.
- Transmission pipelines are the major conduits that transport products long distances within provinces and/or across provincial and international boundaries.
- Distribution pipelines deliver natural gas directly to homes and businesses.

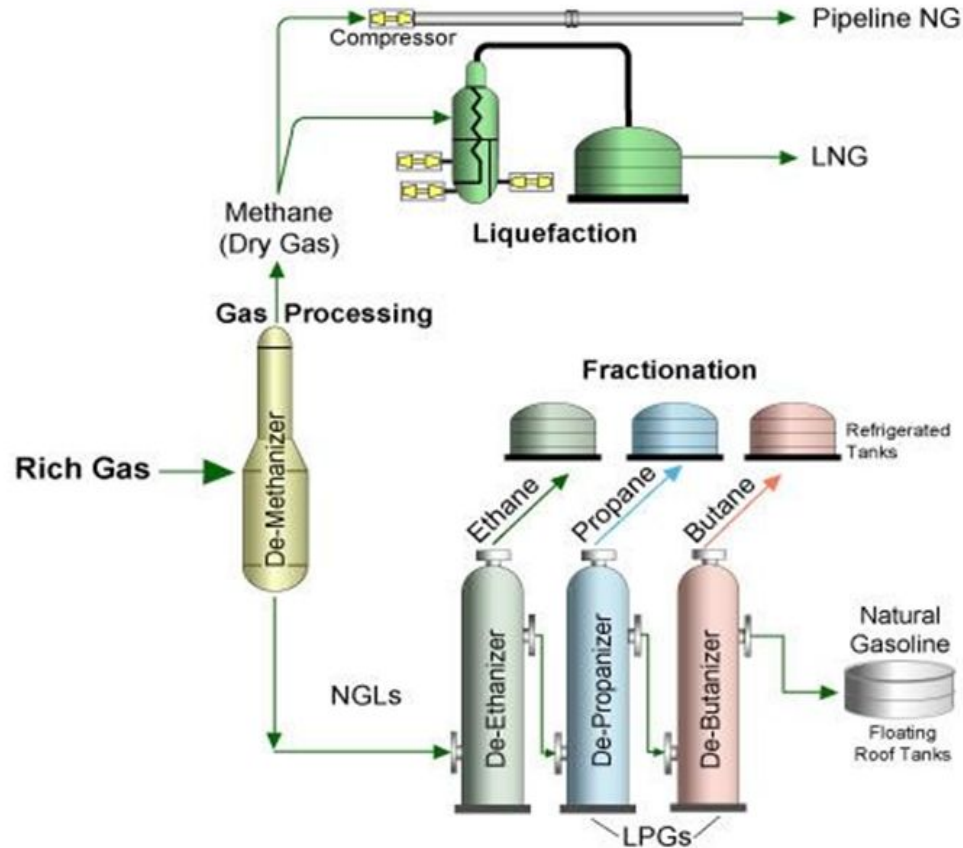
Pipeline Companies' Function

- Pipeline companies provide the following services to the oil and gas industry:
 - Gathering,
 - Transportation,
 - Processing,
 - Fractionation,
 - Storage,
 - Marketing
- Generally not engaged in exploration and production.

Fractionation

- Essential process in distillation of liquid mixtures
- Separate the mixture into its component parts or fractions based on the differences in volatilities.
- Commonly utilized to recover the natural gas liquids (NGL)
- Recovered NGL is processed through a fractionation train consisting of three distillation towers in series: deethanizer, depropanizer, and debutanizer.
- Purified gas is then pipelined to the end user market.

Fractionation Process



Canadian Pipeline Companies



Regulation - Federal Legislation

- Canadian Environmental Assessment Act (Canadian Environmental Assessment Agency)
- Species At Risk Act(Environment Canada)
- Migratory Birds Convention Act(Environment Canada)
- Navigable Waters Protection Act(Department of Justice)
- Fisheries Act (Fisheries and Oceans Canada)

Regulation - NEB

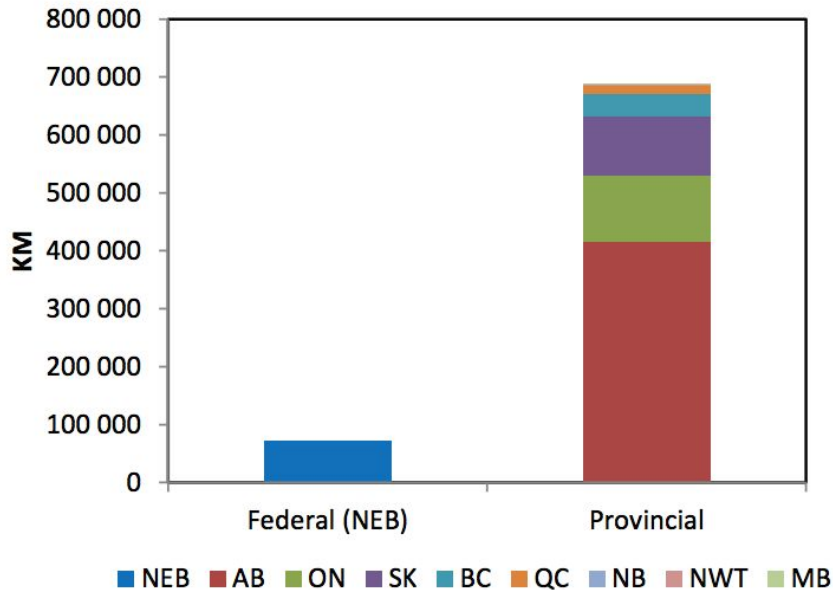
- The **National Energy Board (NEB)** is an independent economic regulatory agency created in 1959 by the [Government of Canada](#) to oversee "international and inter-provincial aspects of the oil, gas and electric utility industries".



- The NEB mainly regulates the construction and operation of oil and [natural gas pipelines](#) crossing [provincial](#) or international borders.
- The NEB does not regulate energy consumption.

Regulation - NEB vs. Provincial

Canadian Pipeline Regulation by Jurisdiction

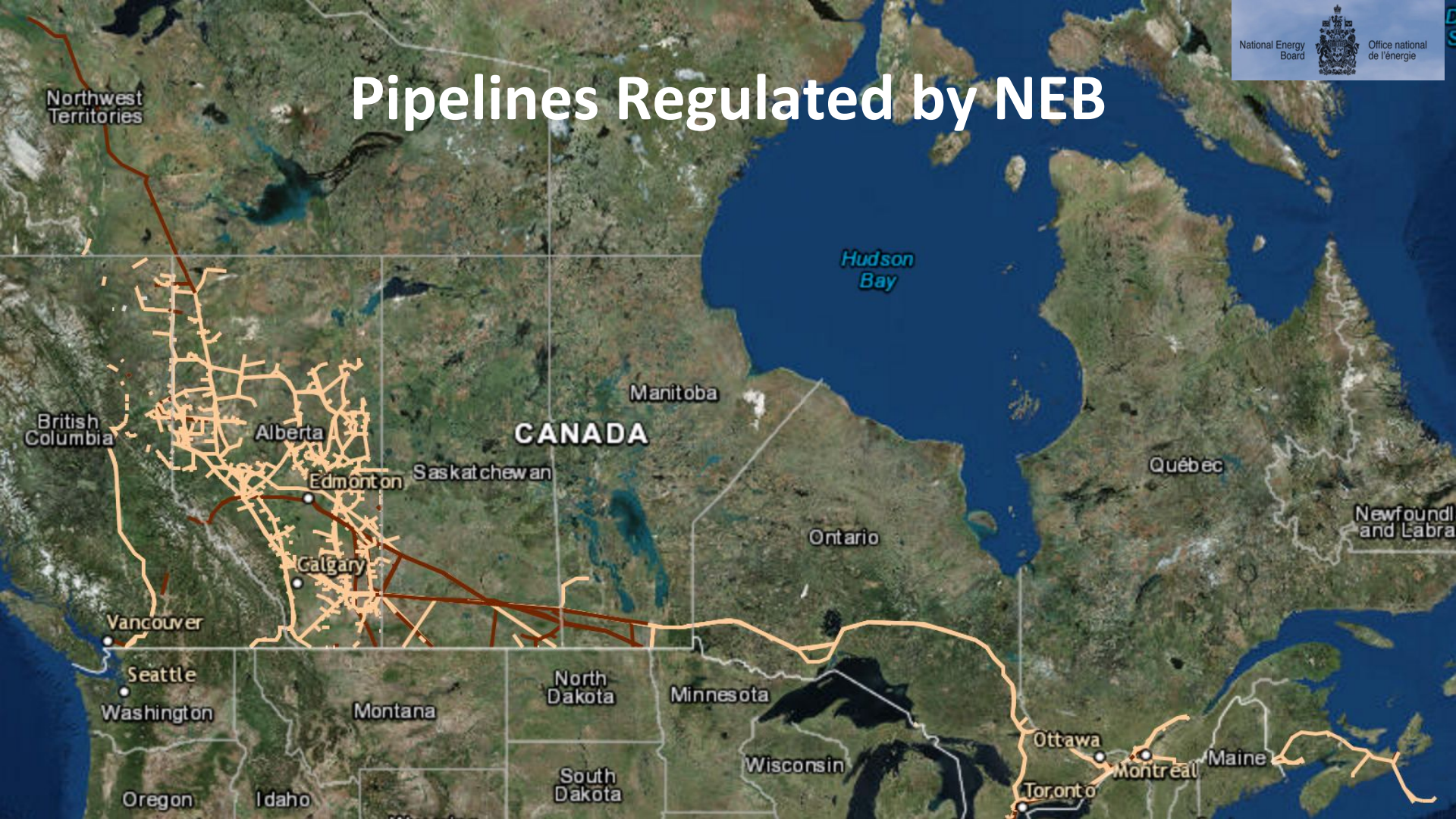


- The vast majority of gathering, feeder, and distribution pipelines are regulated provincially.
- Transmission pipelines located entirely within a single province are also regulated provincially.
- NEB regulates transmission pipelines that cross provincial and international borders.

Regulation - NEB Regulating Process

- Pipeline operator file application with a regulator
- Operator consult with provincial and federal agencies to obtain specific permits
- NEB reviews economic, technical and financial feasibility and various impacts
- If approved, regulator may attach conditions to the approval

Pipelines Regulated by NEB



Tolls & Shippers

- The board regulates tolls and tariffs for the pipelines under its jurisdiction to ensure they are just and reasonable.
- Mechanisms to monitor services:
 - Monitoring pipeline tolls
 - Require regular filings by companies
 - Financial audits
 - Soliciting shipper feedback in surveys
 - Accepting complaint for specific toll and tariff related matter.

Regulation - CEPA

- CEPA represents Canada's transmission pipeline companies who operate approximately 119,000 kilometres of pipeline in Canada and 14,000 kilometres in the United States.
- The Association is governed by a board, which is comprised of industry leaders such as executives from Duke Energy, ATCO, TransCanada, and other companies.



Regulation - CEPA's Member



Features of the Pipeline Industry



- Infrastructure Industry
- Capital Intensive
 - long duration assets
 - high upfront costs
- Human Resource Intensive

Crude Oil Price

- In general, major crude oil export pipelines have been operating at capacity for several years.
- Incremental pipeline additions have struggled to keep pace with supply growth.

Industry Overview – Oil Pipeline Capacity

Larger NEB-Regulated Crude Oil Pipelines - Capacity and Throughput

	Capacity	Average Throughput 2015
Enbridge Mainline	453.3 10^3 m ³ /d (2,851 Mb/d)*	368.7 10^3 m ³ /d (2,320 Mb/d)
TransCanada Keystone	94 10^3 m ³ /d (591 Mb/d)	88.3 10^3 m ³ /d (555 Mb/d)
Kinder Morgan Trans Mountain ¹	47.7 10^3 m ³ /d (300 Mb/d)	50.2 10^3 m ³ /d (316 Mb/d)
Spectra Express	44.5 10^3 m ³ /d (280 Mb/d)	35.2 10^3 m ³ /d (222 Mb/d)
Montreal Pipeline (import)	44.5 10^3 m ³ /d (280 Mb/d)	10.2 10^3 m ³ /d (65 Mb/d)
Enbridge Westspur	40.5 10^3 m ³ /d (255 Mb/d)	28.1 10^3 m ³ /d (177 Mb/d)
Trans-Northern Pipeline	Varies across segments	33.7 10^3 m ³ /d (212 Mb/d)

* Effective export capacity is estimated at approximately 2 500 Mb/d, due to constraints on the connecting U.S. portion of the system.

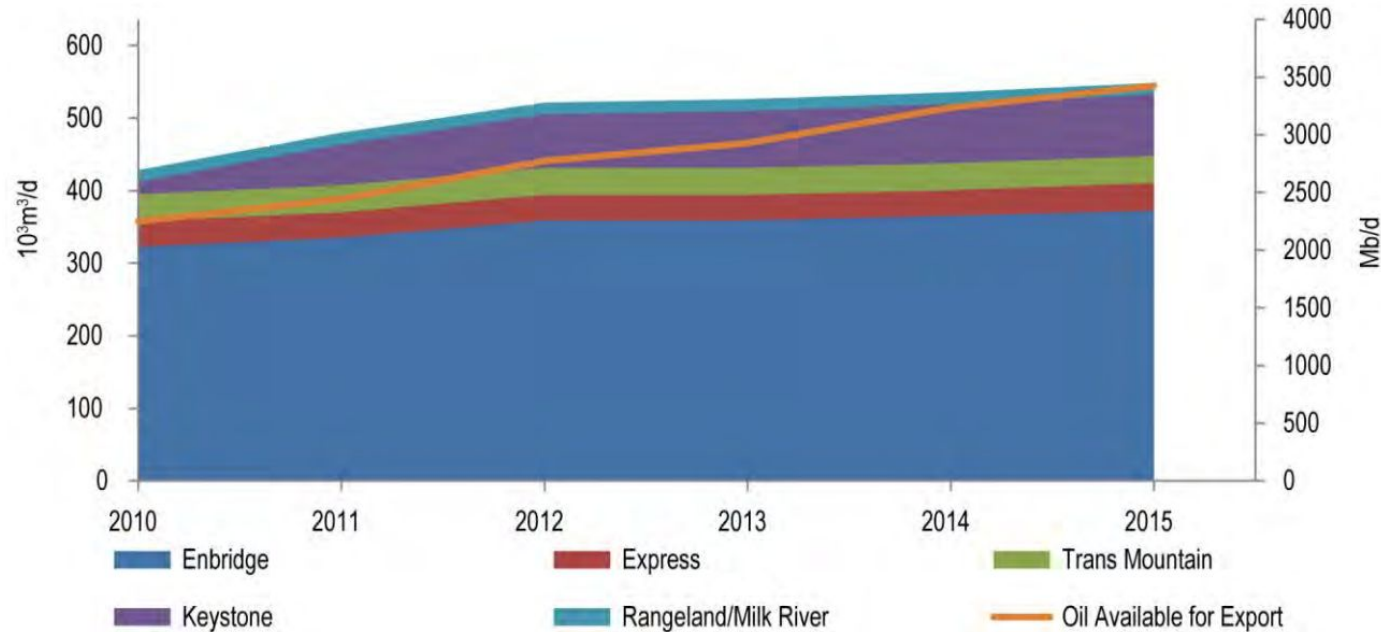
Industry Overview – Natural Gas Pipeline Capacity

Larger NEB-Regulated Natural Gas Pipelines – Capacity and Throughput

	Capacity	Average Throughput 2015
Nova Gas Transmission Limited (NGTL)		
Upstream James River	228 10 ⁶ m ³ /d (8.0 Bcf/d)	220 10 ⁶ m ³ /d (7.8 Bcf/d)
North and East Flow	121 10 ⁶ m ³ /d (4.3 Bcf/d)	87 10 ⁶ m ³ /d (3.1 Bcf/d)
Eastern Gate ²	258 10 ⁶ m ³ /d (9.1 Bcf/d)	124 10 ⁶ m ³ /d (4.4 Bcf/d)
TransCanada Mainline		
Prairies	195 10 ⁶ m ³ /d (6.9 Bcf/d)	84 10 ⁶ m ³ /d (3.0 Bcf/d)
Eastern Triangle	148 10 ⁶ m ³ /d (5.2 Bcf/d)	69 10 ⁶ m ³ /d (2.0 Bcf/d)
Northern Ontario	102 10 ⁶ m ³ /d (3.6 Bcf/d)	61 10 ⁶ m ³ /d (2.2 Bcf/d)
Foothills British Columbia	85 10 ⁶ m ³ /d (3.0 Bcf/d)	56 10 ⁶ m ³ /d (1.9 Bcf/d)
Foothills Saskatchewan	63 10 ⁶ m ³ /d (2.24 Bcf/d)	40 10 ⁶ m ³ /d (1.4 Bcf/d)
Westcoast		
T-North	81 10 ⁶ m ³ /d (2.9 Bcf/d)	58 10 ⁶ m ³ /d (2.1 Bcf/d)
T-South	44 10 ⁶ m ³ /d (1.6 Bcf/d)	40 10 ⁶ m ³ /d (1.4 Bcf/d)
Alliance	48 10 ⁶ m ³ /d (1.7 Bcf/d)	46 10 ⁶ m ³ /d (1.6 Bcf/d)

Industry Overview – Capacity vs. Export

WCSB Pipeline Takeaway Capacity vs. Supply Available for Export



Business Risks

Competitive Environment

- Alternative energy sources (Renewable)
- Global competition

Regulator/Contractual

- Jurisdiction
- Allowed ROE and capital structure defined by regulatory bodies
- Long-term contracts
- Flexibility of regulatory framework

Social Responsibilities

- Environment
- Politics

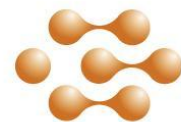
Business Risks

Supply/Demand

- Strongly depends on the lease's technology and remaining supply
- Seasonality
- Counterparty risk

Capital Intensity

- Cost overruns and weak financial metric during growth stage
- Large multi-year growth project vs. smaller shorter construction periods
- Huge Investment



KEYERA

Toronto Stock Exchange: KEY
Keyera Corp

Delayed quote ⓘ

\$40.01

Today's change

+0.29 +0.73%

P/E

30.181

Market cap

7.51B

52-week range

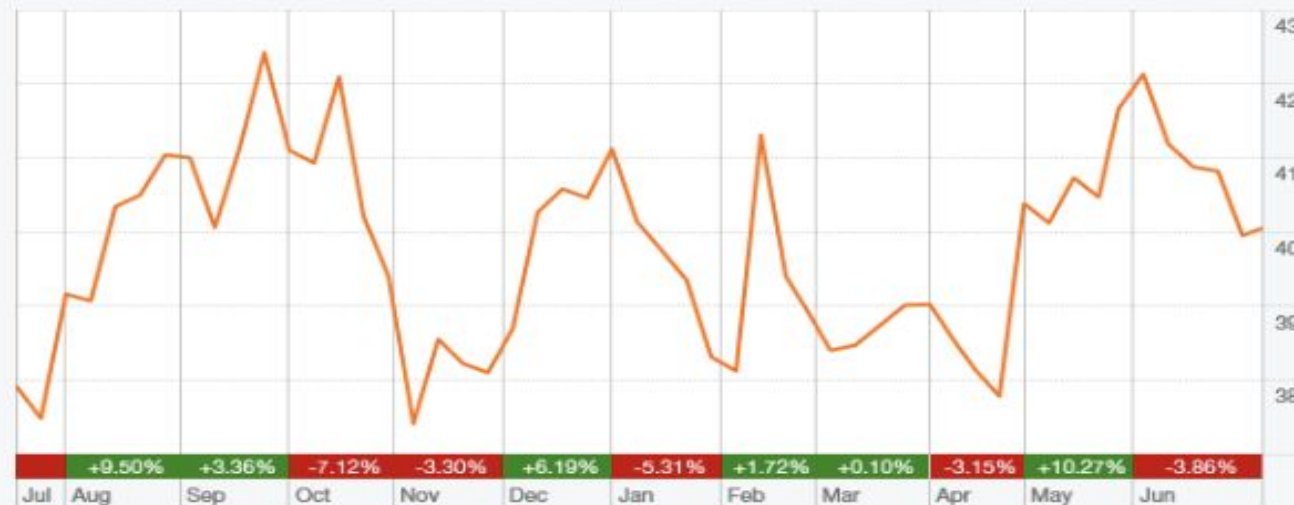


Updated July 12 12:13 PM EDT. Delayed by at least 15 minutes.

One Year Performance

July 12 12:27 PM EDT.

1 year



Keyera Corp is up today by \$0.33 or 0.83% to \$40.05 and crossing above its 200-day moving average. Shares have lost 1.81% over the last five days, but are unchanged over the last year to date. This security has performed in-line with the S&P TSX during the last year.

KEY COMPANY METRICS

Open	\$39.85
Previous close	\$39.72
High	\$40.25
Low	\$39.75
Bid / Ask ⓘ	\$39.99 / \$40.03
YTD % change	-1.11%
Volume ⓘ	160,213
Average volume (10-day)	229,246
Average volume (1-month)	283,740
Average volume (3-month)	313,356
52-week range	\$36.92 to \$43.21
Beta	0.94
Trailing P/E	30.18x
P/E 1 year forward	22.64x
Forward PEG	1.52x
Indicated annual dividend	\$1.68
Dividend yield	4.20%
Trailing EPS	\$1.33

Updated July 12 12:13 PM EDT. Delayed by at least 15 minutes.

Historical Performance – 3 Year

Three Year Performance

July 12 12:30 PM EDT.

3 years



Keyera Corp is up today by \$0.36 or 0.91% to \$40.08 and crossing above its 200-day moving average. Shares have lost 1.74% over the last five days, but are unchanged over the last year to date. This security has performed in-line with the S&P TSX during the last year.

Historical Performance – 5 Year

Five Year Performance

July 12 12:38 PM EDT.

5 years



Keyera Corp is up today by \$0.37 or 0.93% to \$40.09 and crossing above its 200-day moving average. Shares have lost 1.72% over the last five days, but are unchanged over the last year to date. This security has performed in-line with the S&P TSX during the last year.

Historical Performance – 10 Year

Ten Year Performance

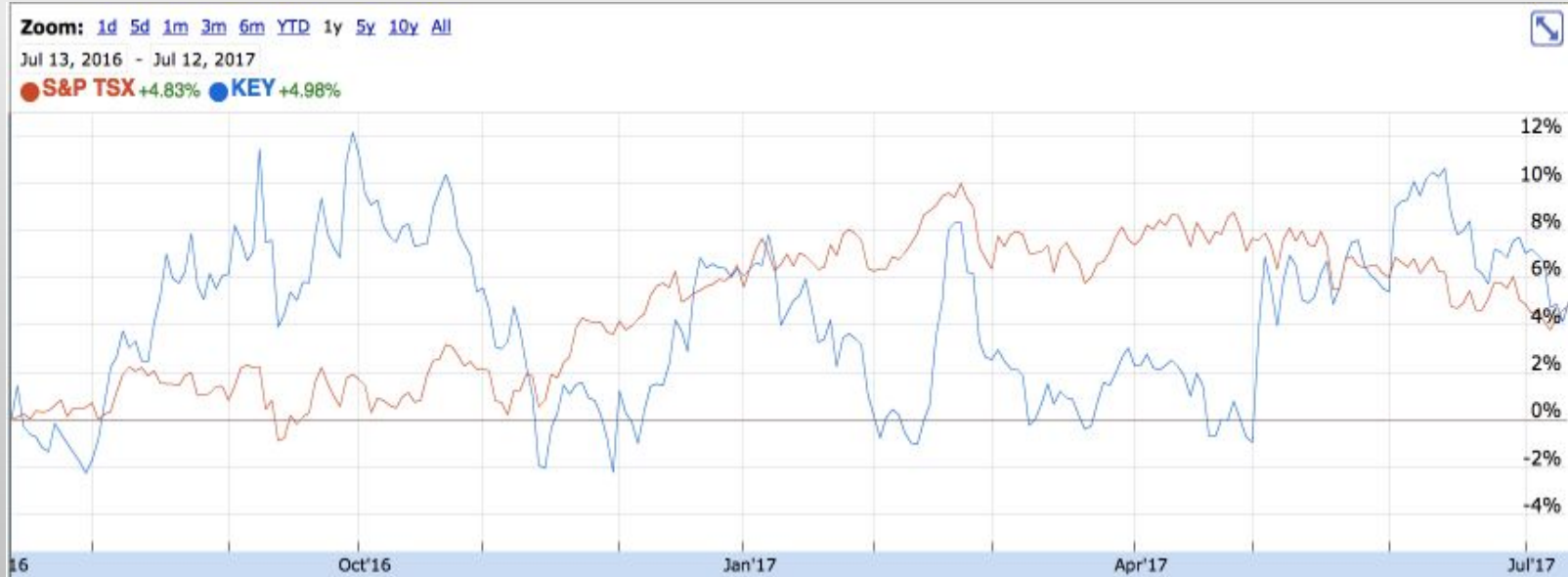
July 12 12:39 PM EDT.

10 years



Keyera Corp is up today by \$0.38 or 0.96% to \$40.10 and crossing above its 200-day moving average. Shares have lost 1.69% over the last five days, but are unchanged over the last year to date. This security has performed in-line with the S&P TSX during the last year.

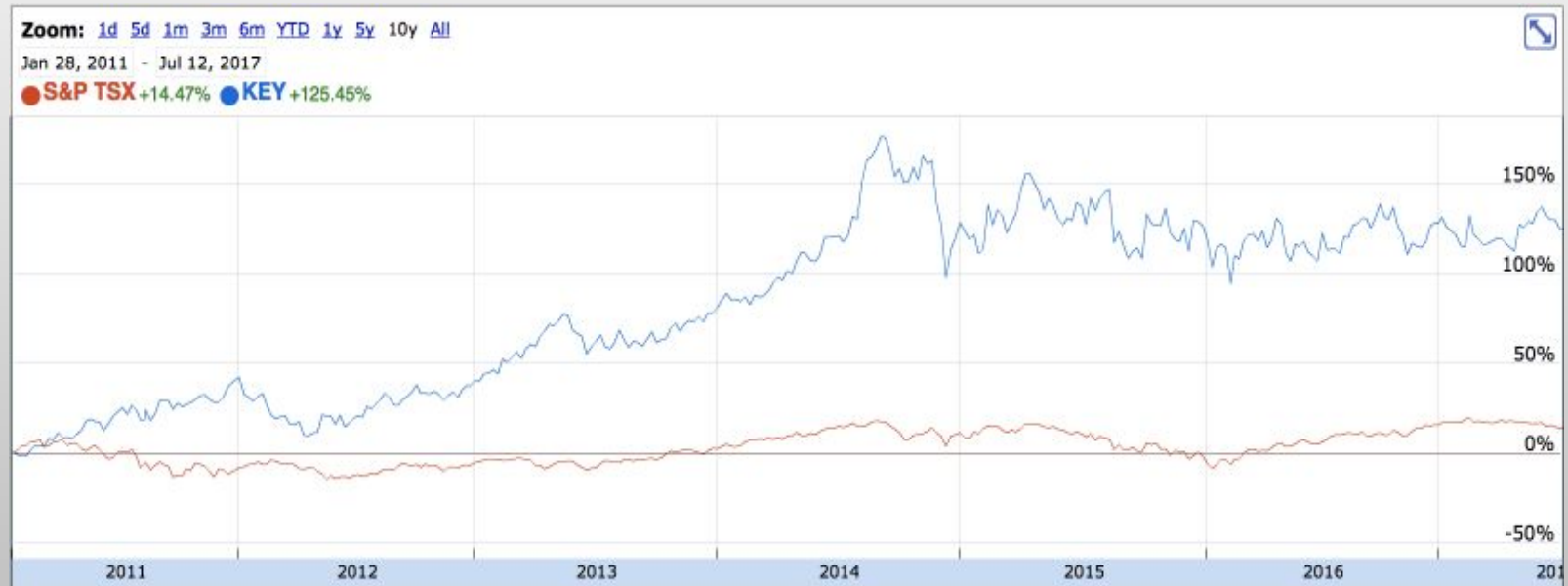
Comparison with S&P/TSX Composite – 1 Year



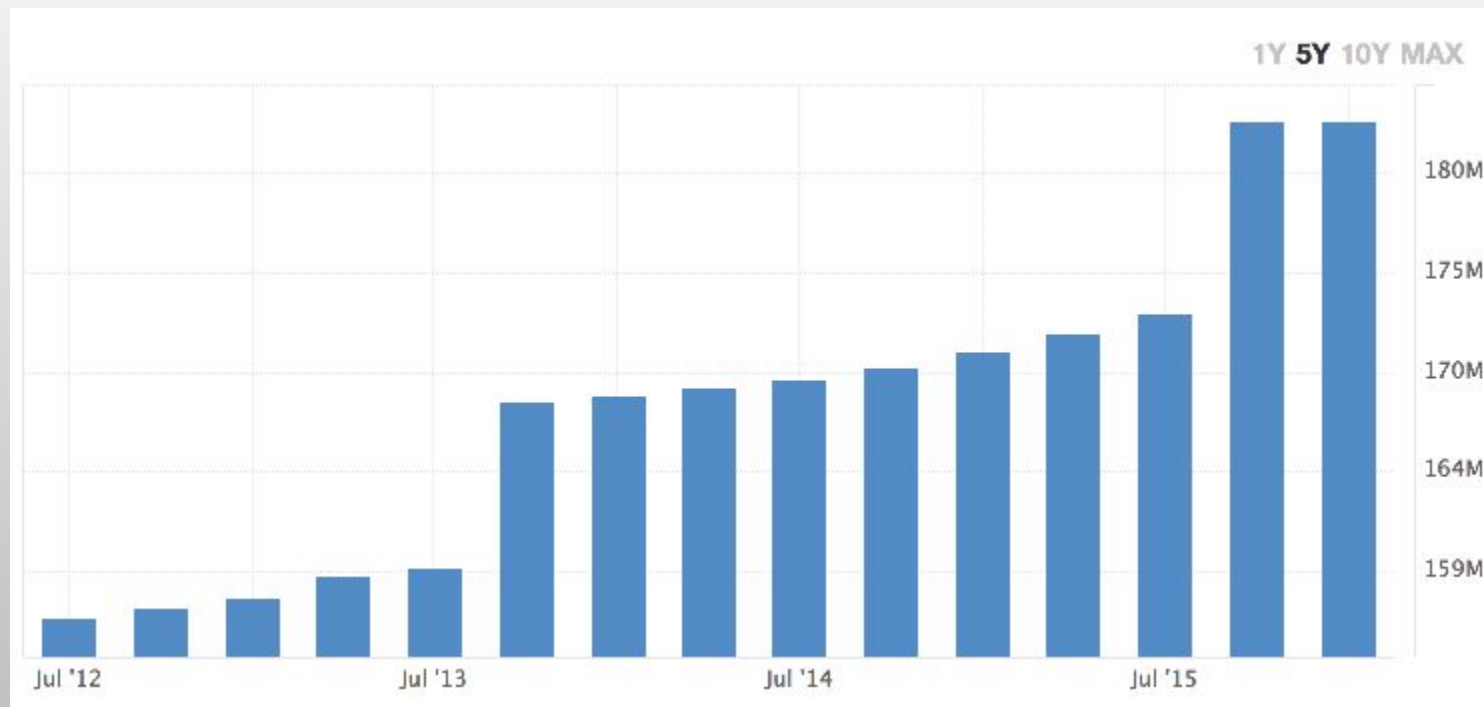
Comparison with S&P/TSX Composite – 5 Year



Comparison with S&P/TSX Composite – 10 Year



Share Outstanding



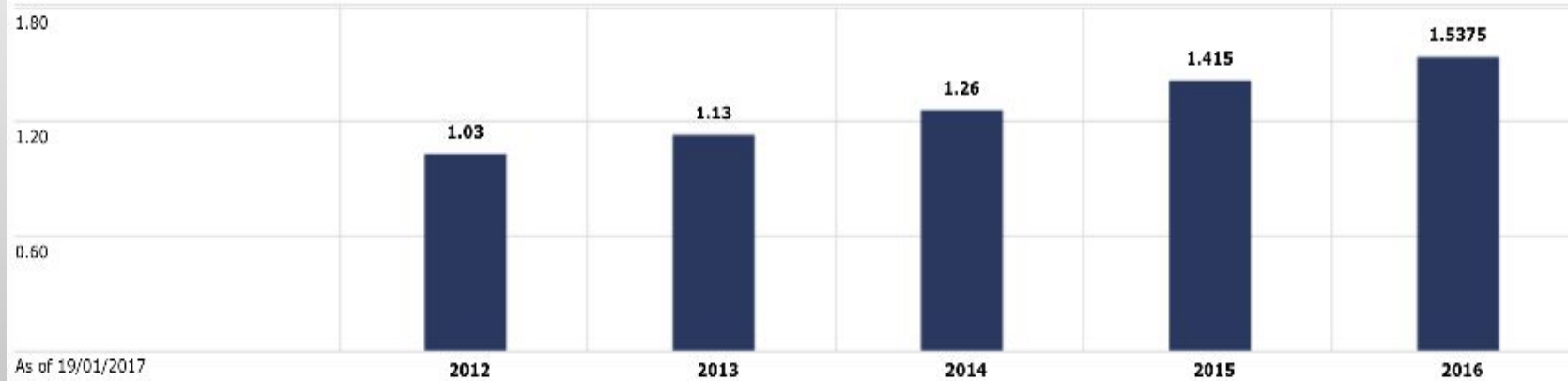
Dividend

2016 Dividends

EX-DIVIDEND DATE	RECORD DATE	PAYMENT DATE	DIVIDEND AMOUNT* (CDN \$/SHARE)
January 20	January 22	February 16	0.125
February 19	February 23	March 15	0.125
March 18	March 22	April 15	0.125
April 20	April 22	May 16	0.125
May 19	May 24	June 15	0.125
June 20	June 22	July 15	0.125
July 20	July 22	August 15	0.125
August 18	August 22	September 15	0.1325
September 20	September 22	October 17	0.1325
October 20	October 24	November 15	0.1325
November 18	November 22	December 15	0.1325
December 20	December 22	January 16, 2017	0.1325
2016 Monthly Cash Dividends Declared to Date*			\$1.5375

Dividend Growth

Five Year Dividend History KEY



Conservative financial strategy

12%

cagr

distributable cash
flow per share^{1,3}

8%

cagr

dividend per share^{2,3}

62%

LTM payout ratio^{3,4}

¹ Compound annual growth rate from 5/30/2003 to 3/31/2017.

² Compound annual growth rate from 7/15/2003 to 6/15/2017.

³ Based on dividends declared. Not a standard measure under GAAP.

⁴ From 4/1/2016 to 3/31/2017, inclusive.

Company Overview

Company Profile

one of the largest energy midstream companies in Canada

gathering and processing raw natural gas

NGL – transportation and storage of natural gas liquid

commercial market – NGL, crude oil and iso-octane

an industry-leading condensate system in the Edmonton/Fort
Saskatchewan area of Alberta

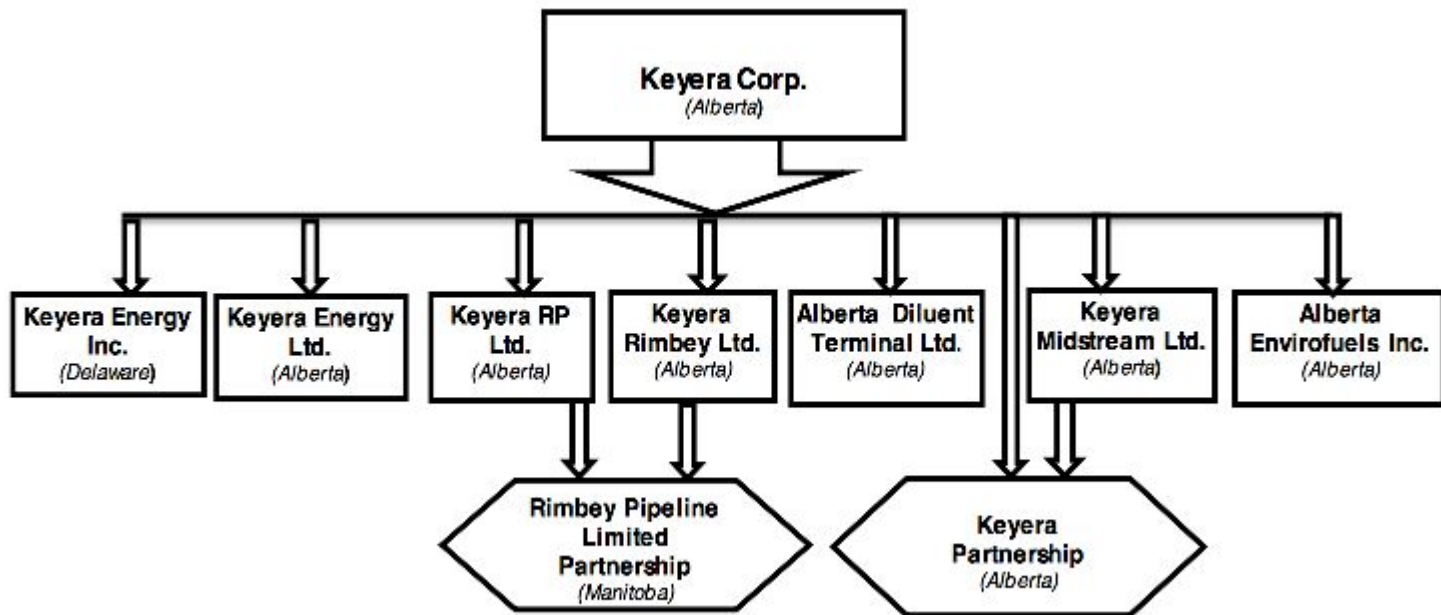
Business Strategy

Vision: to be the North American leader in delivering midstream energy solutions

Commit to its strategy of delivering steady value growth built around sustainable, competitive energy facilities:

- focuses on operational safety;
- strives to provide reliable midstream services at a competitive price;
- pursues opportunities to increase throughput at its existing facilities;
- invests in expansion and optimization opportunities to meet its customer needs and complement its service offerings;
- selectively pursues acquisitions;
- builds on the interconnectivity of its infrastructure and its integrated business model; and
- maintains a conservative capital structure.

Operating Subsidiaries



Western Canada Sedimentary Basin

335 Billion boe

ultimate potential recoverable reserves
of crude oil and bitumen¹

223 Tcf

ultimate potential recoverable reserves
of natural gas¹

○ Keyera facilities

¹ Alberta Energy Regulator's "ST98-2017: Alberta's Energy Reserves and Supply/Demand Outlook", February 28, 2017



Business operation

Integrated business lines

Gathering and processing business units

Liquids business units

- Liquids infrastructure
- Marketing segment

Facilities - Geographic Footprint



EXTRACTION

RAW
GAS

OIL
SANDS

GATHERING & PROCESSING

FEE FOR SERVICE & TAKE OR PAY CONTRACTS



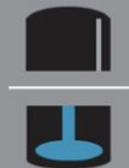
gathering
compression
sweetening
NGL extraction

LIQUIDS BUSINESS UNIT

MARGIN



fractionation



storage



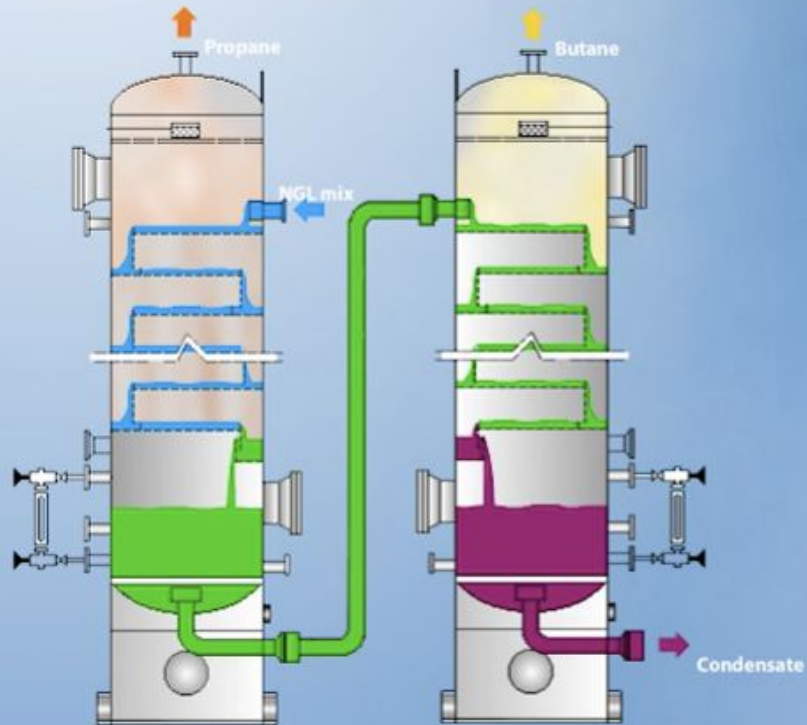
transportation



marketing

CONSUMPTION

NGL Fractionation



Products

Propane is used primarily for industrial and residential heating (often in rural areas). Because demand for heating fuel is higher in winter months, we utilize Keyera's underground storage caverns to manage propane inventories over the spring and summer to meet seasonal demand.

Butane is used primarily in gasoline and crude oil blending. Butane is also used as a feedstock for production of octane-enhancing additives for winter gasoline blending.

Iso-octane is a low vapour pressure, high octane gasoline blending component. Keyera's Alberta EnviroFuels (AEF) facility uses butane as the primary feedstock to produce iso-octane.

Condensate is desirable as a feedstock for refineries but is becoming more valuable in Alberta to aid in the transportation of bitumen by pipeline from the oil sands to upgrading facilities.

Crude oil midstream operations use Keyera facilities, including crude oil batteries and terminals, to process, transport and sell crude oil.

Sulphur is a yellow mineral extracted from sour gas. Sulphur is a raw material used in the manufacture of fertilizers, plastics and pharmaceuticals.

Gathering and Processing Business Unit

Well maintained, long-life facilities

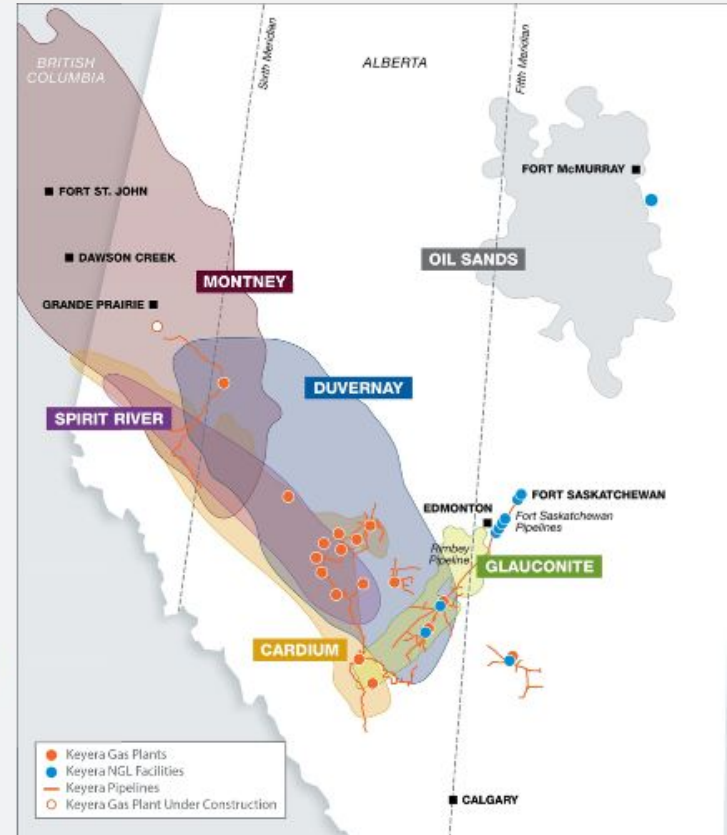
- ~2.8 bcf/d licensed gross capacity¹
- 17 active gas plants; 15 operated by Keyera

Extensive gathering systems

- Significant gathering pipelines tied into existing gas plants
- >4,000 kilometres of pipelines operated by Keyera
- Capture areas create franchise regions

Fee-for-service revenues with negligible direct commodity exposure

- Largely flow-through operating costs



Core Infrastructure in West Central Alberta

Extensive, reliable and flexible network of assets

- 14 gas plants with ~2.1 Bcf/d gross licensed capacity¹
- Expertise to handle sour gas and complete periodic maintenance turnarounds; critical mass to minimize flow-through operating costs

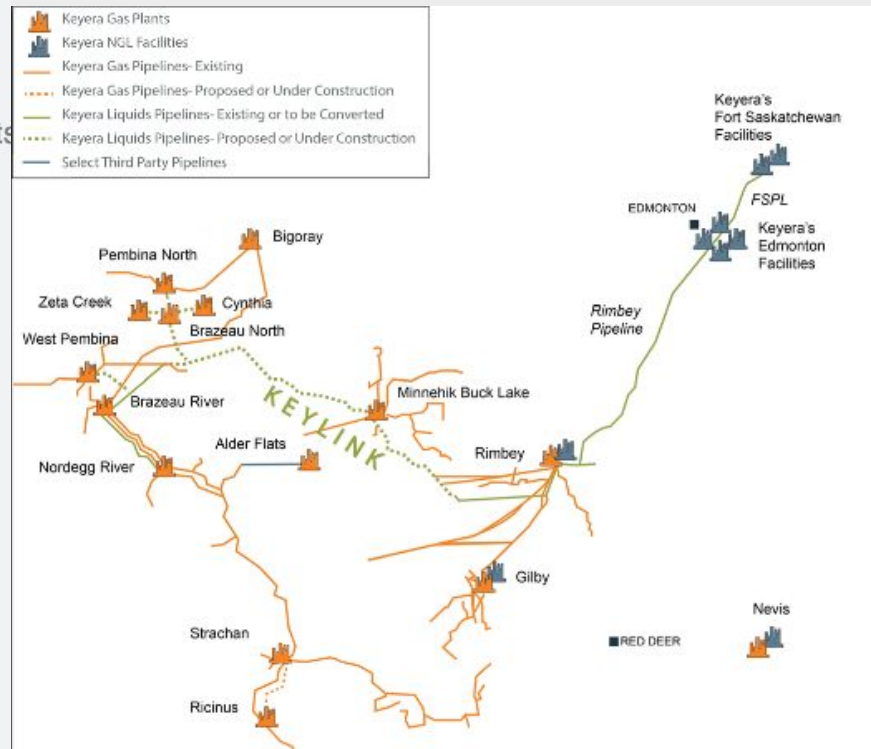
Recently expanded key facilities

- Rimbey turbo expander, fractionator debottlenecking and truck offload expansion
- Twin Rivers pipeline network optimization project

Additional gas plants constructed and acquired:

- Alder Flats (70% non-op owner)² construction completed in 2015
- Zeta Creek (60% op owner)³ construction completed in 2015
- Cynthia gas plant (93% op owner) acquired in 2014
- Ricinus gas plant (71% op owner) acquired in 2014

Proposed Keylink NGL gathering pipeline system will connect eight gas plants to fractionation at Rimbey and Keyera Fort Saskatchewan



Spirit River

– a Leading Low-Cost Natural Gas Play

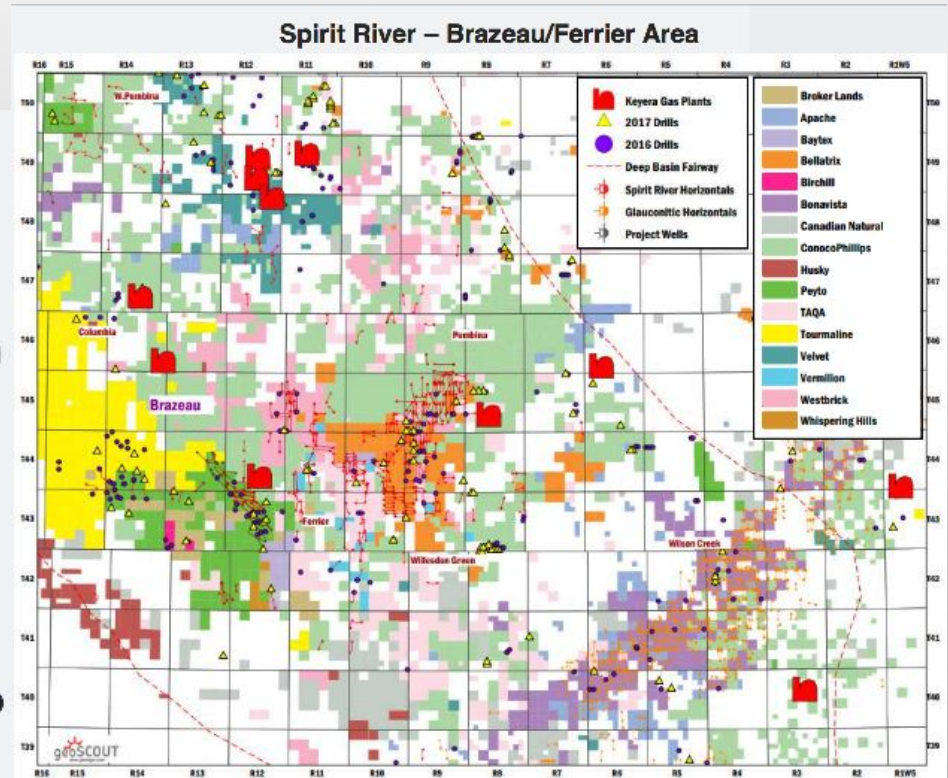
Favourable geology

- Broad, thick and extensive sand-rich valleys in the Notikewin, Falher and Wilrich channels
- Driver of activity is the Deep Basin nature of the formation (no free water, sweet gas, liquids-rich)

Rivals the Montney, Utica and Marcellus in well productivity and economics

Large majority of the top 20 gas wells (calendar day rate) in Alberta in 2016¹

Keyera's infrastructure well positioned to handle continuing development



Montney – Rich Geology Attracting Significant Capital

Top-tier shale play in North America

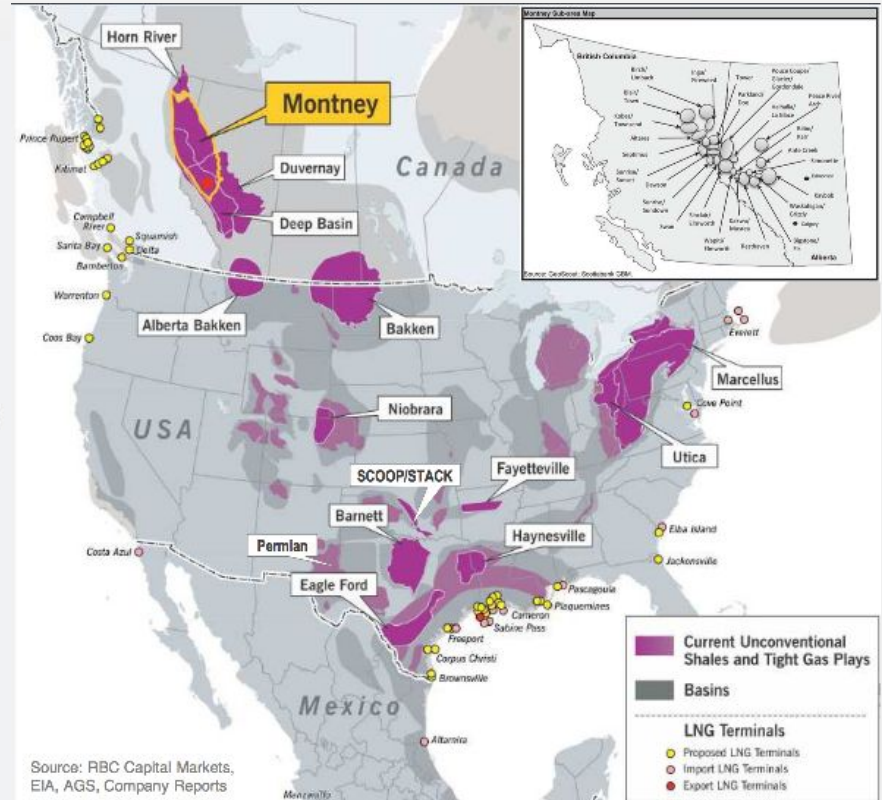
Estimated to hold over 15 billion barrels of recoverable oil and NGLs¹

- 100-300 metres thick in five or more exploitable layers in certain areas¹

Significant land positions held by multinationals and others large producers

Attractive producer economics due to liquids-rich geology driving continuous infrastructure investment

Keyera's Simonette gas plant and Wapiti area gathering and processing complex are well situated to capitalize on Montney development



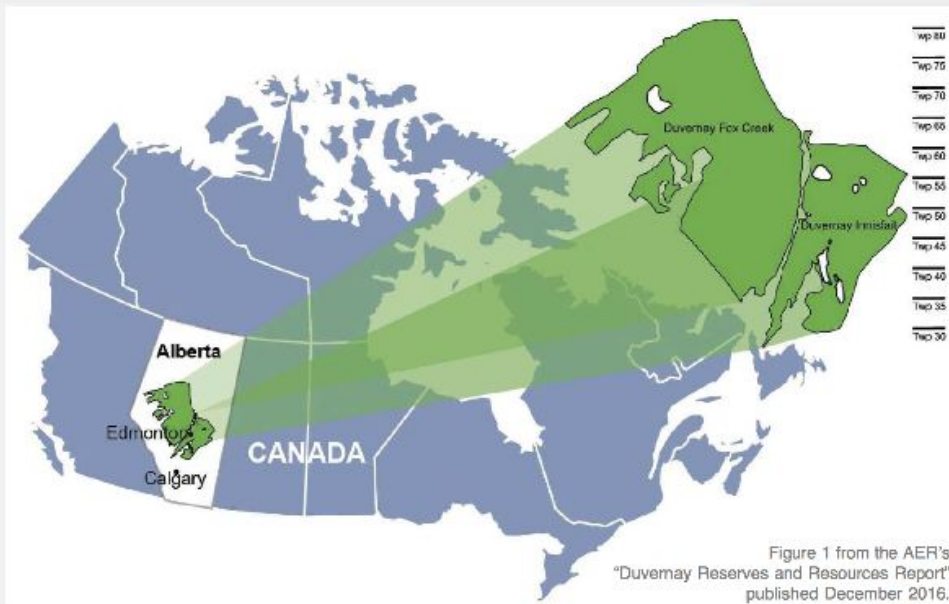
Duvernay – The Next Frontier

Significant reserves for the long-term:

- Emerging as one of Alberta's foremost unconventional condensate-rich shale resources
- Covers ~130,000 square kilometres or 20% of Alberta; >3,200 wells could be drilled over next 15 years²

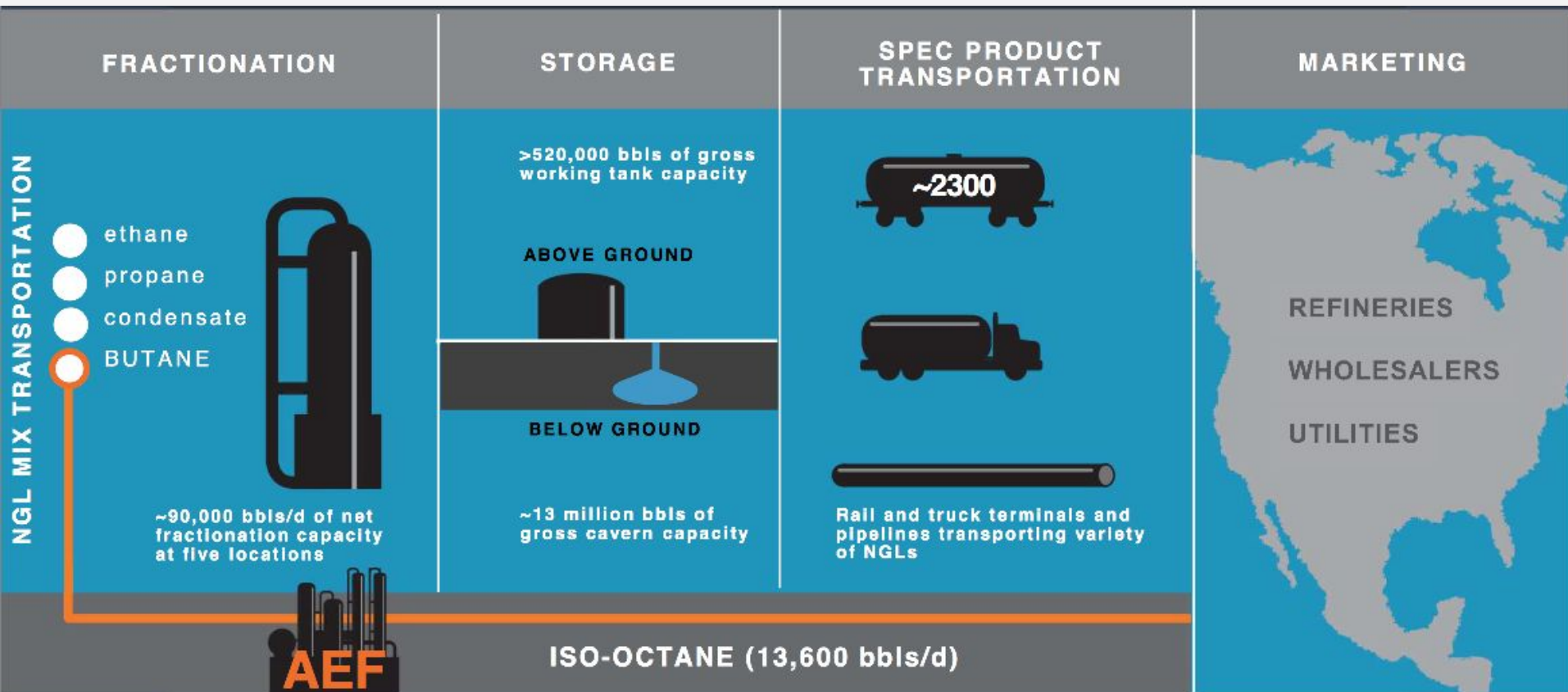
Existing Keyera gathering and processing assets ready to serve the Duvernay:

- Simonette gas plant is located in the northern Fox Creek area
- Vast gas plant and pipeline infrastructure network in the southern (Edson-Willesden Green) area



395 million boe remaining reserves
of oil, natural gas and condensate¹

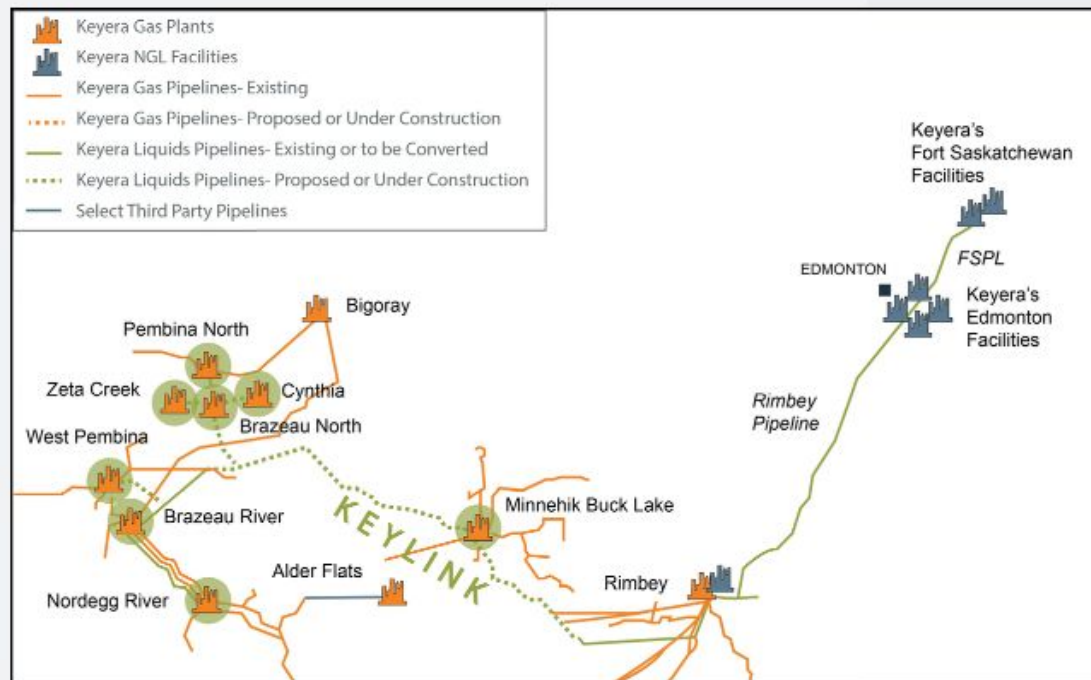
Liquids Business Unit



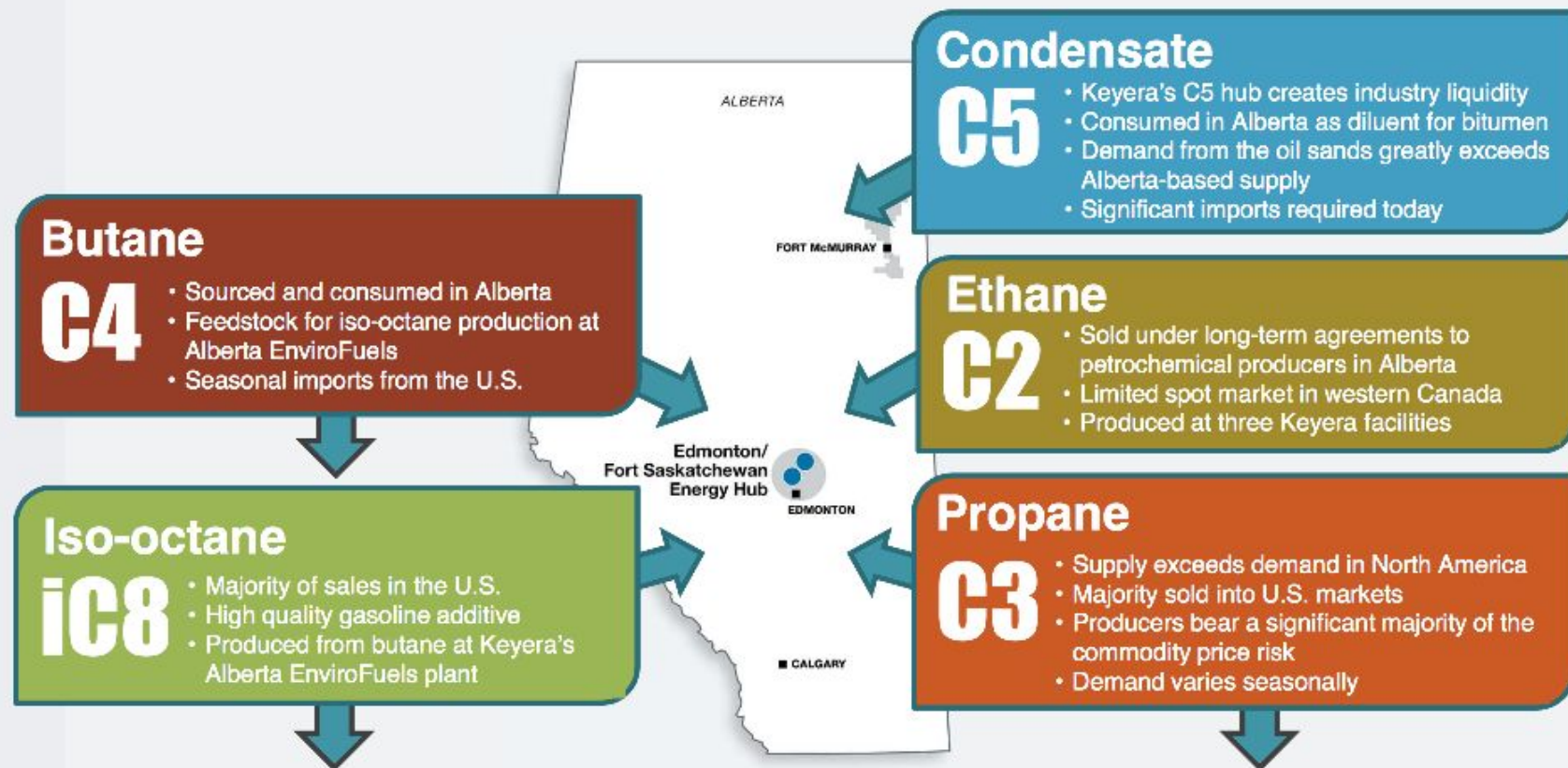
Keylink NGL Gathering Pipeline System

New NGL gathering solution for liquids egress and network integration:

- NGL gathering pipeline system strengthens Keyera's value chain by connecting eight Keyera gas plants to the Rimbey energy complex
- NGLs can be fractionated at Rimbey or at Keyera Fort Saskatchewan (via Rimbey Pipeline and the FSPL system)
- Capacity of ~22,000 bbls/d¹
- Combination of new and re-purposed existing pipelines with a total system length of 264 km¹
- Estimated cost of \$147 million, with an expected in-service date of mid-2018¹



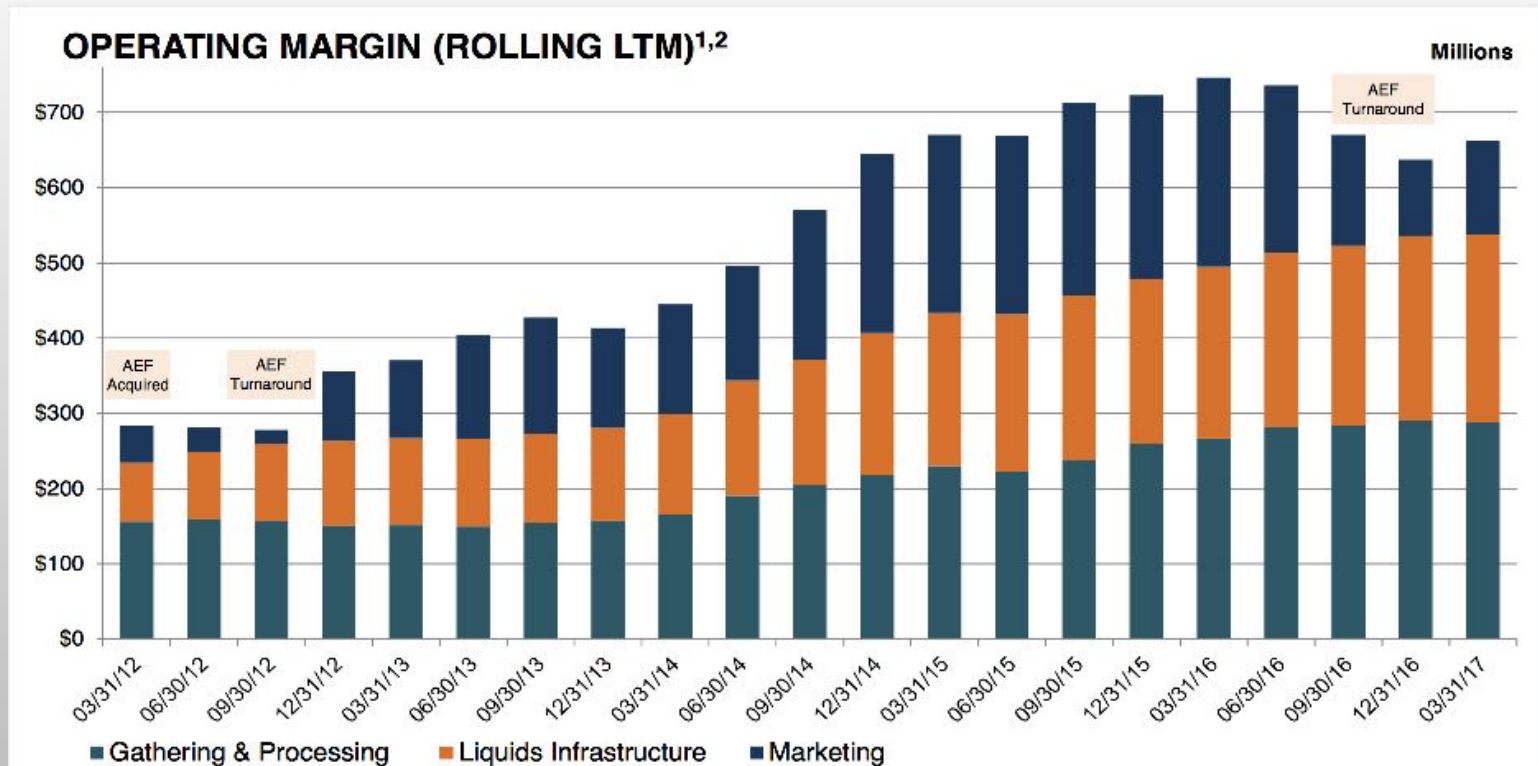
Marketing



Capital structure

CAPITALIZATION SUMMARY (THOUSANDS OF CANADIAN DOLLARS)			
	Mar. 31, 2016	Dec. 31, 2016	Mar. 31, 2017
Long term debt	1,118,646	1,437,413	1,432,192
Credit facilities	368,877	235,000	180,000
Current assets	(404,716)	(579,047)	(476,543)
Current liabilities	522,309	532,725	581,613
Net debt obligations	1,605,116	1,626,091	1,717,262
Shareholders' capital	1,523,732	1,987,341	2,033,209
Accumulated deficit	(79,637)	(145,833)	(123,616)
Total capitalization	3,049,211	3,467,599	3,626,855

Diversified and growing operating margin



¹ Operating Margin shown excludes other income from production associated with Keyera's oil and gas reserves. ² See Keyera's 2017 First Quarter Report MD&A and Note 13 to the accompanying financial statements.

Current Financial Results

(Millions of Canadian dollars, except where noted)













	1Q17	1Q16	Change		2016	2015	Change
Operating Margin							
Gathering & Processing	66	68	-3%		290	259	12%
Liquids Infrastructure	65	62	5%		246	220	12%
Marketing	68	44	55%		101*	244**	-59%
Other	<u>5</u>	<u>2</u>	<u>150%</u>		<u>9</u>	<u>20</u>	<u>-55%</u>
Total Operating Margin¹	204	176	16%		646	742	-13%
Adjusted EBITDA²	148	145	2%		605	705**	-14%
Net Earnings	96	70	37%		217	202	7%
Distributable Cash Flow³	121	116	4%		460	482**	-5%
Per Share	0.65	0.68	-4%		2.56	2.84	-10%
Payout Ratio⁴	61%	56%	9%		60%	50%	20%

Projects

Select Completed Growth Projects

Completed Projects	In-Service Date	Capital Cost ¹ (Net, in \$ Millions)
Norlite Pipeline (JV with Enbridge)	June 2017	390
Fort Saskatchewan Condensate System Pipeline Expansion & Manifold	May 2017	28
Fort Saskatchewan Fractionation Expansion	May 2016	156
Zeta Creek New Gas Plant Construction	September 2015	40
Rimbey Turbo Expander, Debottlenecking & Truck Offload Expansion	July 2015	285
Josephburg Rail Terminal	July 2015	120
Alder Flats New Gas Plant Construction (Phase I)	May 2015	51
Twin Rivers Pipelines (Phases I & II)	April 2015	67
Simonette Gas Plant Expansion (Condensate Stabilizer & Refrigeration Unit)	March 2015	90
De-ethanizer at Keyera's Fort Saskatchewan Fractionation Facility	March 2015	165
Wapiti Raw Gas and Condensate Pipelines	January 2015	<u>180</u>
¹ Some of the Completed Projects Capital Costs are subject to change, based on final adjustments.		\$1,572

Growth Projects Currently Under Development

Approved Projects	Capital Cost (Net, in \$ Millions) ¹	2017	2018	2019
Edmonton Terminal Condensate Tanks	50			
South Grand Rapids Pipeline & Pump Station (JV with TCPL & Brion) ²	145			
NWR North Condensate Connector & South NGL Connector	50			
Base Line Terminal Crude Oil Storage Project (JV with Kinder Morgan)	330			
Hull Terminal Pipeline System Connection Project ³	34			
Alder Flats New Gas Plant Construction (Phase II) ⁴	80			
Keylink NGL Gathering Pipeline System	147			
Simonette Liquids Handling Expansion Project	100			
Wapiti Area Gathering & Processing Complex (Phase I)	470			
Storage Cavern Development Program at Keyera Fort Saskatchewan	88			
Other Projects (Connections, De-Bottlenecking, Land Development, etc.)	≥100			
TOTAL	>\$1.5 Billion			

1. Keyera's share of estimated capital cost. See Keyera's 2017 First Quarter MD&A for capital investment risks and assumptions. 2. Pipeline portion of net capital cost will be paid upon completion of construction and is categorized as acquisition capital. 3. Project cost is currently estimated to be US\$20-25 million. 4. \$27 million was pre-paid in August 2016. The capital budget and construction schedule for Phase II is being managed by Bellatrix Exploration Ltd.

Norlite Pipeline

Diluent pipeline from Ft. Saskatchewan to Athabasca oil sands

Construction of the pipeline and line-fill activities completed in June 2017; Enbridge to operate Norlite once operational

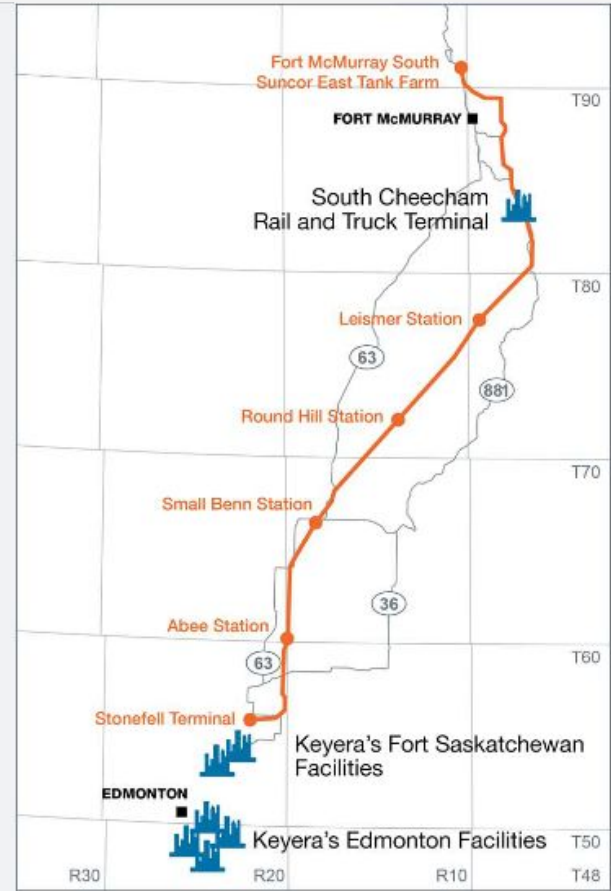
Keyera is a 30% owner

Long-term take-or-pay agreement with owners of Fort Hills project – Suncor, Total and Teck

Norlite shippers can contract for services through Keyera's other condensate infrastructure in Edmonton/Fort Saskatchewan, including storage and rail

Initial capacity of approximately 218,000 bbls/d with potential to expand to 465,000 bbls/d¹ at gross cost of \$1.3 billion (\$390 million net to Keyera)²

¹ Pipeline capacities are estimated based on certain assumptions. ² Final cost subject to change.



South Grand Rapids Pipeline

50/50 joint venture between Keyera and Grand Rapids Pipeline LP (TransCanada PipeLines and Brion Energy)

45-kilometre 20-inch diluent pipeline from Edmonton to Fort Saskatchewan

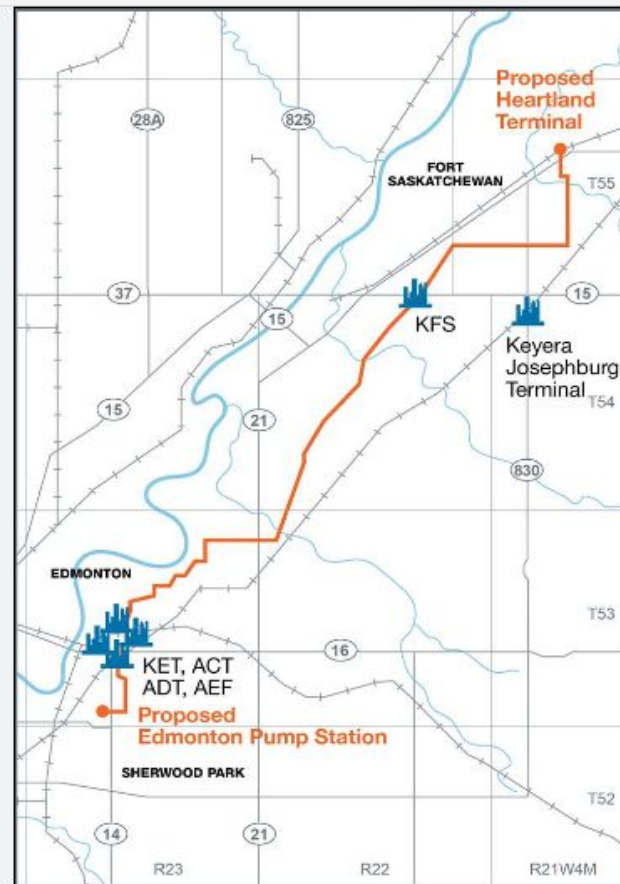
Will provide Keyera with $\geq 225,000$ bbls/d of net capacity¹ for diluent transportation, a portion of which will be used to meet commitments under existing customer agreements

Remaining capacity available for Keyera to pursue new diluent transportation business

Net capital cost to Keyera expected to be \$145 million²

Expected in service late 2017³

Keyera will operate the pipeline once complete



¹ Pipeline capacities are estimated based on certain assumptions.

² Pipeline portion of net capital cost will be paid upon completion of construction and is categorized as acquisition capital.

³ Cost and timing subject to construction and schedule variables.

Simonette Liquids Handling Expansion Project

Enables Keyera to handle growing volumes of condensate and improve liquids recoveries for customers

Facilities include above-ground storage, truck loading, redesigned existing condensate stabilization and other new services

Upon completion by mid-2018 for an estimated cost of \$100 million, condensate handling capacity is expected to be ~27,000 bbls/d¹



Wapiti Area Gathering & Processing Complex

Montney sour gas gathering and processing complex:

- Plant site and acid-gas injection well purchased in 2016
- Primary producer sanctioned Phase one of the project in Q2 2017, which includes a long-term gas handling agreement including an area dedication and take-or-pay commitment

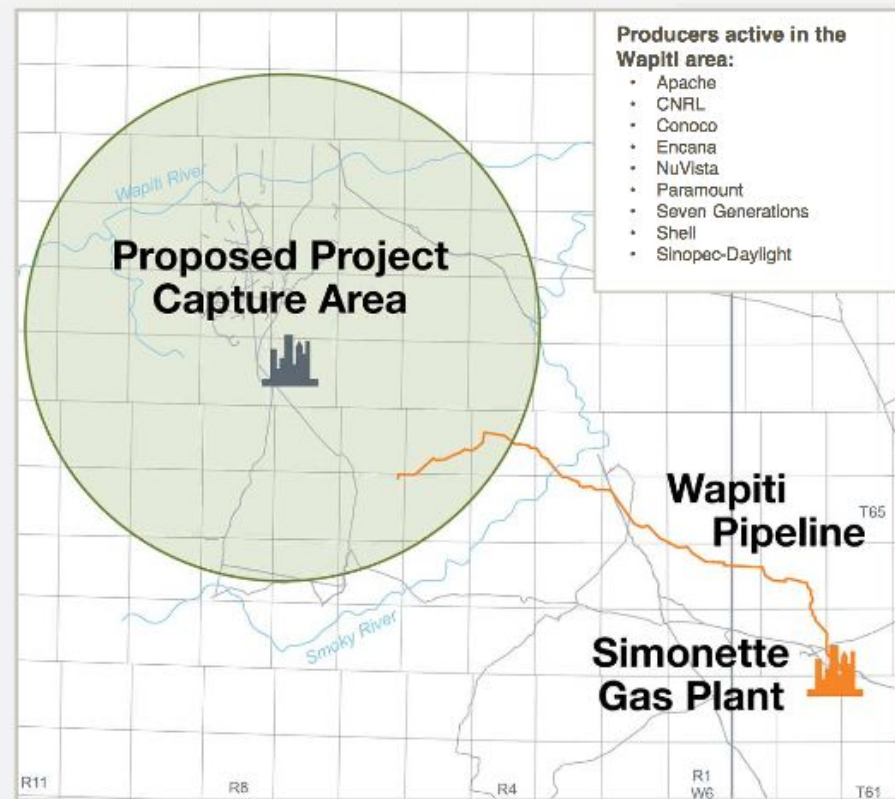
Facilities include:

- Phase one: 150 mmcf/d of sour gas processing capacity; 25,000 bbls/d of condensate handling capacity; acid gas injection; raw gas gathering and field compression system
- Proposed Phase two: additional 150 mmcf/d of sour gas processing capacity and extended gas gathering system

Phase one target in-service date of mid-2019¹

Estimated cost of both phases ~\$625 million¹

Future potential to connect the plant to Keyera's Wapiti pipeline and Simonette gas plant



Base Line Terminal – a Crude Oil Storage Solution

50/50 joint venture operated by Kinder Morgan

12 crude oil storage tanks with 4.8 million bbls of capacity under construction at Keyera's Alberta EnviroFuels site

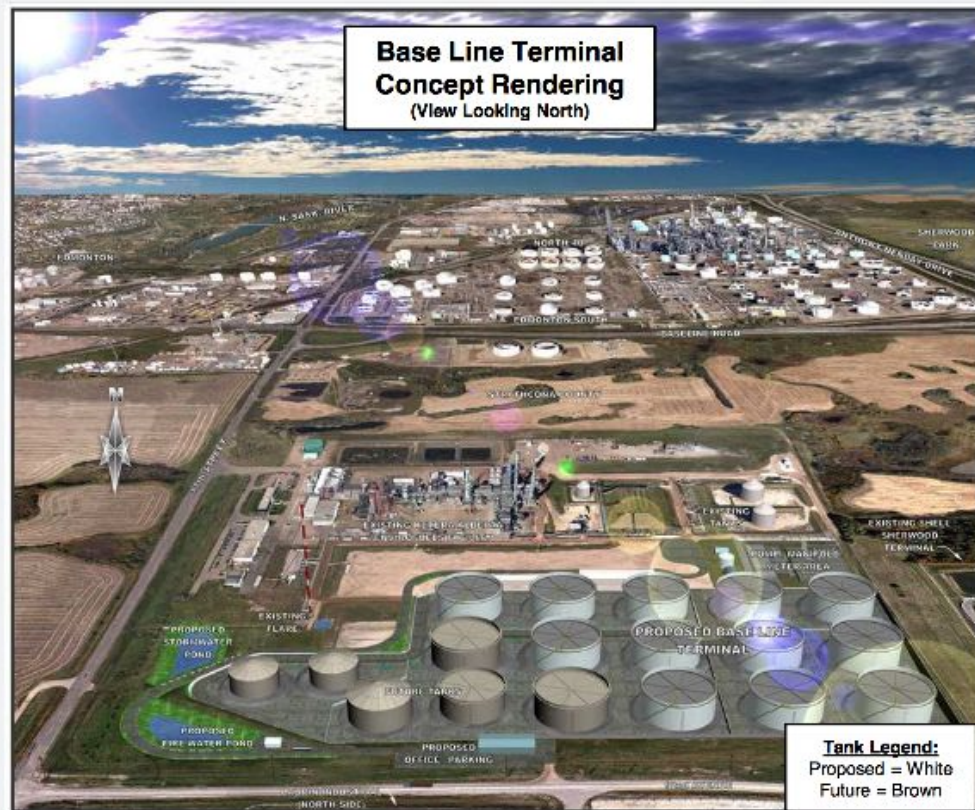
Connected to Kinder Morgan's Edmonton terminal

Backstopped by 8 customers with take-or-pay contracts up to 10 years in length

Expected net capital cost to Keyera of \$330 million¹

Potential to add additional tanks for total storage capacity of up to 6.6 million bbls, subject to customer demand

Phased commissioning of tanks starting in 1Q18¹



Expanding Underground Storage at KFS

Underground storage capacity expansion project:

- 14th cavern in-service in 2Q17
- 15th cavern currently being washed; expected in-service in 1H18¹
- Drilled well bores for 16th and 17th caverns in 3Q16; washing of the 16th cavern commenced in 1Q17

Net cost to complete the four-cavern underground storage development program is approximately \$88 million



¹ Timing subject to receipt of remaining regulatory approvals and completion of washing at the expected pace.

Management

DIRECTOR & OFFICER

David G. Smith

President and Chief Executive Officer



- held senior management roles with Keyera and its predecessors since the company's inception in 1998
- more than 30 years of experience in the energy industry in Canada
- began his career with Imperial Oil Limited in 1982 and joined Gulf Canada Resources Limited in 1991
- Director of Keyera Corp. and is a Director of Crew Energy Inc
- holds a Bachelor of Mathematics degree from the University of Waterloo, a Master of Business Administration degree from Harvard University and the ICD.D designation from the Institute of Corporate Directors.

OFFICER

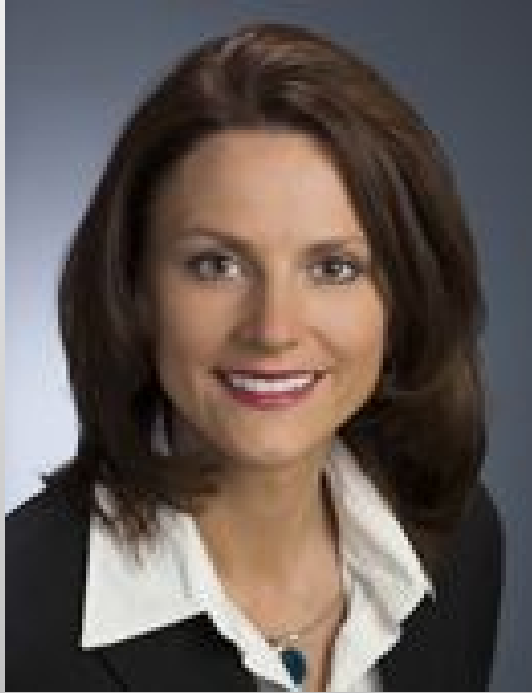
Steven B. Kroeker

Senior Vice President & Chief Financial Officer



- has 25 years of experience in the oil and gas industry
- joined Keyera in 2006 as Vice President, Corporate Development and in 2012 became Chief Financial Officer, responsible for the financial functions of Keyera as well as Corporate Development
- appointed a Senior Vice President and later also became responsible for Information Technology and Investor Relations in 2015
- spent nine years in energy focused investment banking with Scotia Capital, and worked in various accounting roles and in Corporate Development at Gulf Canada Resources Ltd
- holds a Bachelor of Commerce degree from the University of Calgary majoring in Finance and an MBA from the Ivey School of Business.

OFFICER



Suzanne Hathaway Senior Vice President, General Counsel and Corporate Secretary

- joined Keyera in 2005 and being as Senior Vice President, General Counsel and Corporate Secretary
- has 25 years of professional experience, with a background in law, communications and government relations
- manages a diverse portfolio of responsibilities at Keyera, including legal, corporate governance, environment and regulatory, land, facility contracts and information management
- member of the Law Society of Alberta and holds a Bachelor of Arts in Political Science, a Bachelor of Laws and a Master of Communications Studies, all from the University of Calgary
- sits on the Board of Governors of Bow Valley College and the Independent Review Committee of ATB Investment Management.

OFFICER



Bradley W. Lock

Senior Vice President, Gathering and Processing

- has over 28 years of experience in the oil and gas sector
- worked in a variety of roles for Chevron Canada Resources culminating as the Vice President of Operations for Enerpro Midstream Company
- joined Keyera in 2004 as the Vice President of Engineering and Operations Services and has held previous roles as Vice President of the North Central Business Unit and Senior Vice President of the Liquids Business Unit prior to taking his current role in June of 2013
- holds a Bachelor of Applied Science degree in Chemical Engineering from the University of British Columbia and is a registered Professional Engineer in the Province of Alberta.

OFFICER



Dean Setguchi

Senior Vice President, Liquids Business Unit

- has more than 20 years of financial management experience in the oil and gas industry
- became Chief Financial Officer of Cordero Energy Inc before joining Keyera as Vice President and Chief Financial Officer in October 2008
- joined Laricina Energy Ltd. as Senior Vice President and Chief Financial Officer in 2012
- returned to Keyera as Senior Vice President, Liquids Business Unit in 2014
- Chartered Accountant and a graduate of the University of Lethbridge.

OFFICER

Graham Balzun

Vice President, Corporate Responsibility



- holds the position of Vice President, Engineering and Corporate Responsibility for Keyera Corp
- has more than 30 years of industry experience in the upstream oil and gas sector
- held positions in Operations Management, Business Development, and Production and Operations engineering for both midstream and exploration and production companies before joining Keyera in 2001
- holds a Bachelor of Science degree in Chemical Engineering from the University of Calgary.

OFFICER



Jarrod Beztilny

Vice President, Operations, Liquids Business Unit

- has over 18 years of experience in the oil and gas sector
- has been with Keyera since 2004 and has held various roles in the Liquids Business Unit, including General Manager, NGL Facility Operations, prior to taking his current role in December 2015
- holds a Bachelor of Science degree in Chemical Engineering from the University of Alberta and is a registered Professional Engineer in the Province of Alberta.

OFFICER

Mike Freeman
Vice President, Commercial



- has over 20 years experience in the midstream product sector
- has been part of the Keyera team since the beginning joining Gulf Canada Resources in 1998
- spent 10 years working at Petro-Canada Resources in their Natural Gas Liquids Business Unit, prior to joining Gulf Canada

OFFICER



Rick Koshman

Vice President, Engineering

- has over 19 years of experience in the oil and gas sector
- held various executive roles at Athabasca Oil Corporation; including VP of Operations, and VP of Major Projects, prior to joining Keyera
- the Manager of Projects at Canadian Natural Resources Limited prior to Athabasca
- joined Keyera in 2015 as the Vice President, Engineering
- the Board of Governors of the Canadian Energy Executive Association, and Board Member of Prostate Cancer Canada
- holds a Masters of Business Administration degree from IMD in Switzerland, a Bachelor of Mechanical Engineering degree from Lakehead University, and is a registered Professional Engineer in the Province of Alberta

OFFICER



Dion Kostiuk Vice President, Human Resources and Corporate Services

- has been with Keyera since 2007 as the leader of the Human Resources and Corporate Services team and is responsible for Keyera's Human Resources programs including: talent management, compensation & benefits, employee & union relations, leadership succession & development, training & development, and health & wellness
- has over 20 years of experience in Human Resources in the oil and gas sector
- a member of the Conference Board of Canada's Human Resources Executive Council and the Human Resources Institute of Alberta
- attained the Human Resources & Compensation Committee Certification through the Directors College, McMaster University, in 2014 and the Chartered Professionals in Human Resources designation in 2006
- certified in the Corporate Community Relations program from Boston College and holds a General Management certificate from the University of Calgary.

OFFICER



Eileen Marikar
Vice President, Controller

- has 17 years of experience in the financial sector. She joined Keyera in 2005 as the Manager of Financial Reporting and became the Director of Accounting in 2010
- appointed as Controller in 2012, overseeing Keyera's Corporate Reporting, Marketing Accounting, Production Accounting and Credit teams
- be a Chartered Accountant and holds a Bachelor of Commerce from the University of Alberta.

OFFICER



Brian Martin

Vice President, Business Development, NGL Facilities

- holds the position of Vice President, Business Development NGL Facilities
- has 20 years of experience in the oil and gas midstream sector. Since joining the Keyera team in 2001 he has held positions in Marketing, Gathering & Processing Business Development, and Oil Sands Services Business Development
- worked in Marketing and Business Development roles at AltaGas Services, prior to joining Keyera
- holds a Bachelor of Science degree in Chemical Engineering from the University of Calgary.

OFFICER



James Urquhart

Vice President, Operations, Gathering and Processing

- has over 25 years of experience in the oil and gas sector
- held leadership roles at Keyera from 1997 to 2007 including Vice President, Foothills Region
- held senior leadership positions with Canadian Hydro Developers Inc., Maxim Power Corp. and Canexus Corp. before returning to Keyera in 2014 as a Power Generation and Marketing Consultant
- became an Asset Director in the Gathering and Processing business unit in 2015
- holds a Bachelor of Science in Mechanical Engineering from the University of Calgary and a Masters in Business Administration degree from the University of Alberta
- be a registered Professional Engineer in the Province of Alberta.

Financial Statements

Consolidated statement of financial position (Quarterly)

(Thousands of Canadian dollars)

As at	Note	March 31, 2017 \$	December 31, 2016 \$
ASSETS			
Cash		16,963	16,477
Trade and other receivables		312,294	364,081
Derivative financial instruments	9	21,385	9,021
Inventory	3	88,045	107,876
Other assets	14	37,856	81,592
Total current assets		476,543	579,047
Long-term portion of other assets		—	4,200
Derivative financial instruments	9	115,625	119,606
Property, plant and equipment		4,400,450	4,200,484
Goodwill		53,624	53,624
Total assets		5,046,242	4,956,961

Consolidated statement of financial position (Quarterly)

(Thousands of Canadian dollars)

LIABILITIES AND EQUITY

Trade and other payables		476,315	400,076
Derivative financial instruments	9	12,817	36,086
Dividends payable		24,762	24,603
Current portion of long-term debt		60,000	60,000
Current portion of decommissioning liability		7,719	11,960
Total current liabilities		581,613	532,725
Derivative financial instruments	9	450	500
Credit facilities	4	180,000	235,000
Long-term debt	4	1,432,192	1,437,413
Decommissioning liability		465,786	464,239
Other long-term liabilities		58,458	57,463
Deferred tax liabilities		418,150	388,113
Total liabilities		3,136,649	3,115,453
Equity			
Share capital	5	2,033,209	1,987,341
Accumulated deficit		(123,616)	(145,833)
Total equity		1,909,593	1,841,508
Total liabilities and equity		5,046,242	4,956,961

Consolidated statement of financial position (Annually)

(Thousands of Canadian dollars)

As at	Note	December 31, 2016 \$	December 31, 2015 \$
ASSETS			
Cash		16,477	13,447
Trade and other receivables	7	364,081	344,006
Derivative financial instruments	22	9,021	46,862
Inventory	8	107,876	76,989
Other assets	9	81,592	8,860
Total current assets		579,047	490,164
Long-term portion of other assets	9	4,200	—
Derivative financial instruments	22	119,606	141,770
Property, plant and equipment	10	4,200,484	3,610,427
Intangible assets	11	—	584
Goodwill	12	53,624	53,624
Total assets		4,956,961	4,296,569

Consolidated statement of financial position (Annually)

LIABILITIES AND EQUITY			
Trade and other payables	13	400,076	400,245
Derivative financial instruments	22	36,086	27,309
Dividends payable	20	24,603	21,463
Current portion of long-term debt	14	60,000	104,200
Current portion of decommissioning liability	15	11,960	10,569
Total current liabilities		532,725	563,786
Derivative financial instruments	22	500	352
Credit facilities	14	235,000	370,000
Long-term debt	14	1,437,413	1,156,486
Decommissioning liability	15	464,239	474,477
Other long-term liabilities	16	57,463	16,346
Deferred tax liabilities	17	388,113	316,852
Total liabilities		3,115,453	2,898,299
Equity			
Share capital	18	1,987,341	1,483,376
Accumulated deficit		(145,833)	(85,106)
Total equity		1,841,508	1,398,270
Total liabilities and equity		4,956,961	4,296,569

Consolidated Statements of Net Earnings and Comprehensive Income (Annually)

(Thousands of Canadian dollars, except share information)

	Note	2016 \$	2015 \$
Revenues	30	2,508,973	2,521,080
Expenses	30	(1,862,800)	(1,778,742)
Operating margin		646,173	742,338
General and administrative expenses	25	(62,847)	(51,010)
Finance costs	26	(72,830)	(63,168)
Depreciation, depletion and amortization expenses	27	(171,615)	(169,318)
Net foreign currency loss on U.S. debt	23	(2,442)	(29,668)
Long-term incentive plan expense	21	(16,840)	(32,146)
Net impairment expense	10	(12,270)	(95,305)
Earnings before income tax		307,329	301,723
Income tax expense	17	(90,478)	(99,803)
Net earnings		216,851	201,920
Other comprehensive income		—	—
Net earnings and comprehensive income		216,851	201,920
Earnings per share			
Basic earnings per share	19	1.21	1.19
Diluted earnings per share	19	1.21	1.19

Consolidated Statements of Net Earnings and Comprehensive Income (Quarterly)

(Thousands of Canadian dollars, except share information)

		Three months ended March 31,	
		2017	2016
	Note	\$	\$
Revenues	13	843,620	600,608
Expenses	13	(639,198)	(424,822)
Operating margin		204,422	175,786
General and administrative expenses		(17,320)	(21,607)
Finance costs	11	(17,740)	(19,348)
Depreciation, depletion and amortization expenses		(39,580)	(44,724)
Net foreign currency gain on U.S. debt	10	479	5,508
Long-term incentive plan expense	7	(2,747)	(4,729)
Earnings before income tax		127,514	90,886
Income tax expense	8	(31,172)	(20,755)
Net earnings		96,342	70,131
Other comprehensive income		—	—
Net earnings and comprehensive income		96,342	70,131
Earnings per share			
Basic earnings per share	6	0.52	0.41
Diluted earnings per share	6	0.52	0.41

	Note	2016 \$	2015 \$
Cash provided by (used in):			
OPERATING ACTIVITIES			
Net earnings:		216,851	201,920
Adjustments for items not affecting cash:			
Finance costs	26	12,220	10,930
Depreciation, depletion and amortization expenses	27	171,615	169,318
Long-term incentive plan expense	21	16,840	32,146
Unrealized loss (gain) on derivative financial instruments	22	68,930	(31,231)
Unrealized (gain) loss on foreign exchange		(28,323)	95,517
Deferred income tax expense	17	75,106	11,791
Inventory write-down	8	—	3,388
Net impairment expense	10	12,270	95,305
Loss on disposal of property, plant and equipment	10	890	402
Decommissioning liability expenditures	15	(4,249)	(7,003)
Changes in non-cash working capital	29	(129,224)	65,672
Net cash provided by operating activities		412,926	648,155
INVESTING ACTIVITIES			
Acquisitions	10	(190,375)	(24,644)
Capital expenditures	10	(567,042)	(706,258)
Proceeds on sale of assets		85	3,478
Changes in non-cash working capital	29	(3,642)	(29,992)
Net cash used in investing activities		(760,974)	(757,416)
FINANCING ACTIVITIES			
Borrowings under credit facilities	14	1,397,406	1,300,000
Repayments under credit facilities	14	(1,532,406)	(1,020,000)
Proceeds from issuance of long-term debt	14	360,000	—
Repayment of long-term debt	14	(97,740)	(49,799)
Financing costs related to credit facilities/long-term debt	14	(2,238)	(2,008)
Proceeds from equity offering	18	344,871	—
Issuance costs related to equity offering	18	(14,528)	—
Proceeds from issuance of shares related to DRIP	18	169,777	118,854
Repayment of finance lease liabilities	16	(188)	—
Dividends paid to shareholders	20	(274,438)	(237,355)
Net cash provided in financing activities		350,516	109,692
Effect of exchange rate fluctuations on foreign cash held		562	1,707
Net increase in cash		3,030	2,138
Cash at the beginning of the year		13,447	11,309
Cash at the end of the year		16,477	13,447
Income taxes paid in cash		73,348	61,492
Interest paid in cash		84,134	74,383

Consolidated Statements of Cash Flows (Annually)

Note 29

29. SUPPLEMENTAL CASH FLOW INFORMATION

Details of changes in non-cash working capital from operating activities were as follows:

	2016 \$	2015 \$
Inventory	(30,887)	43,915
Trade and other receivables	(49,548)	63,112
Other assets	(54,640)	(5,231)
Trade and other payables	5,851	(36,124)
Changes in non-cash working capital from operating activities	(129,224)	65,672

Details of changes in non-cash working capital from investing activities were as follows:

	2016 \$	2015 \$
Trade and other payables	(3,642)	(29,992)
Changes in non-cash working capital from investing activities	(3,642)	(29,992)

Consolidated Statements of Cash Flows (Quarterly)

(Thousands of Canadian dollars)

		Three months ended March 31,	
		2017	2016
		\$	\$
Cash provided by (used in):			
OPERATING ACTIVITIES			
Net earnings:		96,342	70,131
Adjustments for items not affecting cash:			
Finance costs	11	3,614	2,935
Depreciation, depletion and amortization expenses		39,580	44,724
Long-term incentive plan expense	7	2,747	4,729
Unrealized (gain) loss on derivative financial instruments	9	(31,701)	42,753
Unrealized gain on foreign exchange		(4,447)	(54,052)
Deferred income tax expense	8	30,037	17,088
Decommissioning liability expenditures		(5,443)	(983)
Changes in non-cash working capital	12	87,892	50,366
Net cash provided by operating activities		218,621	177,691
INVESTING ACTIVITIES			
Acquisitions		(55,087)	(32,160)
Capital expenditures		(181,447)	(116,993)
Changes in non-cash working capital	12	103,270	(3,309)
Net cash used in investing activities		(133,264)	(152,462)
FINANCING ACTIVITIES			
Borrowings under credit facilities	12	265,000	378,877
Repayments under credit facilities	12	(320,000)	(380,000)
Financing costs related to credit facilities/long-term debt	12	(711)	(19)
Proceeds from issuance of shares related to DRIP		45,618	40,356
Repayment of finance lease liabilities	12	(563)	—
Dividends paid to shareholders		(73,966)	(64,526)
Net cash used in financing activities		(84,622)	(25,312)
Effect of exchange rate fluctuations on foreign cash held		(249)	(159)
Net increase (decrease) in cash		486	(242)
Cash at the start of the period		16,477	13,447
Cash at the end of the period		16,963	13,205
Income taxes paid in cash		638	54,303
Interest paid in cash		8,580	8,473

Note 12

12. SUPPLEMENTAL CASH FLOW INFORMATION

Details of changes in non-cash working capital from operating activities were as follows:

	Three months ended March 31,	
	2017	2016
	\$	\$
Inventories	19,830	22,649
Trade and other receivables	51,785	31,436
Other assets	(9,877)	1,528
Trade and other payables	26,154	(5,247)
Changes in non-cash working capital from operating activities	87,892	50,366

Details of changes in non-cash working capital from investing activities were as follows:

	Three months ended March 31,	
	2017	2016
	\$	\$
Trade and other payables	48,216	(3,309)
Other assets	55,054	—
Changes in non-cash working capital from investing activities	103,270	(3,309)

Reconciliation of Liabilities Arising from Financing Activities:

	Credit Facilities	Current and Long-term Debt	Financial Assets Related To U.S. Long-term Borrowings	Finance Lease Liabilities
	\$	\$	\$	\$
As at December 31, 2016	235,000	1,497,413	121,860	54,029
<i>Cash changes:</i>				
Inflows from borrowings	265,000	—	—	—
Outflows related to repayments	(320,000)	—	—	(563)
Outflows related to financing costs	—	(961)	—	—
Outflows related to interest expense ¹	—	—	—	510
<i>Non-cash changes:</i>				
Fair value changes	—	—	(4,432)	—
Unrealized foreign exchange	—	(4,610)	—	—
Unwinding of discount on long-term debt	—	350	—	—
As at March 31, 2017	180,000	1,492,192	117,428	53,976

Consolidated Statement of Changes in Equity (Quarterly)

(Thousands of Canadian dollars)

	Share Capital \$	Accumulated Deficit \$	Total \$
As at December 31, 2015	1,483,376	(85,106)	1,398,270
Common shares issued pursuant to dividend reinvestment plans	40,356	—	40,356
Net earnings and comprehensive income	—	70,131	70,131
Dividends declared to shareholders	—	(64,662)	(64,662)
As at March 31, 2016	1,523,732	(79,637)	1,444,095

	Share Capital \$	Accumulated Deficit \$	Total \$
As at December 31, 2016	1,987,341	(145,833)	1,841,508
Common shares issued pursuant to dividend reinvestment plans	45,618	—	45,618
Issuance costs related to 2016 equity offering	250	—	250
Net earnings and comprehensive income	—	96,342	96,342
Dividends declared to shareholders	—	(74,125)	(74,125)
As at March 31, 2017	2,033,209	(123,616)	1,909,593

Consolidated Statement of Changes in Equity (Annually)

(Thousands of Canadian dollars)

	Share Capital	Accumulated (Deficit)	Total
As at	\$	\$	\$
Balance at December 31, 2014	1,364,522	(46,341)	1,318,181
Common shares issued pursuant to dividend reinvestment plans	118,854	—	118,854
Net earnings and total comprehensive income	—	201,920	201,920
Dividends declared to shareholders	—	(240,685)	(240,685)
Balance at December 31, 2015	1,483,376	(85,106)	1,398,270
Common shares issued pursuant to dividend reinvestment plans	169,777	—	169,777
Common shares issued pursuant to equity offering ¹	334,188	—	334,188
Net earnings and total comprehensive income	—	216,851	216,851
Dividends declared to shareholders	—	(277,578)	(277,578)
Balance at December 31, 2016	1,987,341	(145,833)	1,841,508

Recommendation

Buy!



 **ENBRIDGE®**

Stock Snapshot

Toronto Stock Exchange: ENB
Enbridge Inc

Delayed quote ⓘ
\$51.30

Today's change
0.00 0.00%

P/E
44.905

Market cap
84.08B

52-week range


One Year Performance

July 10 4:00 PM EDT.

1 year



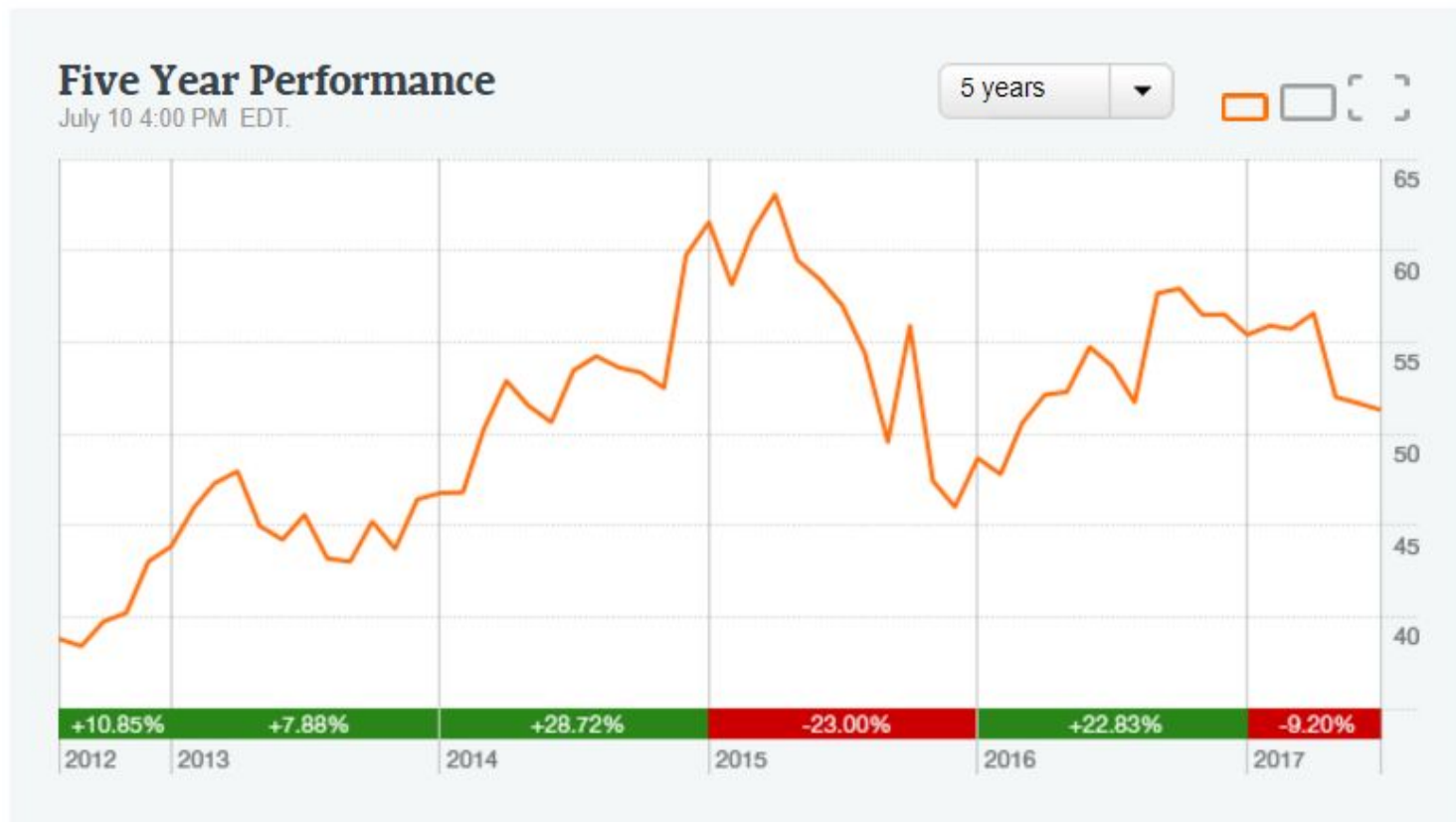
KEY COMPANY METRICS

YTD % change	-9.20%
Volume ⓘ	1,093,933
Average volume (10-day)	2,014,268
Average volume (1-month)	2,915,046
Average volume (3-month)	2,778,957
52-week range	\$49.61 to \$59.19
Beta	0.56
Trailing P/E	44.91×
P/E 1 year forward	23.16×
Forward PEG	2.37×
Indicated annual dividend	\$2.44
Dividend yield	4.76%
Trailing EPS	\$1.14

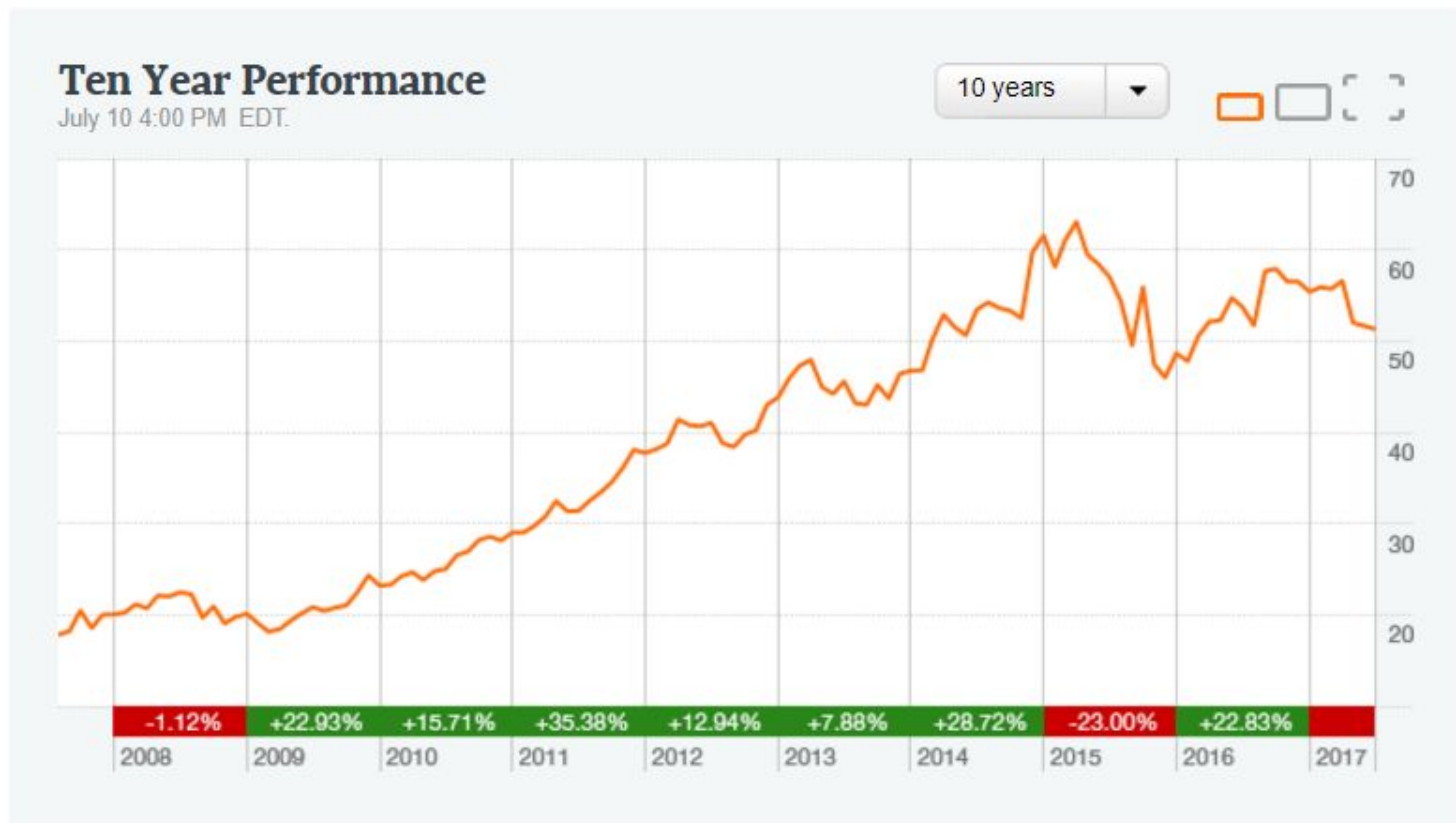
Historical Performance



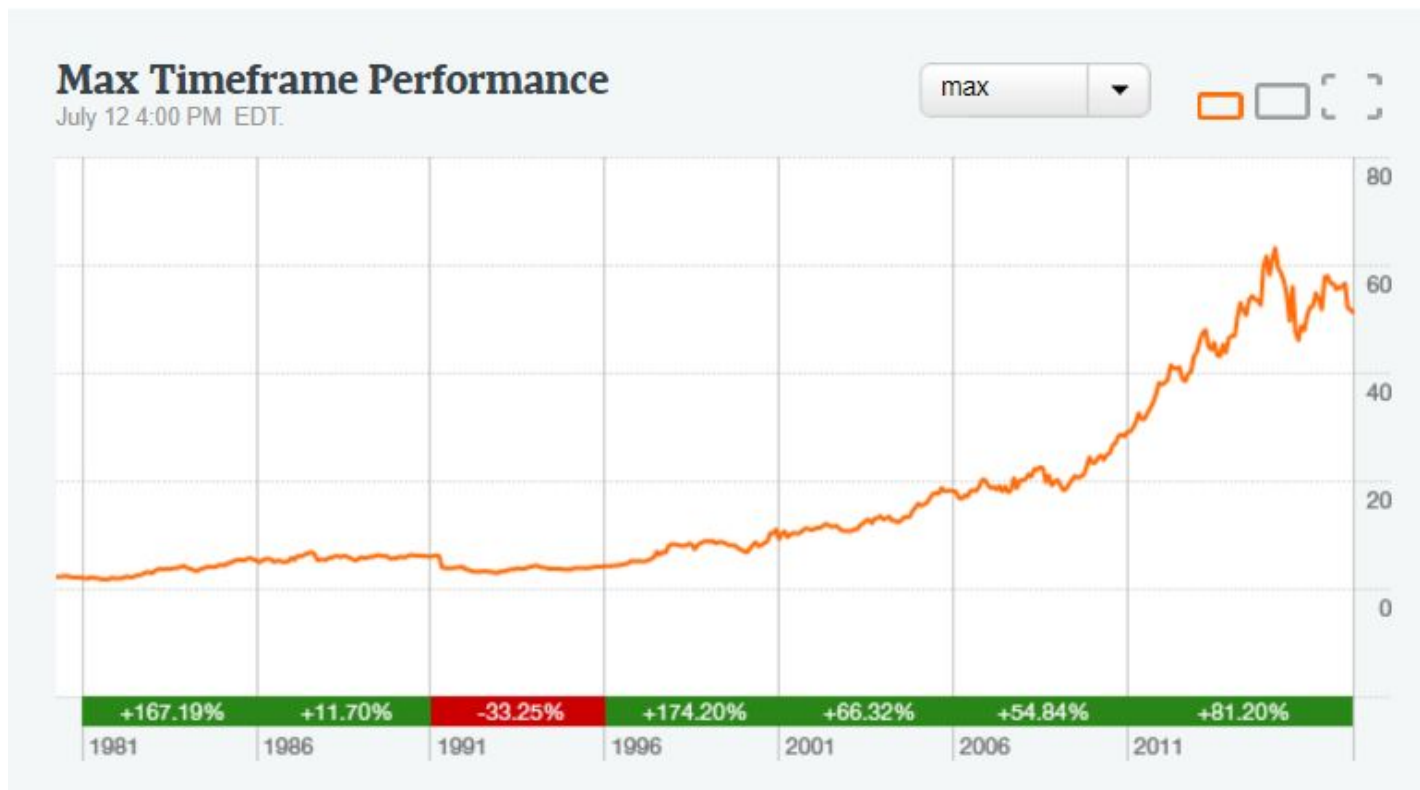
Historical Performance



Historical Performance



Historical Performance



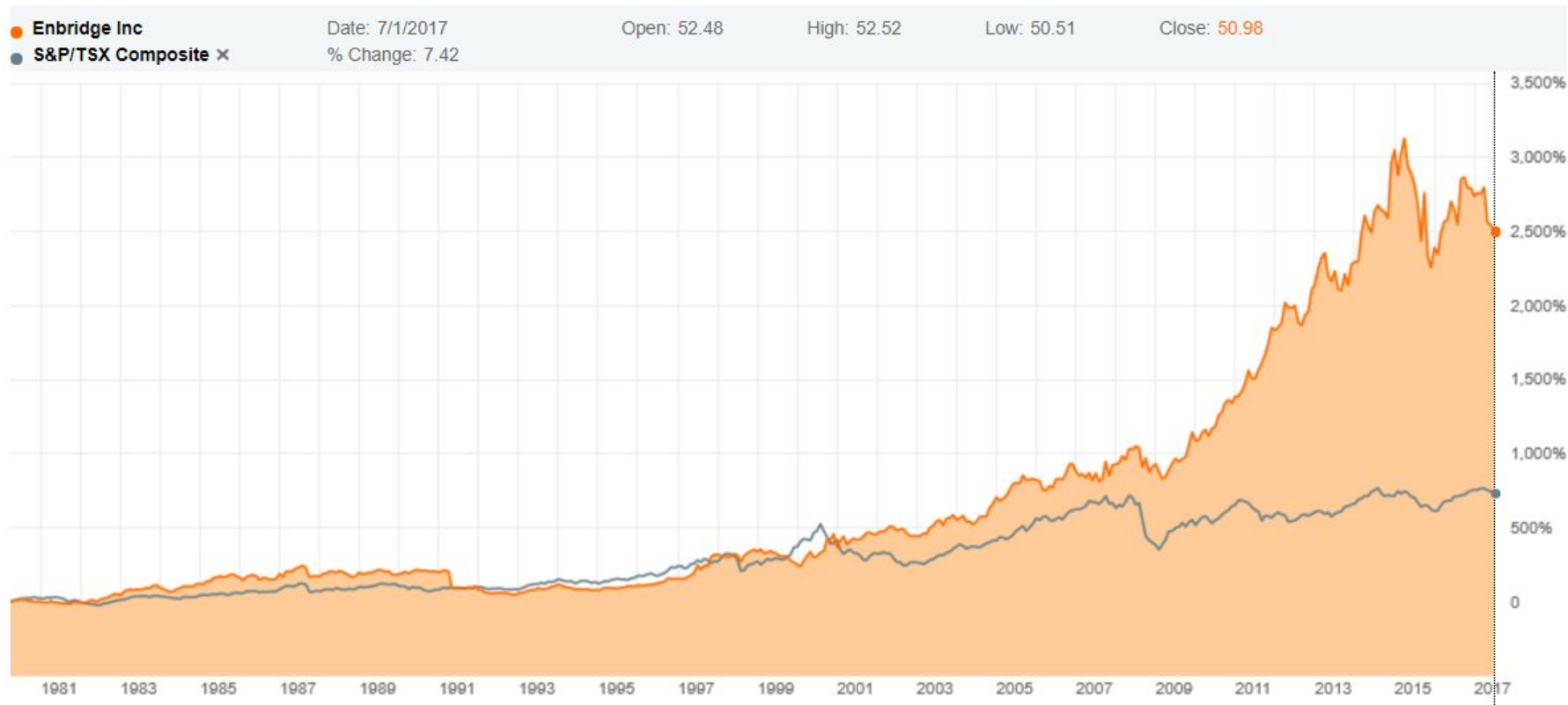
Five Year Performance vs. S&P/TSX Composite



Ten Year Performance vs. S&P/TSX Composite



Max Year Performance vs. S&P/TSX Composite



Outstanding Share Data¹

Preference Shares

	Number	Redemption and Conversion Option Date ^{2,3}	Right to Convert Into ³
Preference Shares, Series A	5,000,000	–	–
Preference Shares, Series B	20,000,000	June 1, 2017	Series C
Preference Shares, Series D	18,000,000	March 1, 2018	Series E
Preference Shares, Series F	20,000,000	June 1, 2018	Series G
Preference Shares, Series H	14,000,000	September 1, 2018	Series I
Preference Shares, Series J	8,000,000	June 1, 2017	Series K
Preference Shares, Series L	16,000,000	September 1, 2017	Series M
Preference Shares, Series N	18,000,000	December 1, 2018	Series O
Preference Shares, Series P	16,000,000	March 1, 2019	Series Q
Preference Shares, Series R	16,000,000	June 1, 2019	Series S
Preference Shares, Series 1	16,000,000	June 1, 2018	Series 2
Preference Shares, Series 3	24,000,000	September 1, 2019	Series 4
Preference Shares, Series 5	8,000,000	March 1, 2019	Series 6
Preference Shares, Series 7	10,000,000	March 1, 2019	Series 8
Preference Shares, Series 9	11,000,000	December 1, 2019	Series 10
Preference Shares, Series 11	20,000,000	March 1, 2020	Series 12
Preference Shares, Series 13	14,000,000	June 1, 2020	Series 14
Preference Shares, Series 15	11,000,000	September 1, 2020	Series 16
Preference Shares, Series 17	30,000,000	March 1, 2022	Series 18

COMMON SHARES

March 31,	2017		2016	
	Number of Shares	Amount	Number of Shares	Amount
<i>(millions of Canadian dollars; number of common shares in millions)</i>				
Balance at beginning of period	943	10,492	868	7,391
Common shares issued ¹	-	-	56	2,241
Common shares issued in Merger Transaction ²	691	37,428	-	-
Dividend Reinvestment and Share Purchase Plan	4	194	4	184
Shares issued on exercise of stock options	1	33	1	12
	1,639	48,147	929	9,828

Corporate Overview

Company Profile

Energy infrastructure company based in Calgary, Alberta that focuses on the transportation, distribution, and generation of energy.

- Maintains and constructs pipelines for transportation of crude oil and natural gas throughout Canada and the US
- Canada's largest natural gas distribution provider
- Growing renewable energy generator
- Employs 15,400 people in Canada and the US



Company History

April 30, 1949	<ul style="list-style-type: none">➤ Incorporated as Interprovincial Pipeline Company➤ First pipeline - Edmonton, Alberta to Superior, Wisconsin
1950s	<ul style="list-style-type: none">➤ Extension of pipeline to Sarnia, Ontario
1960s	<ul style="list-style-type: none">➤ Rapid expansion in Detroit, Buffalo, and Chicago➤ Became the largest crude oil carrier in North America
1970s	<ul style="list-style-type: none">➤ Completed Line 9 pipeline (Sarnia to Montreal)
1980s	<ul style="list-style-type: none">➤ Built Norman Wells pipeline connecting Northwest Territories to Alberta➤ Acquired Toronto-based Home Oil➤ Changed its name to Interhome Energy Inc.

Company History

1990s	<ul style="list-style-type: none">➤ Acquired control of several gas, oil, and utility companies including Consumers' Gas (now Enbridge Gas Distribution Inc.)➤ Built Athabasca pipeline➤ Changed its name to IPL Energy Inc. in 1994 and finally Enbridge Inc. in 1998
2000s	<ul style="list-style-type: none">➤ Expanded international interests in Spain and Colombia➤ Listed on NYSE on 2001➤ Began investment in renewable energy➤ Acquired Houston-based Midcoast Energy Resources and Shell Gas Transmission
2017	<ul style="list-style-type: none">➤ Merged with Spectra Energy to form largest energy infrastructure company in North America

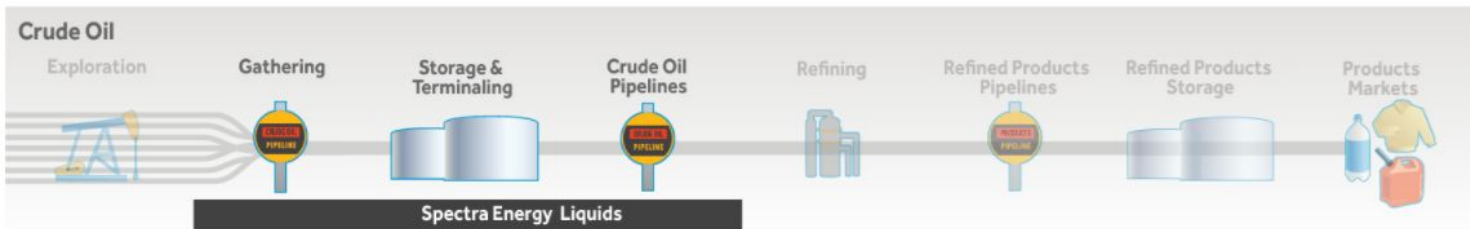
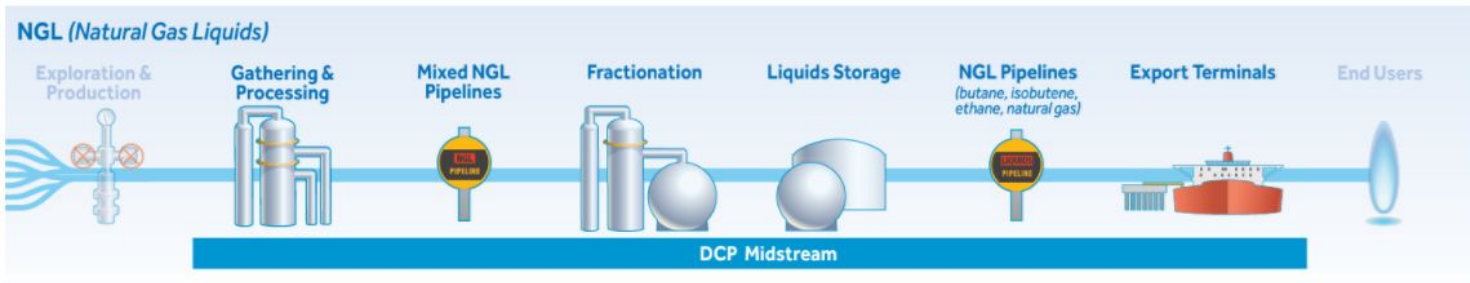
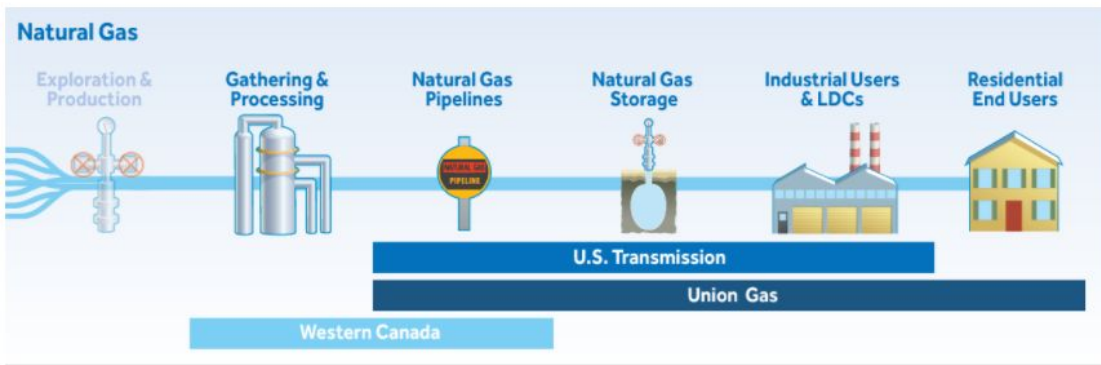
Merger with Spectra Energy

- Enbridge merged Spectra Energy in a CDN\$37 billion stock-for-stock deal that completed on February 27, 2017
- Spectra Energy is a pipeline and midstream company based in Houston, Texas with a focus on natural gas transportation and distribution
- Largest ever foreign purchase by a Canadian company
- After merger, Enbridge is now largest energy infrastructure company in North America

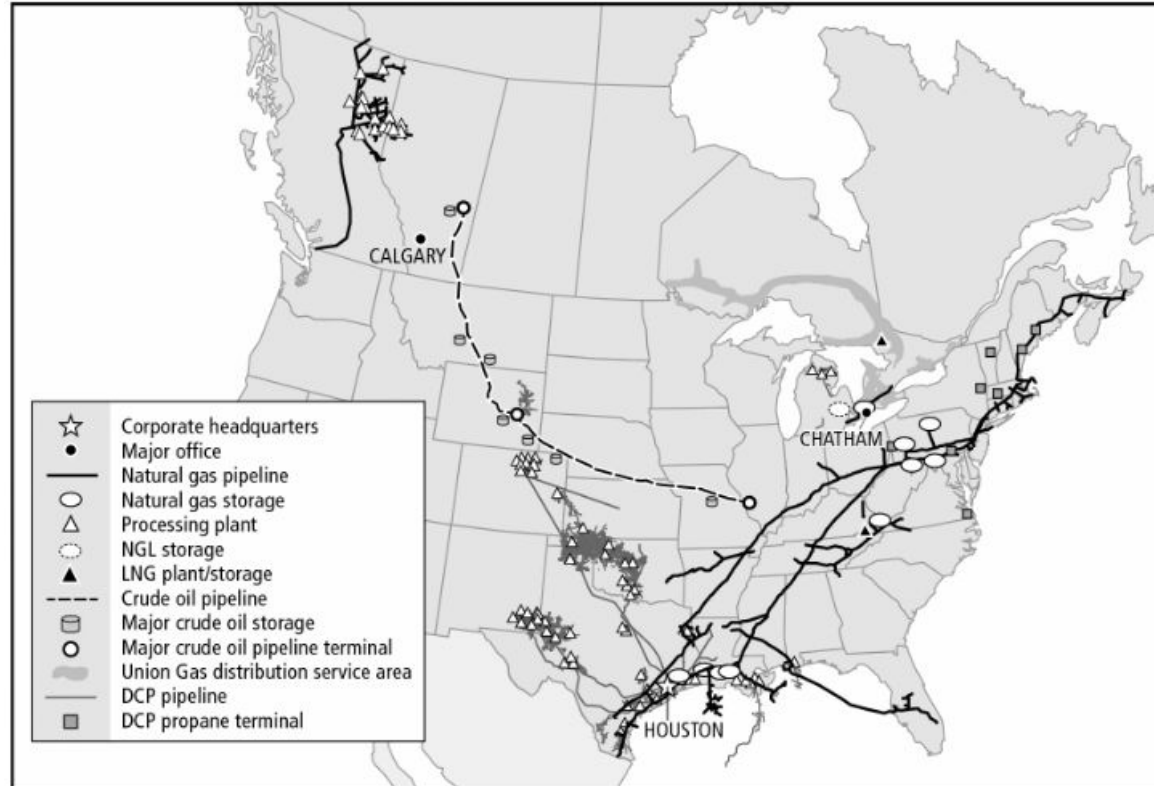
	ENBRIDGE INC.		SPECTRA ENERGY CORP	
BUSINESS DESCRIPTION	Enbridge is a North American leader in energy delivery, transmission and distribution. Enbridge operates the world's longest crude oil and liquids transportation system across Canada and the U.S., and has a significant and growing involvement in natural gas and renewable energy.		Spectra Energy is a leading pipeline and midstream company in the United States and Canada with natural gas, NGL, and crude operations including transportation, storage, gathering and processing, and distribution.	
MAJOR BUSINESS SEGMENTS	<ul style="list-style-type: none"> • Liquids Pipelines • Gas Distribution • Gas Pipelines and Processing • Energy Services • Green Power and Transmission 		<ul style="list-style-type: none"> • Spectra Energy Partners (U.S. Transmission, Liquids) • Gas Distribution • Western Canada Transmission & Processing • Field Services 	
KEY FINANCIAL METRICS	Nine months ended September 30, 2016	Twelve months ended December 31, 2015	Nine months ended September 30, 2016	Twelve months ended December 31, 2015
Total asset value	C \$83.7 billion	C \$84.5 billion	US \$35.9 billion	US \$32.9 billion
EBIT ⁽¹⁾	C \$2.8 billion	C \$1.6 billion	US \$1.4 billion	US \$1.3 billion
ACFFO ⁽²⁾	C \$2.8 billion	C \$3.2 billion	N/A	N/A
DCF ⁽³⁾	N/A	N/A	US \$1.0 billion	US \$1.3 billion
ASSETS				
Gas pipelines	24,800 km (15,410 miles)		19,000 miles (30,400 km)	
Natural gas storage	115 Bcf		300 Bcf	
Liquids pipelines (active)	25,448 km (15,811 miles)		1,700 miles (2,720 km)	
Natural gas processing capacity	3.8 Bcf/d		7.6 Bcf/d	
NGLs produced	107 MBbl/d		~200 MBbl/d	
Retail gas customers	2.1 million		1.4 million	
Renewable energy generation	2,200 MW (net)		N/A	

Greatly expanding natural gas infrastructure

Spectra Energy - Operations



Spectra Energy - Infrastructure



Spectra Energy - Purchase Price Breakdown

The following table summarizes the estimated fair values that were assigned to the net assets of Spectra Energy:

February 27,	2017
<i>(millions of Canadian dollars)</i>	
Fair value of net assets acquired:	
Current assets (a)	2,365
Property, plant and equipment, net (b)	34,680
Restricted long-term investments	144
Long-term investments (c)	5,000
Deferred amounts and other assets (d)	2,920
Intangible assets (e)	2,118
Current liabilities	(3,434)
Long-term debt (d)	(21,925)
Other long-term liabilities	(1,983)
Deferred income taxes	(8,331)
Noncontrolling interests (f)	(8,792)
	2,762
Goodwill (g)	34,747
	37,509
Purchase price:	
Common shares	37,429
Cash	3
Fair value of outstanding earned stock compensation awards recorded in additional paid-in capital	77
	37,509

!!!

Spectra Energy - Balance Sheet

	December 31,	
	2016	2015
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 305	\$ 213
Receivables (net of allowance for doubtful accounts of \$10 and \$11 at December 31, 2016 and 2015, respectively)	1,003	806
Inventory	253	307
Fuel tracker	6	41
Other	205	281
Total current assets	1,772	1,648
Investments and Other Assets		
Investments in and loans to unconsolidated affiliates	2,780	2,592
Goodwill	4,181	4,154
Other	393	310
Total investments and other assets	7,354	7,056
Property, Plant and Equipment		
Cost	33,555	29,843
Less accumulated depreciation and amortization	7,347	6,925
Net property, plant and equipment	26,208	22,918
Regulatory Assets and Deferred Debits	1,508	1,301
Total Assets	\$ 36,842	\$ 32,923

	December 31,	
	2016	2015
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$ 828	\$ 511
Commercial paper	1,453	1,112
Taxes accrued	86	78
Interest accrued	185	179
Current maturities of long-term debt	551	652
Other	802	860
Total current liabilities	3,905	3,392
Long-term Debt	13,624	12,892
Deferred Credits and Other Liabilities		
Deferred income taxes	5,769	5,445
Regulatory and other	1,443	1,323
Total deferred credits and other liabilities	7,212	6,768
Commitments and Contingencies		
Preferred Stock of Subsidiaries	562	339
Equity		
Preferred stock, \$0.001 par, 22 million shares authorized, no shares outstanding	—	—
Common stock, \$0.001 par, 1 billion shares authorized, 702 million and 671 million shares outstanding at December 31, 2016 and 2015, respectively	1	1
Additional paid-in capital	5,995	5,053
Retained earnings	1,307	1,741
Accumulated other comprehensive loss	(146)	(269)
Total controlling interests	7,157	6,526
Noncontrolling interests	4,382	3,006
Total equity	11,539	9,532
Total Liabilities and Equity	\$ 36,842	\$ 32,923

Spectra Energy - Income Statement

	Years Ended December 31,		
	2016	2015	2014
Operating Revenues			
Transportation, storage and processing of natural gas	\$ 3,251	\$ 3,225	\$ 3,291
Distribution of natural gas	1,144	1,320	1,583
Sales of natural gas liquids	68	209	497
Transportation of crude oil	359	357	302
Other	94	123	230
Total operating revenues	4,916	5,234	5,903
Operating Expenses			
Natural gas and petroleum products purchased	582	835	1,219
Operating, maintenance and other	1,603	1,504	1,570
Depreciation and amortization	774	764	796
Property and other taxes	372	353	393
Impairment of goodwill and other	—	349	—
Total operating expenses	3,331	3,805	3,978
Gain (Loss) on Sales of Other Assets and Other, net	(26)	4	(1)
Operating Income	1,559	1,433	1,924
Other Income and Expenses			
Earnings (loss) from equity investments	97	(290)	361
Other income and expenses, net	174	114	59
Total other income and expenses	271	(176)	420
Interest Expense	594	636	679
Earnings Before Income Taxes	1,236	621	1,665
Income Tax Expense	216	161	382
Net Income	1,020	460	1,283
Net Income—Noncontrolling Interests	327	264	201
Net Income—Controlling Interests	\$ 693	\$ 196	\$ 1,082
Common Stock Data			
Weighted-average shares outstanding			
Basic	694	671	671
Diluted	696	672	672
Earnings per share			
Basic and diluted	\$ 1.00	\$ 0.29	\$ 1.61
Dividends per share	\$ 1.62	\$ 1.48	\$ 1.375

Spectra Energy - Cash Flows Statement

	Years Ended December 31,		
	2016	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 1,020	\$ 460	\$ 1,283
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	799	778	809
Impairment charges	—	349	—
(Gain) loss on sales of other assets and other, net	26	(4)	1
Deferred income tax expense	198	88	388
(Earnings) loss from equity investments	(97)	290	(361)
Distributions from equity investments	111	161	380
Decrease (increase) in			
Receivables	(42)	141	(9)
Inventory	14	(40)	(106)
Other current assets	77	43	(143)
Increase (decrease) in			
Accounts payable	55	26	25
Taxes accrued	4	23	28
Other current liabilities	(5)	(15)	3
Other, assets	(212)	(102)	(34)
Other, liabilities	78	49	(43)
Net cash provided by operating activities	2,026	2,247	2,221

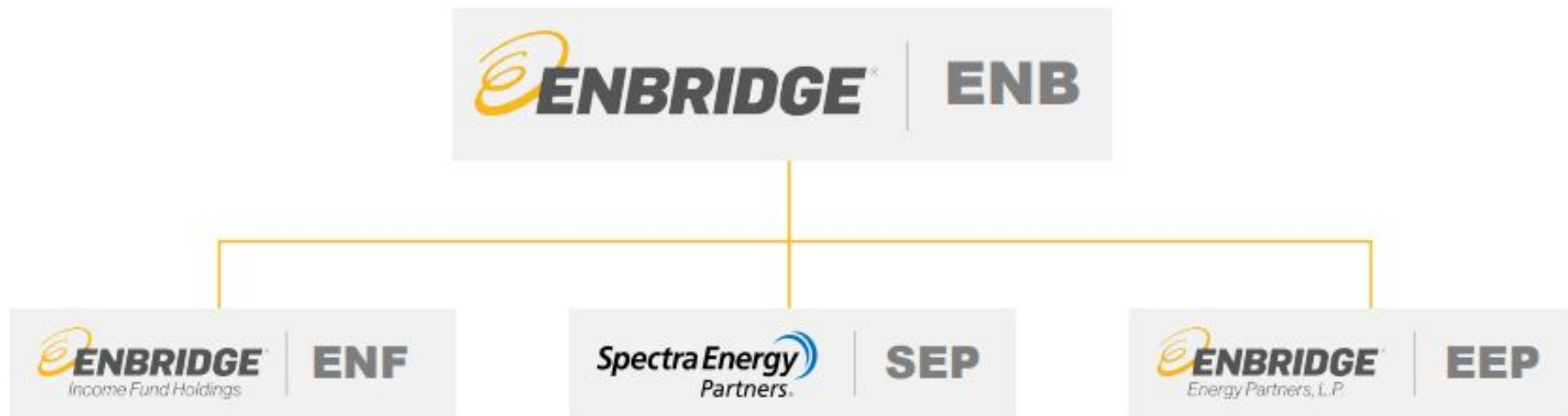
Spectra Energy - Cash Flows Statement

CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	(3,623)	(2,848)	(2,028)
Investments in and loans to unconsolidated affiliates	(251)	(124)	(259)
Dispositions	207	—	—
Purchase of intangible, net	(80)	—	—
Purchases of held-to-maturity securities	(633)	(668)	(790)
Proceeds from sales and maturities of held-to-maturity securities	670	695	815
Purchases of available-for-sale securities	(738)	(95)	(13)
Proceeds from sales and maturities of available-for-sale securities	735	87	7
Distributions from equity investments	50	451	266
Distribution to equity investment	(148)	(248)	—
Other changes in restricted funds	(20)	(33)	(1)
Other	1	1	—
Net cash used in investing activities	(3,830)	(2,782)	(2,003)

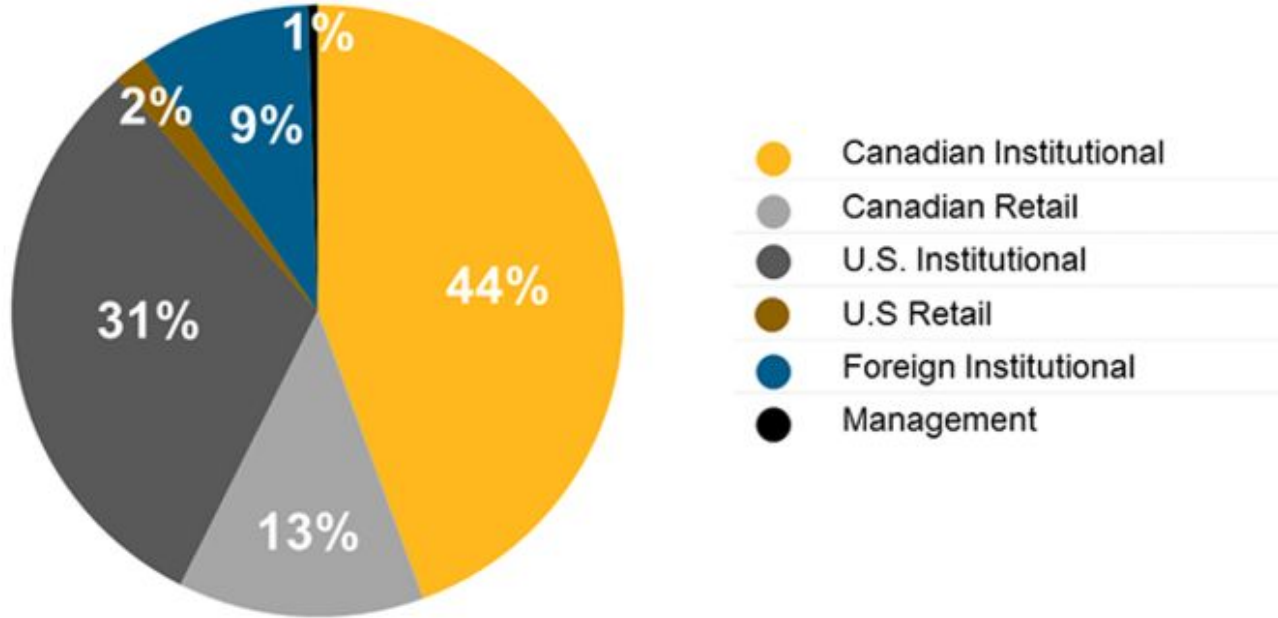
Spectra Energy - Cash Flows Statement

CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issuance of long-term debt	1,183	1,585	1,028
Payments for the redemption of long-term debt	(652)	(285)	(1,184)
Net increase (decrease) in commercial paper	319	(439)	574
Distributions to noncontrolling interests	(246)	(198)	(175)
Contributions from noncontrolling interests	743	248	145
Proceeds from the issuances of Spectra Energy common stock	879	—	—
Proceeds from the issuances of Spectra Energy Partners, LP common units	579	546	327
Proceeds from the issuance of Westcoast Energy Inc. preferred stock	229	84	—
Dividends paid on common stock	(1,127)	(996)	(925)
Other	(17)	(5)	11
Net cash provided by (used in) financing activities	1,890	540	(199)
Effect of exchange rate changes on cash	6	(7)	(5)
Net increase (decrease) in cash and cash equivalents	92	(2)	14
Cash and cash equivalents at beginning of period	213	215	201
Cash and cash equivalents at end of period	\$ 305	\$ 213	\$ 215
Supplemental Disclosures			
Cash paid for interest, net of amount capitalized	\$ 572	\$ 623	\$ 684
Net cash paid (refunds received) for income taxes	(5)	29	(8)
Property, plant and equipment non-cash accruals	392	192	125

Company Structure



Enbridge Share Ownership



*as at December 31, 2016, excludes Noverco's share interest

Major Institutional Shareholders

Name	Shares Held	% Total Shares Held	Shares Change	% Chg from Prior Port	% Total Assets
Capital World Investors	138,084,595	8.44	3,665,846	2.73	1.38
Royal Bank Of Canada	91,659,662	5.60	11,699,229	14.63	2.07
Caisse De Depot Et Placement Du Quebec	43,464,138	2.66	3,412,907	8.52	4.52
TD Asset Management Inc	41,491,668	2.53	8,228,599	24.74	2.76
Vanguard Group Inc	38,983,086	2.38	-30,499,604	-43.90	0.08
Capital Research & Mgmt Co - Division 3	37,391,924	2.29	2,828,986	8.19	2.13
BMO Asset Management Inc	34,115,438	2.08	12,546,987	58.17	1.71
Fidelity Institutional Asset Management	32,802,808	2.01	7,751,419	30.94	2.33
IG Investment Management Ltd	28,361,326	1.73	12,317,422	76.77	6.07
CIBC World Markets Inc.	22,246,005	1.36	8,205,699	58.44	3

DRIP and Share Repurchase Plans

- Automatically reinvest dividends paid into additional Enbridge common shares.
- Receive a 2% discount on the purchase of common shares with reinvested dividends.
- Purchase additional shares by optional cash payments (maximum \$5,000 Canadian per quarter).
- Invest funds fully since fractional share purchases are permitted.
- No brokerage commissions on qualified transactions under the Plan.

Business Operations

Six Major Business Segments

World's largest and most complex liquids pipelines system, transporting ~60% of US crude imports from Canada

North American Liquids Pipelines

North American Gas Pipelines

Strategically located to serve demand pull markets, transporting ~20% of North America's natural gas

Largest gas distribution utilities in Canada

Utilities

 **ENBRIDGE®**

Canadian Midstream

One of the largest midstream footprints in western Canada

One of the largest wind and solar power generators in Canada

Renewable Power

U.S. Midstream

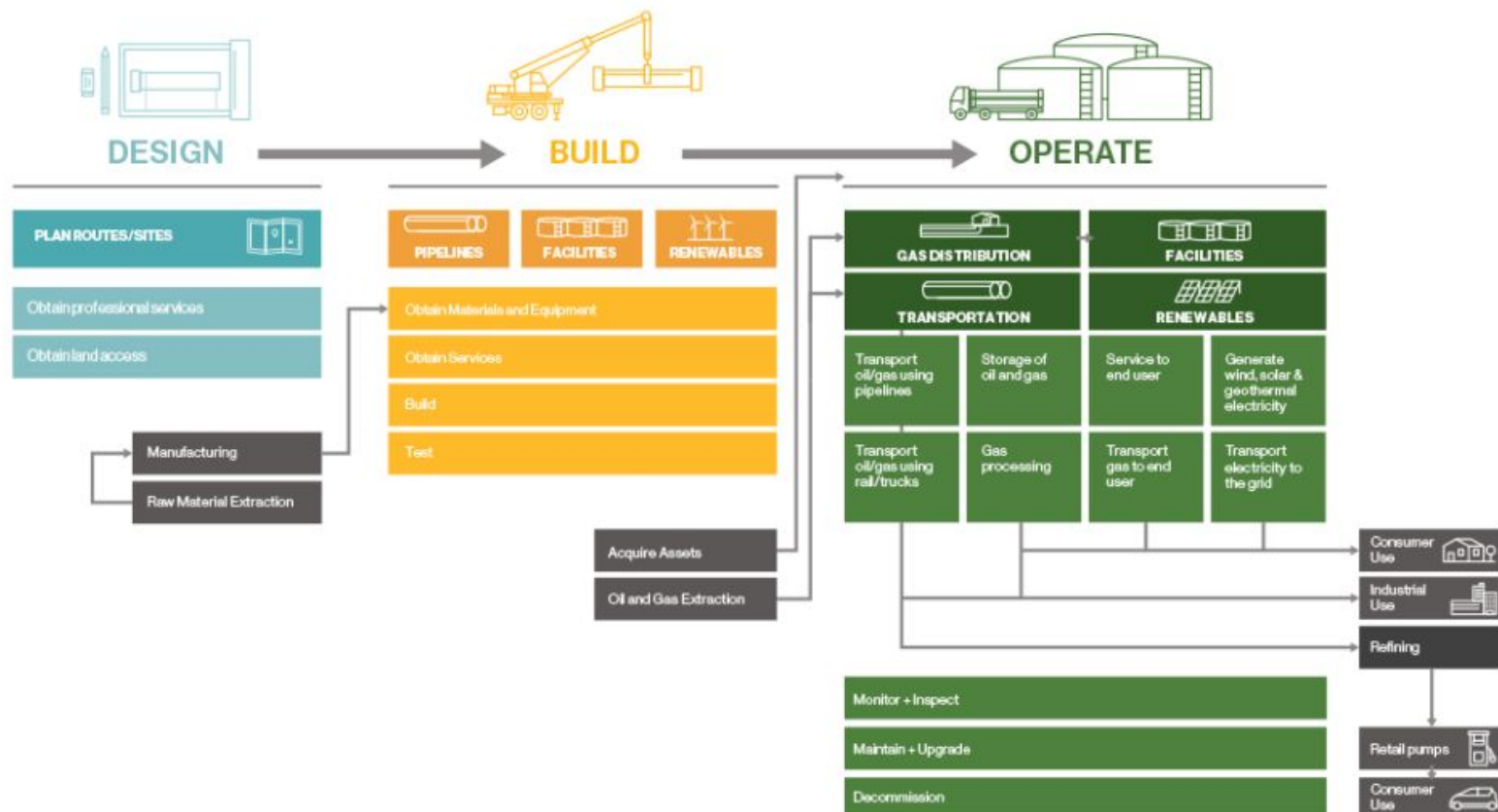
Largest US midstream footprint in the United States



ASSETS		
Gas pipelines	24,800 km (15,410 miles)	19,000 miles (30,400 km)
Natural gas storage	115 Bof	300 Bof
Liquids pipelines (active)	25,446 km (15,811 miles)	1,700 miles (2,720 km)
Natural gas processing capacity	3.8 Bcf/d	7.6 Bcf/d
NGLs produced	107 MBbl/d	~200 MBbl/d
Retail gas customers	2.1 million	1.4 million
Renewable energy generation	2,200 MW (net)	N/A

VALUE & SUPPLY CHAIN

External to
Enbridge



Geographic Breakdown

Revenues¹

Year ended December 31, <i>(millions of Canadian dollars)</i>	2016	2015	2014
Canada	12,470	11,087	14,963
United States	22,090	22,707	22,678
	34,560	33,794	37,641

¹ Revenues are based on the country of origin of the product or service sold.

Property, Plant and Equipment

December 31, <i>(millions of Canadian dollars)</i>	2016	2015
Canada	32,008	30,656
United States	32,276	33,778
	64,284	64,434

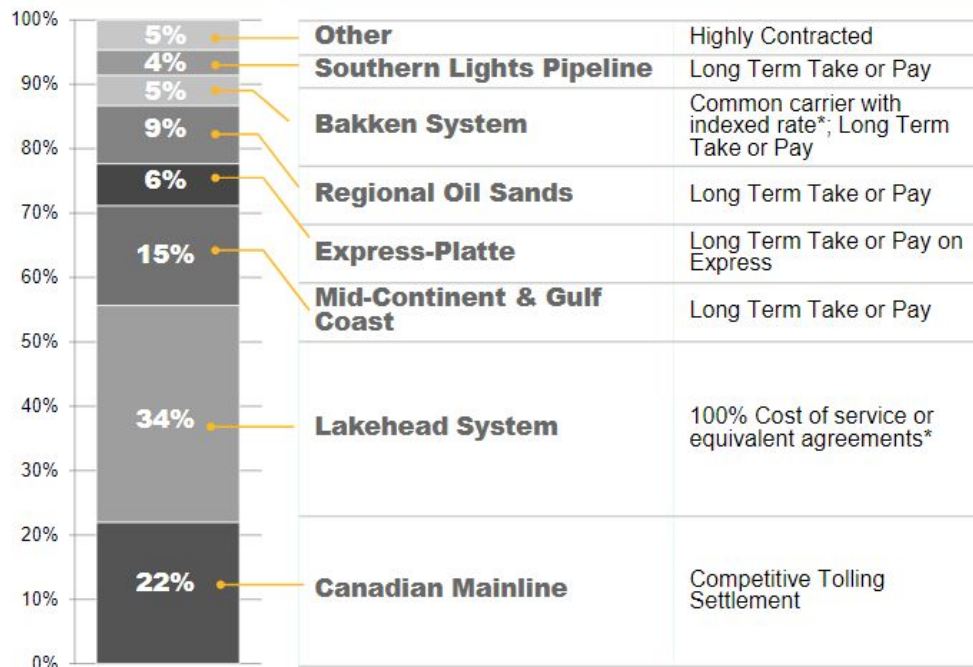
Breakdown by Segment

Year ended December 31, 2016	Liquids Pipelines	Gas Distribution	Gas Pipelines and Processing	Green Power and Transmission	Energy Services	Eliminations and Other	Consolidated
<i>(millions of Canadian dollars)</i>							
Revenues	8,176	2,976	2,877	502	20,364	(335)	34,560
Commodity and gas distribution costs	(12)	(1,653)	(2,206)	5	(20,473)	334	(24,005)
Operating and administrative	(2,910)	(553)	(447)	(173)	(63)	(214)	(4,360)
Depreciation and amortization	(1,369)	(339)	(292)	(190)	(2)	(48)	(2,240)
Environmental costs, net of recoveries	2	–	–	–	–	–	2
Impairment of property, plant and equipment	(1,365)	–	(11)	–	–	–	(1,376)
	2,522	431	(79)	144	(174)	(263)	2,581
Income/(loss) from equity investments	194	12	223	2	(3)	–	428
Other income/(expense)	841	49	27	8	(8)	115	1,032
Earnings/(loss) before interest and income taxes	3,557	492	171	154	(185)	(148)	4,041
Interest expense							(1,590)
Income taxes							(142)
Earnings							2,309
Earnings attributable to noncontrolling interests and redeemable noncontrolling interests							(240)
Preference share dividends							(293)
Earnings attributable to Enbridge Inc. common shareholders							1,776
Additions to property, plant and equipment ¹	3,957	713	176	251	–	32	5,129
Total assets	52,043	10,204	11,182	5,571	1,951	4,881	85,832

Liquids Pipelines



2016 Pro Forma LP EBIT by Business



Liquid Pipelines - EBIT (Annual)

	2016	2015	2014
<i>(millions of Canadian dollars)</i>			
Canadian Mainline	931	896	663
Lakehead System	1,425	1,108	836
Regional Oil Sands System	384	341	301
Mid-Continent and Gulf Coast	656	516	319
Southern Lights Pipeline	168	155	121
Bakken System	198	213	233
Feeder Pipelines and Other	196	155	119
Adjusted earnings before interest and income taxes	3,958	3,384	2,592
Canadian Mainline – changes in unrealized derivative fair value gains/(loss)	467	(1,390)	(499)
Canadian Mainline – Line 9B costs incurred during reversal	–	(3)	(5)
Lakehead System – changes in unrealized derivative fair value gains/(loss)	(6)	(10)	8
Lakehead System – hydrostatic testing	15	(72)	–
Lakehead System – leak remediation costs, net of leak insurance recovery	3	–	(97)
Regional Oil Sands System – northeastern Alberta wildfires pipelines and facilities restart costs	(47)	–	–
Regional Oil Sands System – make-up rights adjustment	(32)	9	8
Regional Oil Sands System – leak remediation and long-term pipeline stabilization costs, net of leak insurance recoveries	5	26	5
Regional Oil Sands System – loss on disposal of non-core assets	–	(9)	–
Regional Oil Sands System – prior period adjustment	–	21	–
Mid-Continent and Gulf Coast – changes in unrealized derivative fair value gains/(loss)	(2)	(7)	4
Mid-Continent and Gulf Coast – make-up rights adjustment	(97)	(54)	(41)
Southern Lights Pipeline – changes in unrealized derivative fair value gains/(loss)	19	(87)	3
Bakken System – Sandpiper asset impairment	(1,004)	–	–
Bakken System – asset impairment	–	(86)	–
Bakken System – changes in unrealized derivative fair value gains/(loss)	(4)	(5)	4
Bakken System – make-up rights adjustment	2	8	(3)
Feeder Pipelines and Other – gain on sale of South Prairie Region assets	850	–	–
Feeder Pipelines and Other – Northern Gateway asset impairment loss	(373)	–	–
Feeder Pipelines and Other – Eddystone Rail impairment loss	(184)	–	–
Feeder Pipelines and Other – gain on sale of non-core assets	–	91	–
Feeder Pipelines and Other – derecognition of regulatory balances	(6)	–	–
Feeder Pipelines and Other – make-up rights adjustment	(2)	(6)	5
Feeder Pipelines and Other – project development costs	(5)	(3)	(4)
Feeder Pipelines and Other – changes in unrealized derivative fair value loss	–	(1)	–
Earnings before interest and income taxes	3,557	1,806	1,980

Liquid Pipelines - EBIT Q1/2017

	Three months ended March 31,	
	2017	2016
<i>(millions of Canadian dollars)</i>		
Canadian Mainline	237	309
Lakehead System	389	353
Regional Oil Sands System	93	93
Mid-Continent and Gulf Coast	118	181
Southern Lights Pipeline	42	41
Express-Platte System ¹	27	-
Bakken System	32	54
Feeder Pipelines and Other	32	53
Adjusted earnings before interest and income taxes	970	1,084
Canadian Mainline - changes in unrealized derivative fair value gain	155	568
Canadian Mainline - leak remediation costs	(7)	-
Lakehead System - changes in unrealized derivative fair value gains/(loss)	1	(1)
Lakehead System - hydrostatic testing	-	12
Lakehead System - leak remediation costs	-	(20)
Regional Oil Sands System - make-up rights adjustment ²	-	(14)
Regional Oil Sands System - leak insurance recoveries	3	5
Mid-Continent and Gulf Coast - make-up rights adjustment ²	-	(50)
Southern Lights Pipeline - changes in unrealized derivative fair value gain	7	32
Bakken System - make-up rights adjustment ²	-	(3)
Bakken System - project wind-down costs	(5)	-
Bakken System - changes in unrealized derivative fair value gains/(loss)	1	(1)
Feeder Pipelines and Other - project development and transaction costs	(1)	-
Earnings before interest and income taxes	1,124	1,612

¹ Includes adjusted EBIT from Express-Platte System since the completion of the Merger Transaction on February 27, 2017. For additional information, refer to Merger with Spectra Energy.

² Effective January 1, 2017, the Company no longer makes such an adjustment to its EBIT.

Liquid Pipelines - Pricing and Volume

March 31,	2017	2016
<i>(United States dollars per barrel)</i>		
IJT Benchmark Toll ¹	\$4.05	\$4.07
Lakehead System Local Toll ²	\$2.58	\$2.44
Canadian Mainline IJT Residual Benchmark Toll ³	\$1.47	\$1.63

	Three months ended March 31,	
	2017	2016
<i>(thousands of bpd)</i>		
Average throughput volume ¹	2,593	2,543

¹ Throughput volume represents mainline deliveries ex-Gretna, Manitoba which is made up of United States and eastern Canada deliveries originating from western Canada.

Major Projects

- Line 9B Reversal and Line 9 Capacity Expansion
- Line 3 Replacement
- Dakota Access Pipeline and Energy Transfer Crude Oil Pipeline
- Sandpiper Pipeline
- Wood Buffalo Expansion
- Athabasca Pipeline Twinning

Line 9B Reversal and Line 9 Capacity Expansion



- Reversal of Line 9B pipeline to allow oil from Alberta to be transported to refineries in Quebec
- Capacity of up to 300,000 barrels per day
- Completed at end of 2015

Line 3 Replacement Project



PROJECT OVERVIEW:

Type: Crude oil and liquids pipeline

Status: Planned

Length: 1,031 miles (1,659 km)

Expected in-service date: 2019

Expected initial capacity: 760,000 barrels per day

Estimated to transport: Light, medium and heavy crude

Estimated capital cost: \$7.5 billion

Dakota Access Pipeline and Energy Transfer Crude Oil Pipeline



PROJECT OVERVIEW:

Type: Crude oil and liquids pipeline

Status: Under construction

Length: 1,172 miles (DAPL); 788 miles (ETCOP)

Expected in-service date: 2016 year-end

Expected initial capacity: 470,000 bpd (DAPL);
470,000 bpd (ETCOP)

Expected to transport: Crude oil

Sandpiper Pipeline



PROJECT OVERVIEW:

Type: Crude oil pipeline

Status: Application Withdrawn September 1, 2016, MN PUC Approved withdraw of application October 28, 2016

Length: 616 miles (991 km)

Expected initial capacity: 250,000 barrels per day between Tioga and Berthold, ND; 225,000 bpd between Berthold and Clearbrook; 375,000 bpd between Clearbrook and Superior

Estimated to transport: Light Bakken crude

In-service date: Early 2019, pending receipt of regulatory approval

Estimated capital cost: \$2.6 billion

Wood Buffalo Extension



PROJECT OVERVIEW:

Type: Crude oil and liquids pipeline

Status: Under construction

Length: 65 miles (104 km)

Expected in-service date: 2017

Expected initial capacity: 635,000 barrels per day (expandable to 800,000 bpd)

Expected to transport: Heavy crude

Estimated capital cost: \$1.3 billion

Athabasca Pipeline Twinning



PROJECT OVERVIEW:

Type: Crude oil and liquids pipeline

Status: Under construction

Length: 214 miles (345 km)

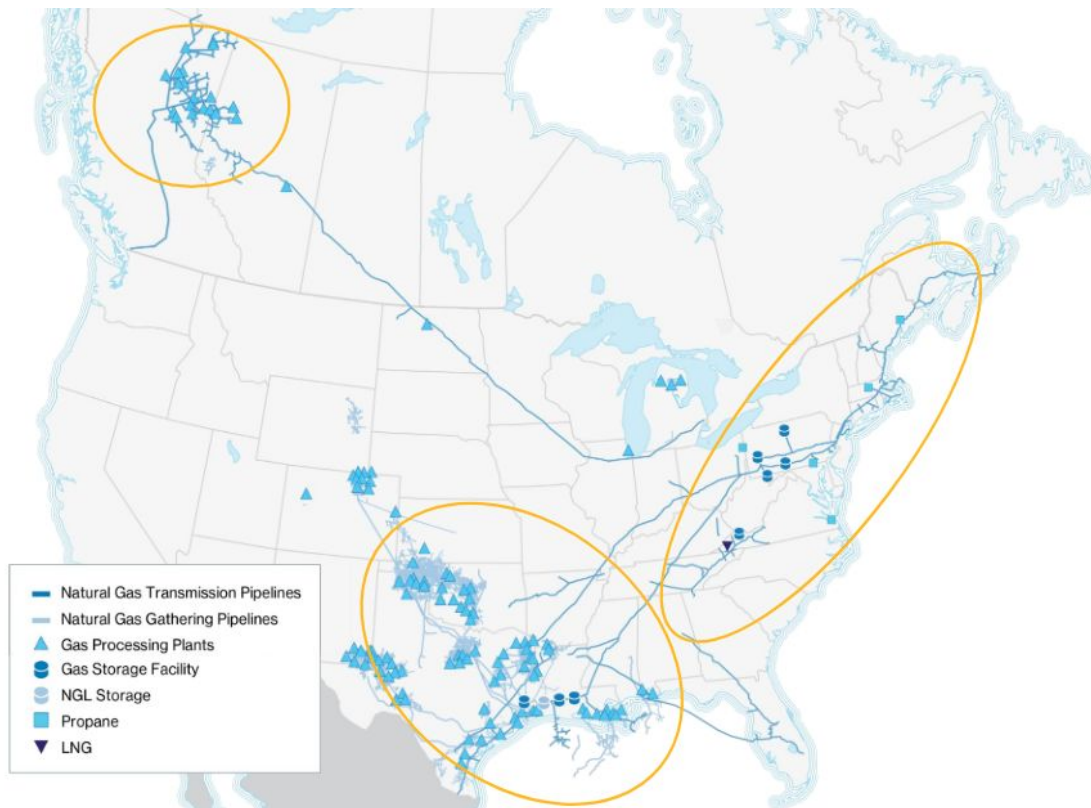
Expected in-service date: 2017

Expected initial capacity: 800,000 barrels per day

Expected to transport: Light crude, heavy crude or condensates

Estimated capital cost: \$1.2 billion

Gas Transmission and Midstream Businesses



- Connecting to key demand pull markets: US Northeast, US Southeast, US Gulf Coast
- Strategic footprint located in prolific Montney and Duvernay regions
- Access to low cost supply from Marcellus and Utica regions
- Well-positioned for ongoing growth

GTM Stats

Miles of gas pipeline: **34,000**

Gas storage capacity: **255 Bcf**

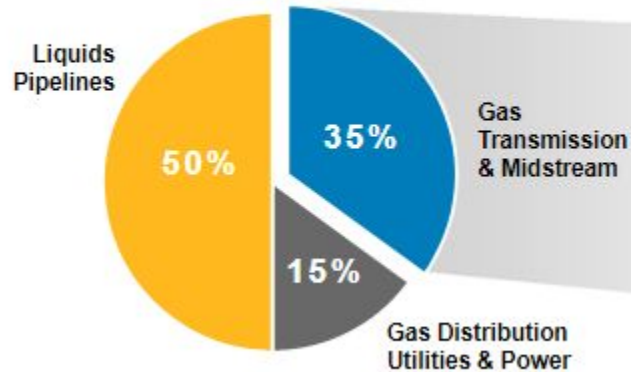
Gas processing capacity: **11.4 Bcf/d**

NGL production: **307 Mbpd**

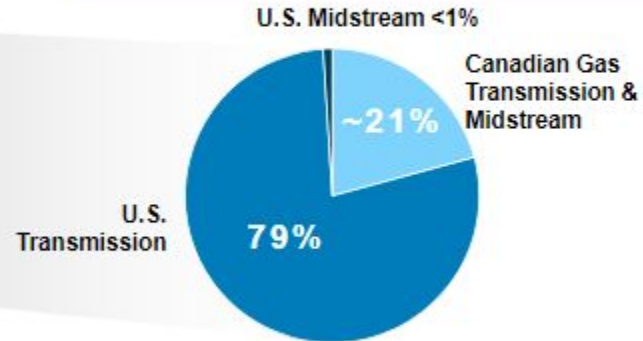
Operates in: **31 states & 5 provinces**

Gas Transmission and Midstream Businesses

2016 Pro forma ENB EBIT by Segment



2016 Pro forma GTM EBIT by Business



Gas Transmission and Midstream Businesses - EBIT (Annual)

	2016	2015	2014
<i>(millions of Canadian dollars)</i>			
Aux Sable	(2)	(3)	45
Alliance Pipeline	184	151	135
Vector Pipeline	31	28	24
Canadian Midstream	107	87	60
Enbridge Offshore Pipelines (Offshore)	58	14	12
US Midstream	5	73	30
Other	(17)	(14)	(13)
Adjusted earnings before interest and income taxes	366	336	293
Aux Sable – asset impairment loss	(37)	–	–
Aux Sable – accrual for commercial arrangements	–	(30)	–
Alliance Pipeline – changes in unrealized derivative fair value gains/(loss)	10	(15)	(6)
Alliance Pipeline – derecognition of regulatory balances	–	8	–
Offshore – gain on sale of non-core assets	–	6	22
US Midstream – changes in unrealized derivative fair value gains/(loss)	(149)	(62)	180
US Midstream – goodwill impairment loss	–	(440)	–
US Midstream – assets impairment loss	(14)	(20)	(18)
US Midstream – loss on disposal of non-core assets	(4)	–	–
US Midstream – make-up rights adjustment	(1)	1	(4)
US Midstream – transfer of contracts	–	(13)	–
Earnings/(loss) before interest and income taxes	171	(229)	467

Gas Transmission and Midstream Businesses - EBIT Q1/2017

	Three months ended March 31,	
	2017	2016
<i>(millions of Canadian dollars)</i>		
US Gas Transmission ¹	207	-
Canadian Midstream ²	51	21
Alliance Pipeline	57	49
US Midstream ^{3,4}	(7)	(1)
Other ⁵	28	18
Adjusted earnings before interest and income taxes	336	87
US Gas Transmission - inspection, repair and other costs	(2)	-
US Gas Transmission - project development and transaction costs	(2)	-
Canadian Midstream - project development and transaction costs	(1)	-
Alliance Pipeline - changes in unrealized derivative fair value gain	2	12
US Midstream - changes in unrealized derivative fair value gains/(loss)	8	(38)
US Midstream - DCP mark-to-market adjustment	(2)	-
Earnings before interest and income taxes	339	61

Major Projects - Sabal Trail Transmission



PROJECT OVERVIEW:

Type: Natural gas pipeline

Status: Under construction

Length: 515 miles of 36-inch and 24-inch-diameter pipeline

Peak day capacity: Targeting over 1 billion cubic feet per day (Bcf/d)

Expected to transport: Natural gas

Expected in-service date: June 2017

Ownership: Sabal Trail Transmission, LLC (100%), a joint venture of Spectra Energy Partners, LP, NextEra Energy, Inc., and Duke Energy Corporation.

Major Projects - NEXUS Gas Transmission



PROJECT OVERVIEW:

Type: Natural gas pipeline system

Status: Under review

Peak day capacity: 1.5 billion cubic feet per day (Bcf/d)

Expected to transport: Natural gas

Expected in-service date: Fourth quarter 2017

Project partners: Enbridge Inc. and DTE Energy

Major Projects - Valley Crossing Pipeline



PROJECT OVERVIEW:

Type: Natural gas pipeline

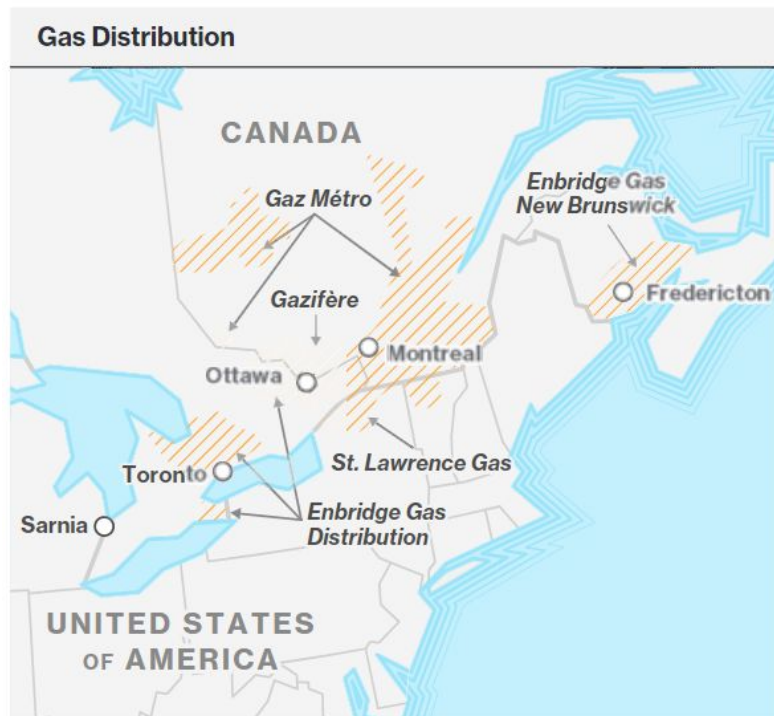
Status: Under review

Peak day capacity: 2.6 billion cubic feet per day (Bcf/d)

Expected to transport: Natural gas

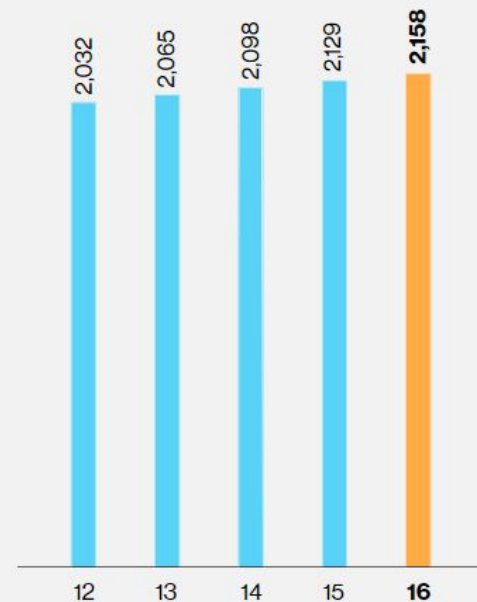
Expected in-service date: October 2018

Gas Distribution

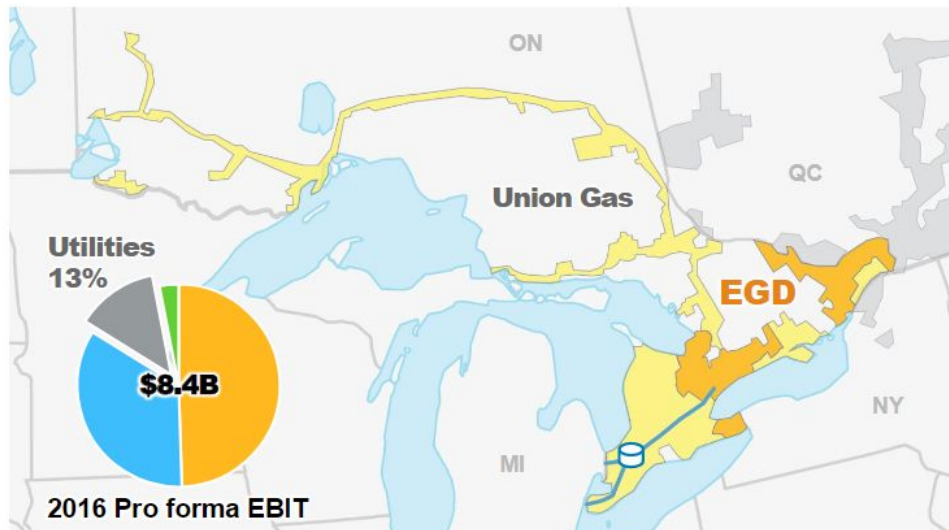


Enbridge Gas Distribution –
Number of Active Customers

(thousands)



Gas Distribution



	Enbridge Gas Distribution	Union Gas	Total
Customers	2.1MM	1.4MM	3.5MM
2016 new customers	~30,000	~22,000	~52,000
Rate base	\$5.9B	\$4.8B	\$10.7B

Gas Distribution - EBIT (Annual)

	2016	2015	2014
<i>(millions of Canadian dollars)</i>			
Enbridge Gas Distribution Inc. (EGD)	393	342	305
Noverco Inc. (Noverco)	53	53	45
Other Gas Distribution and Storage	48	51	41
Adjusted earnings before interest and income taxes	494	446	391
EGD – (warmer)/colder than normal weather	(18)	15	48
EGD – employee severance cost adjustment	10	6	–
Noverco – changes in unrealized derivative fair value loss	(6)	(12)	(7)
Noverco – recognition of regulatory balances	17	–	–
Noverco – asset impairment	(5)	–	–
Earnings before interest and income taxes	492	455	432

Gas Distribution - EBIT Q1/2017

	Three months ended March 31,	
	2017	2016
<i>(millions of Canadian dollars)</i>		
Enbridge Gas Distribution Inc. (EGD)	138	175
Union Gas Limited (Union Gas) ¹	63	-
Noverco Inc. (Noverco)	37	38
Other Gas Distribution and Storage	31	27
Adjusted earnings before interest and income taxes	269	240
EGD - (warmer)/colder than normal weather ²	-	(17)
Noverco - changes in unrealized derivative fair value gains/(loss)	10	(1)
Noverco - recognition of regulatory balances	-	17
Union Gas - employee severance and restructuring costs	(4)	-
Earnings before interest and income taxes	275	239

Green Power and Transmission



Green Power and Transmission - EBIT

	2016	2015	2014
<i>(millions of Canadian dollars)</i>			
Green Power and Transmission	165	175	151
Adjusted earnings before interest and income taxes	165	175	151
Green Power and Transmission – changes in unrealized derivative fair value gains/(loss)	2	2	(2)
Green Power and Transmission – investment impairment loss	(13)	–	–
Earnings before interest and income taxes	154	177	149

	Three months ended March 31,	
	2017	2016
<i>(millions of Canadian dollars)</i>		
Green Power and Transmission	50	48
Adjusted earnings before interest and income taxes	50	48
Green Power and Transmission - changes in unrealized derivative fair value gain	-	1
Earnings before interest and income taxes	50	49

Energy Services

- Provides energy supply and marketing services to North American refiners, producers, and other customers
- Services: Transportation, storage, supply management, hedging programs and product exchanges
- Earnings generated from arbitrage opportunities

Energy Services - EBIT

	2016	2015	2014
<i>(millions of Canadian dollars)</i>			
Energy Services	28	61	42
Adjusted earnings before interest and income taxes	28	61	42
Energy Services – changes in unrealized derivative fair value gains/(loss)	(205)	264	688
Energy Services – custom duties paid on settlement of dispute	(8)	–	–
Earnings/(loss) before interest and income taxes	(185)	325	730

	Three months ended March 31,	
	2017	2016
<i>(millions of Canadian dollars)</i>		
Energy Services	(5)	1
Adjusted earnings/(loss) before interest and income taxes	(5)	1
Energy Services - changes in unrealized derivative fair value gains/(loss)	161	(7)
Earnings/(loss) before interest and income taxes	156	(6)

Eliminations and Other

- Operating and administrative costs and foreign exchange costs that are not allocated to other business segments
- Also includes new business development activities and general corporate investments

Eliminations and Other - EBIT (Annual)

	2016	2015	2014
<i>(millions of Canadian dollars)</i>			
Operating and administrative	(101)	(74)	(80)
Realized foreign exchange derivative gains/(loss)	(297)	(238)	8
Other	49	66	12
Adjusted loss before interest and income taxes	(349)	(246)	(60)
Changes in unrealized derivative fair value gains/(loss)	417	(694)	(387)
Unrealized intercompany foreign exchange gains/(loss)	(43)	131	16
Employee severance and restructuring costs	(92)	(47)	(6)
Project development and transaction costs	(81)	–	–
Drop down transaction costs	–	(41)	(35)
Asset impairment loss	–	(2)	–
Gain on sale of assets	–	–	16
Loss before interest and income taxes	(148)	(899)	(456)

Eliminations and Other - EBIT Q1/2017

	Three months ended March 31,	
	2017	2016
<i>(millions of Canadian dollars)</i>		
Operating and administrative	(40)	(15)
Realized foreign exchange derivative loss	(72)	(87)
Other	7	16
Adjusted loss before interest and income taxes	(105)	(86)
Changes in unrealized derivative fair value gains	71	367
Unrealized intercompany foreign exchange loss	(7)	(60)
Project development and transaction costs	(149)	-
Employee severance and restructuring costs	(125)	-
Earnings/(loss) before interest and income taxes	(315)	221

Corporate Strategy

Combining Strength with Strength

With the successful completion of our combination with Spectra Energy Corp (Spectra Energy) on February 27, 2017, Enbridge is now the largest energy infrastructure company in North America.

Scale and size

\$166B enterprise value¹

Unparalleled growth program

\$27B secured + **\$48B** potential

Stable and predictable revenue

>95%

revenue protected from volume and price risk²

Industry-leading cash flow growth

12 – 14%

ACFFO³ per share CAGR⁴ for 2014 – 2019

Superior annual dividend growth

10 – 12%

expected through 2024

Diversified assets

Balance between crude oil and natural gas;
expanding renewables business

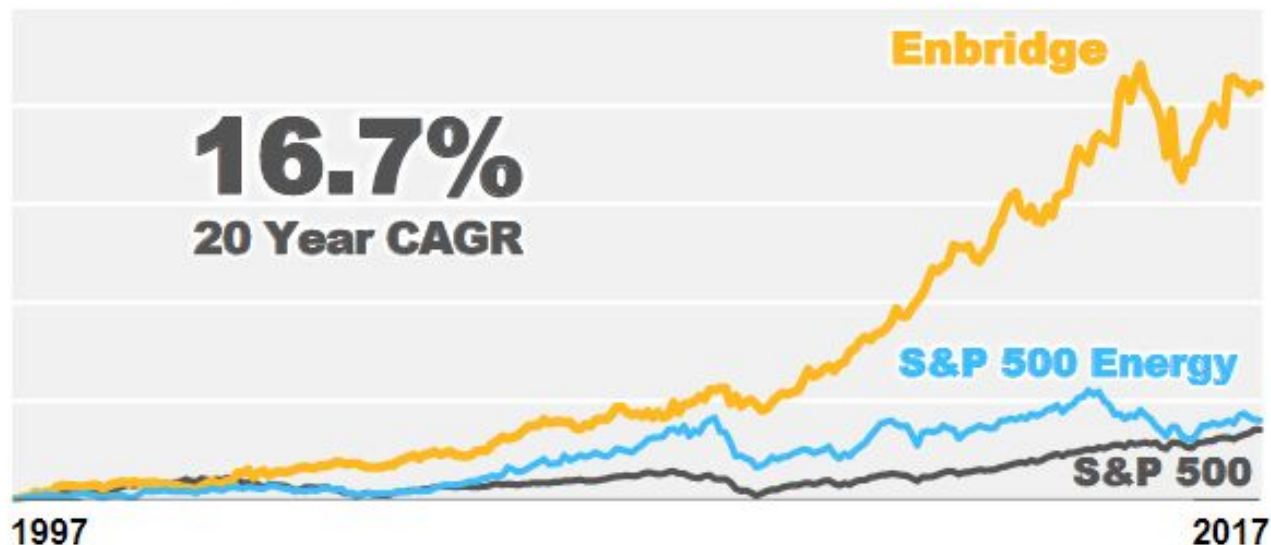
¹ Canadian dollars, as at February 22, 2017.

² >95 percent take-or-pay or similar contracts, or regulated cost-of-service assets.

³ Available Cash Flow From Operations.

⁴ Compound Annual Growth Rate.

Total Shareholder Return



Reliable
Business
Model



Industry-
Leading
Growth



Significant
Dividend
Income

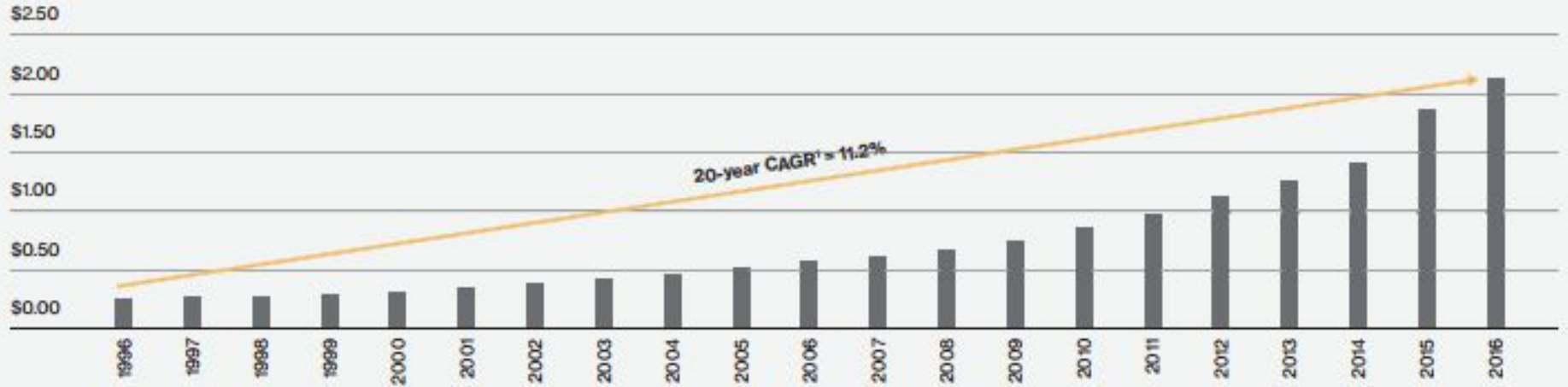


Superior
Shareholder
Returns

Historical Dividend Growth

20-Year Dividend Growth

Canadian dollars per share

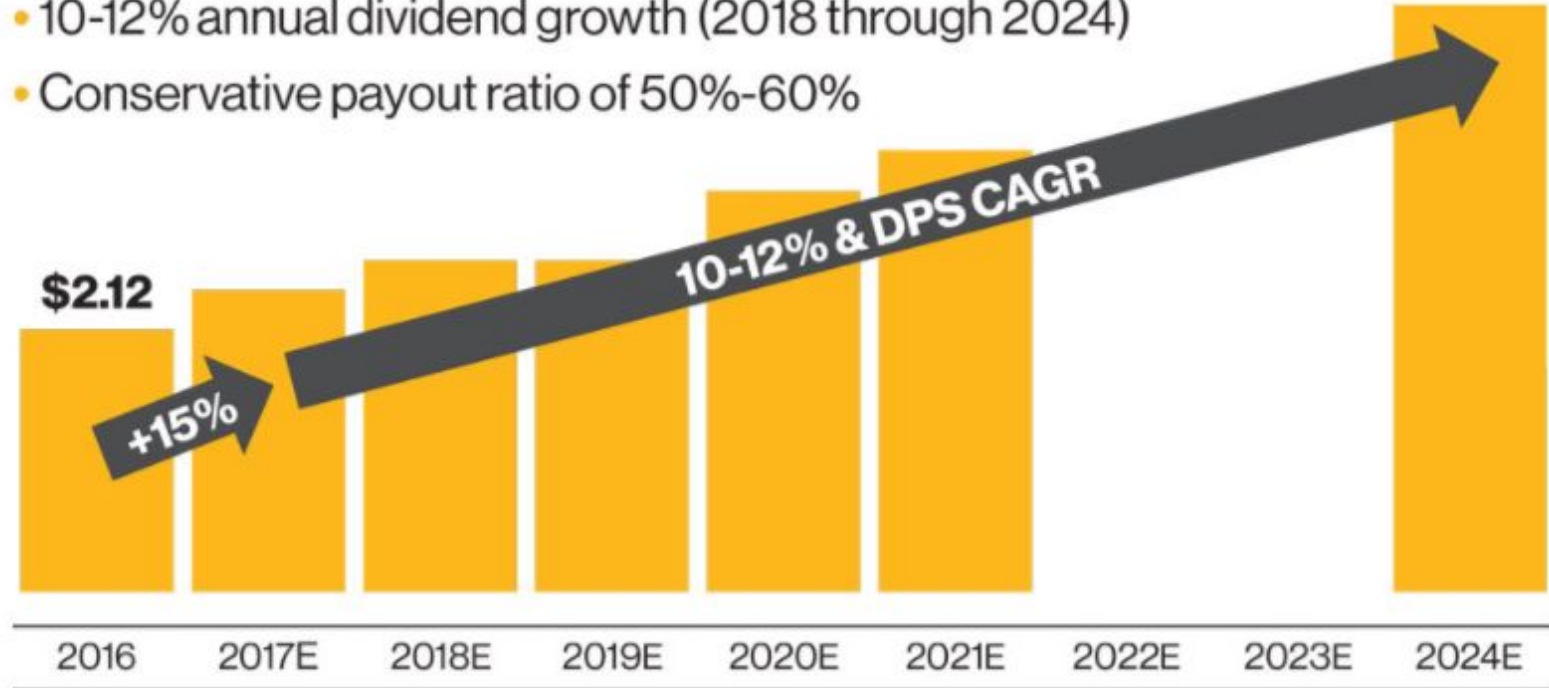


1 Compound Annual Growth Rate of an investment over a specified time period.

Projected Dividend Growth

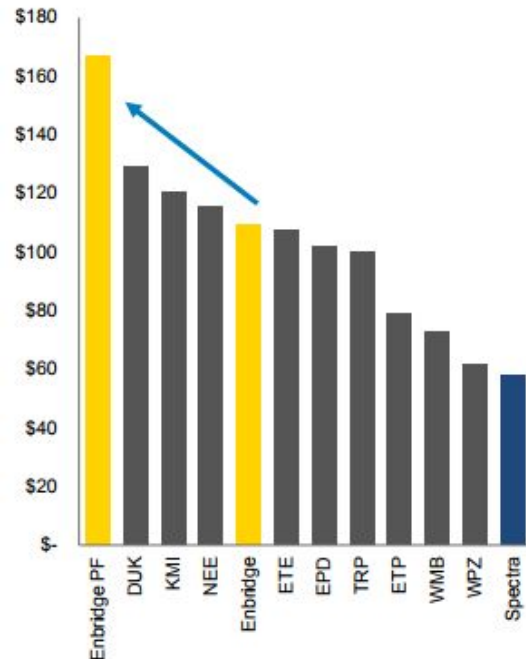
Dividend per Share Outlook (2017-2024)

- 15% dividend increase in 2017¹
- 10-12% annual dividend growth (2018 through 2024)
- Conservative payout ratio of 50%-60%



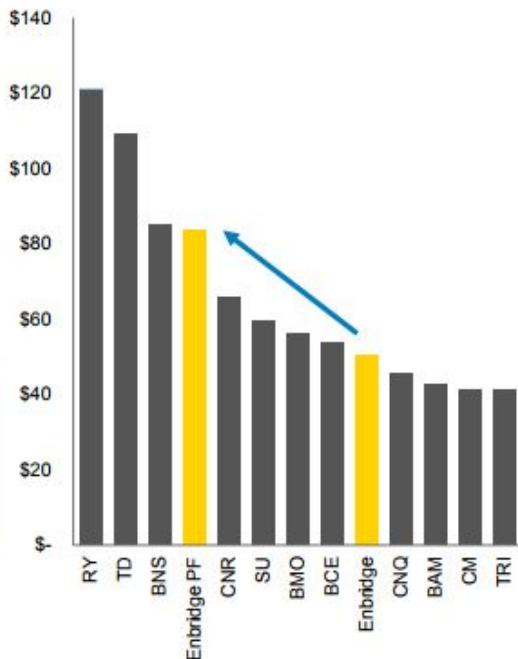
Scale and Size After Merger

North American Energy Infrastructure
Enterprise Value (\$ in billions)



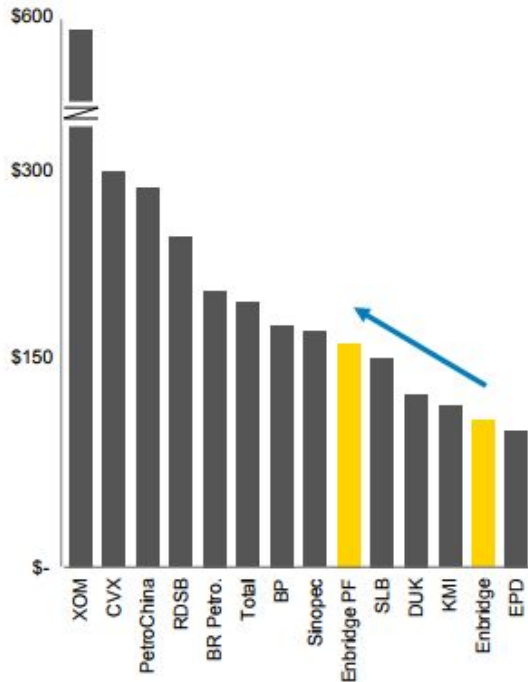
**Largest North American
energy infrastructure company**

Canadian Listed Companies
Market Capitalization (\$ in billions)



**One of the largest publicly
listed Canadian companies**

Global Energy Companies
Enterprise Value (\$ in billions)



**One of the largest energy
companies globally**

Key Corporate Priorities

grow organically.

- 6 leading platforms
- Disciplined capital allocation
- Visible dividend growth

minimize risk.

- Safety & operational reliability
- Low risk commercial models
- Balance sheet strength

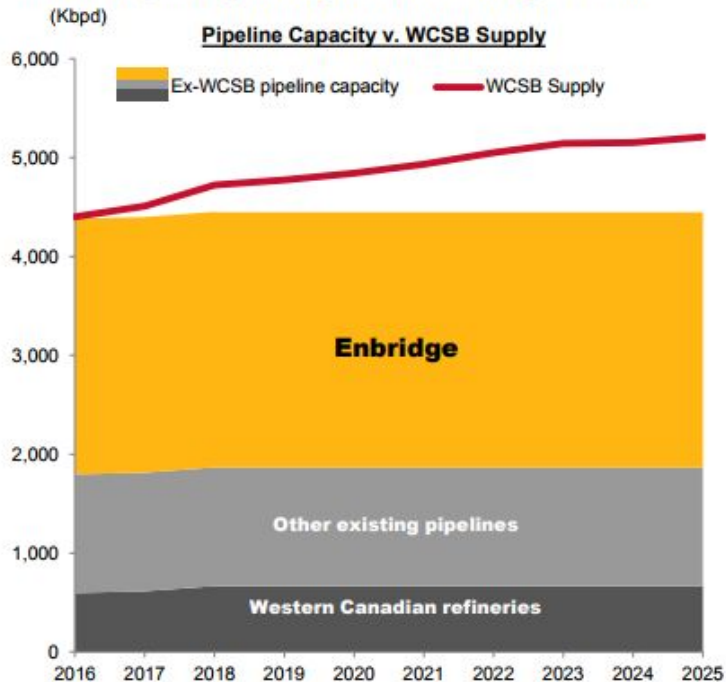
streamline.

- Focus on optimizing returns
- Efficiency and effectiveness
- Sponsored Vehicles

Growing Demand

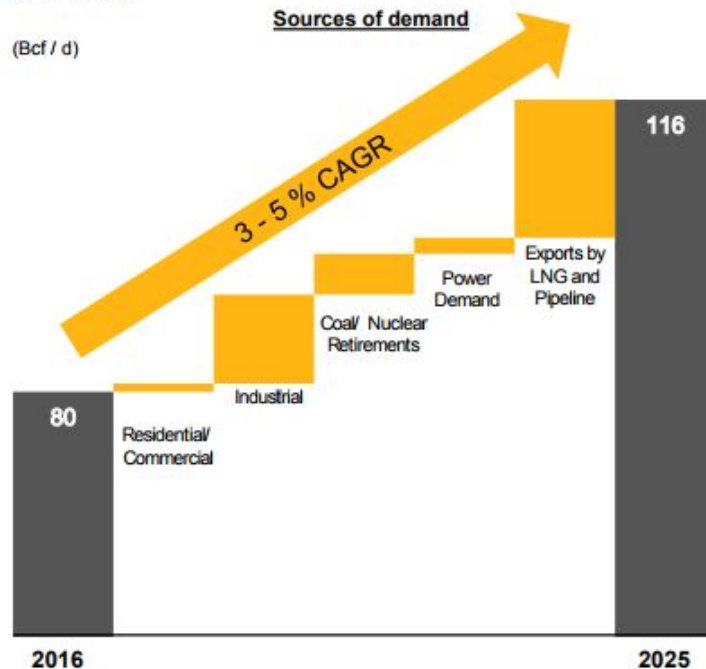
Liquids: Highly Stable & Growing Base Cash Flows...

... further upside optionality in an oil recovery scenario



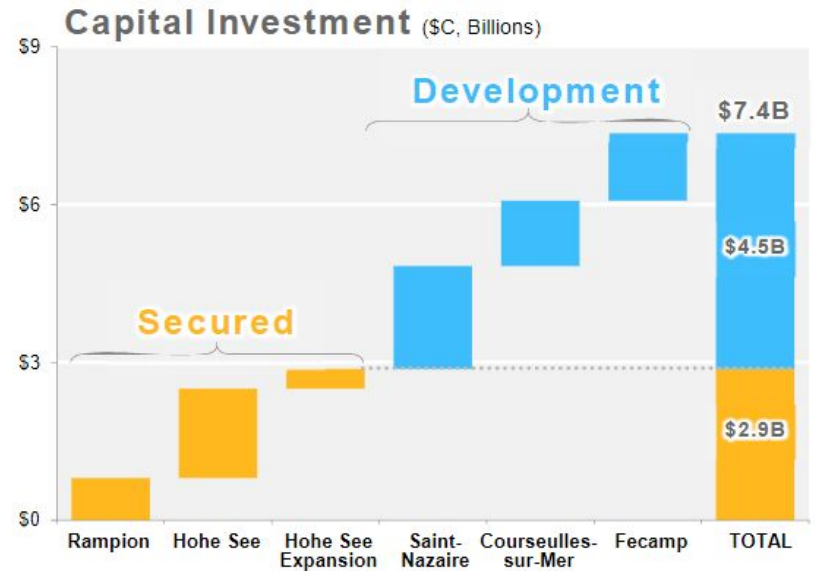
Natural Gas: Steady Long Term Growth...

...from demand pull assets into U.S. northeast, southeast, and Gulf Coast



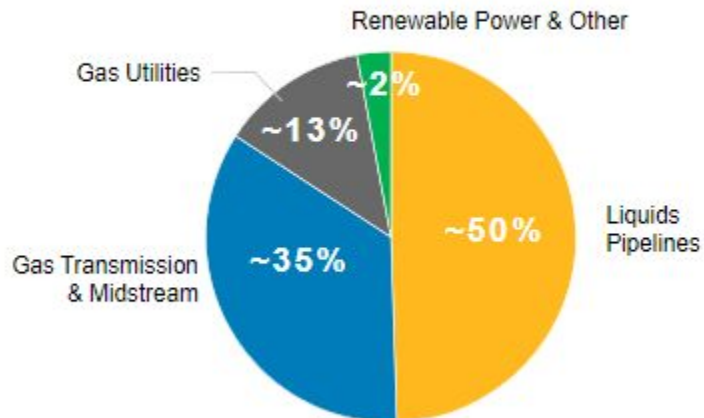
Significant expansion potential

Capital Investments in Renewable Energy

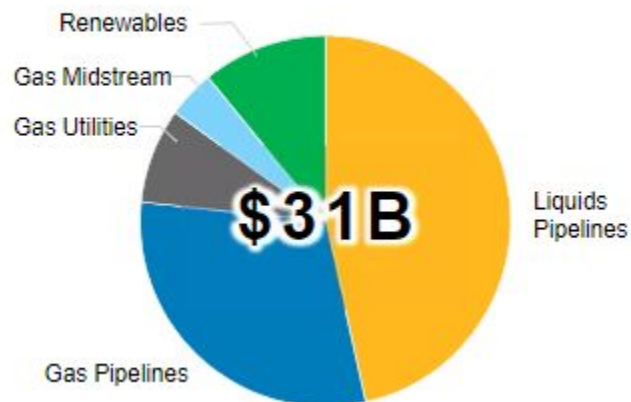


Portfolio Diversification

2016 Pro Forma EBIT



Secured Project Inventory
2017 – 2020



Secured Growth Projects

	Project	Expected ISD	Capital (C\$B)
2017	Regional Oil Sands Optimization – Athabasca Twin	In service	1.3 CAD
	Jackfish Lake	In service	0.2 CAD
	Norlite	In service	0.9 CAD
	Bakken Pipeline System	Mechanically complete	1.5 USD
	Sabal Trail	1H 17	1.6 USD
	Regional Oil Sands Optimization – Wood Buffalo Extension	2H 17	1.3 CAD
	Access, South, Adair Southwest & Lebanon Extension	2H 17	0.5 USD
	Atlantic Bridge	2H 17 – 2H 18	0.5 USD
	NEXUS	2H 17	1.1 USD
	RAM	2H 17	0.5 CAD
	Dawn-Parkway Extension	2H 17	0.6 CAD
	JACOS Hangingstone	2H 17	0.2 CAD
	High Pine	2H 17	0.4 CAD
	Gulf Markets – Phase 2	2H 17	0.1 USD
	TEAL	2H 17	0.2 USD
	Panhandle Reinforcement	2H 17	0.3 CAD
	EGD Core Capital	2017	0.4 CAD
	Union Gas Core Capital	2017	0.4 CAD
2017 TOTAL			\$14B*

	Project	Expected ISD	Capital (C\$B)
2018	Valley Crossing Pipeline	2H 18	1.5 USD
	Rampion Wind – UK	2018	0.8 CAD
	Stampede Lateral	2018	0.2 USD
	STEP	2H 18	0.1 USD
	Wynwood	1H 18	0.2 CAD
	PennEast	2H 18	0.1 USD
	Spruce Ridge	2H 18	0.5 CAD
	EGD Core Capital	2018	0.4 CAD
	Union Gas Core Capital	2018	0.5 CAD
	Other	Various	0.1 CAD
2018 TOTAL			\$5B*
2019+	Line 3 Replacement – Canadian Portion	2019	4.9 CAD
	Line 3 Replacement – U.S. Portion	2019	2.6 USD
	Southern Access to 1,200 kbpd	2019	0.4 USD
	Stratton Ridge	1H 19	0.2 USD
	Hohe See Wind & Expansion – Germany	2H 19	2.1 CAD
	T-South Expansion	2020	1.0 CAD
2019+ TOTAL			\$12B*
TOTAL Capital Program			\$31B*

Segments: ■ Liquids Pipelines ■ Gas Distribution ■ GTM – US Transmission ■ GTM – Canadian Midstream ■ Green Power & Transmission

Management Team

Al Monaco

President and CEO



Date of Appointment: October 1, 2012

Experience:

- Joined Enbridge in 1995
- Member of Enbridge Board of Directors
- President, Gas Pipelines, Green Energy & International.
- Over 30 years experience in the energy business including the upstream oil and gas exploration, development, and pipeline businesses.
- Held positions including Executive Vice President, Major Projects & Green Energy, and as President, Enbridge Gas Distribution; Senior Vice President, Corporate Planning and Development; Vice President, Financial Services and Treasurer for Enbridge's US-based master limited partnership.

Qualifications:

- Master of Business Administration in Finance from University of Calgary
- Certified Management Accountant

Cynthia Hansen

Executive Vice President, Utilities and Power Operations



Date of Appointment: February 27, 2017

Experience:

- Joined Enbridge in 1999
- 18 years of experience working in financial, operational and safety leadership roles within Enbridge, most recently as Senior Vice President, Operations within Liquids Pipelines
- Prior to joining Enbridge, she worked as a Principal for PricewaterhouseCoopers

Qualifications:

- Bachelor of Commerce degree from the University of Alberta
- Chartered Accountant
- Certified Fraud Examiner

Guy Jarvis

Executive Vice President Liquids Pipelines and Major Projects



Date of Appointment: May 2, 2016

Experience:

- Joined Enbridge in 2000
- 30 years of experience in oil and gas business
- Previous roles: Chief Commercial Officer for Liquids Pipelines; Senior Vice President, Investor Relations & Enterprise Risk; Senior Vice President, Business Development; Vice President, Upstream Development for Enbridge Pipelines Inc.; Vice President, Gas Services for Enbridge Inc.

Qualifications:

- Bachelor of Commerce degree from the University of Saskatchewan

Byron Neiles

Executive Vice President, Corporate Services



Date of Appointment: May 2, 2016

Experience:

- Joined Enbridge in 1994
- Previous roles: Senior Vice President, Major Projects, Enterprise Safety and Operational Reliability; Senior Vice President of Major Projects; Vice President of Customer, Regulatory and Public Affairs
- Prior to Enbridge, was a Policy Advisor to two Canadian federal energy ministers in Ottawa

Qualifications:

- Master of Business Administration (MBA) degree from the University of Calgary
- Graduate of the Advanced Management Program at Harvard Business School
- Bachelor of Arts (BA) degree in political science from the University of Regina

Karen Radford

Executive Vice President and Chief Transformation Officer



Date of Appointment: May 2, 2016

Experience:

- Joined Enbridge in 2011
- Previous roles: Executive Vice President, People, Planet & Partners
- Prior to Enbridge, worked at TELUS for 13 years including role as President of Business Solutions and at New Brunswick Tel for 7 years

Qualifications

- Master of Business Administration (MBA) degree from Dalhousie University
- Bachelor of Science degree from Mount Allison University

Bob Rooney

Executive Vice President and Chief Legal Officer



Date of Appointment: February 1, 2017

Experience:

- Joined Enbridge in 2017
- Over 30 years of energy sector experience
- Prior to Enbridge, he was a Managing Director of a start-up oil and gas company; Executive Vice President, Corporate of Talisman Energy Inc.; Vice Chairman and director of Repsol Oil & Gas Canada Inc.

Qualifications:

- LL.B. from the University of Western Ontario
- Member of the Law Society of Alberta
- Awarded a Queen's Counsel designation in 2012

John K. Whelen

Executive Vice President & Chief Financial Officer



Date of Appointment: October 15, 2014

Experience:

- Joined Enbridge in 1992
- Prior roles: Manager of Treasury role at Consumers Gas (now Enbridge Gas Distribution); Chief Financial Officer, and then President, of Enbridge Income Fund; executive positions with increasing responsibility, including treasury, risk management, corporate planning and development, and financial reporting

Qualifications:

- Master of Business Administration (MBA) degree in finance from McMaster University
- Bachelor of Science (BSc) degree in economics from the University of Victoria

William T. Yardley

Executive Vice President and President, Gas Transmission and Midstream



Date of Appointment: February 27, 2017

Experience:

- Joined Enbridge as part of Spectra Energy merger in 2017
- President and Chief Executive Officer (CEO) of Spectra Energy Partners
- Joined Spectra Energy in 2000, and served as vice president of marketing and business development and as group vice president of the company's Northeastern U.S. assets and operations

Qualifications:

- Bachelor's degree in economics from Colby College
- MBA from Northeastern University
- Completed the Harvard Business School's Advanced Management Program

Vern Yu

Executive Vice President and Chief Development Officer (CDO)



Date of Appointment: May 2, 2016

Experience:

- Joined Enbridge in 1993
- Previous roles: Senior Vice President, Corporate Planning; Senior Vice President of Business and Market Development
- Prior to joining Enbridge, worked as an engineer at TransCanada Corporation and Bow Valley Industries

Qualifications:

- Master of Business Administration (MBA) degree in finance from the University of Toronto
- Bachelor of Science (BSc) degree in applied science from Queen's University

Financial Statements

Statements of Financial Position (Q1/2017)

	March 31, 2017	December 31, 2016
<i>(unaudited; millions of Canadian dollars; number of shares in millions)</i>		
Assets		
Current assets		
Cash and cash equivalents	1,855	2,117
Restricted cash	175	68
Accounts receivable and other (Note 5)	6,627	4,978
Accounts receivable from affiliates	40	14
Inventory	1,205	1,233
	9,902	8,410
Property, plant and equipment, net	99,518	64,284
Long-term investments	14,460	6,836
Restricted long-term investments	243	90
Deferred amounts and other assets	6,066	3,113
Intangible assets, net	3,838	1,573
Goodwill	35,300	78
Deferred income taxes	1,202	1,170
Assets held for sale	-	278
	170,529	85,832

Statements of Financial Position (Q1/2017)

Liabilities and equity		
Current liabilities		
Bank indebtedness	836	623
Short-term borrowings	833	351
Accounts payable and other	8,398	7,295
Accounts payable to affiliates	128	122
Interest payable	628	333
Environmental liabilities	143	142
Current maturities of long-term debt (Note 7)	4,343	4,100
	15,309	12,966
Long-term debt (Note 7)	60,736	36,494
Other long-term liabilities	7,009	4,981
Deferred income taxes	14,717	6,036
	97,771	60,477
Contingencies (Note 15)		
Redeemable noncontrolling interests	3,239	3,392
Equity		
Share capital (Note 8)		
Preference shares	7,255	7,255
Common shares (1,639 and 943 outstanding at March 31, 2017 and December 31, 2016, respectively)	48,147	10,492
Additional paid-in capital	3,426	3,399
Deficit	(426)	(716)
Accumulated other comprehensive income (Note 9)	1,438	1,058
Reciprocal shareholding	(102)	(102)
Total Enbridge Inc. shareholders' equity	59,738	21,386
Noncontrolling interests	9,781	577
	69,519	21,963
	170,529	85,832

Statements of Financial Position (Annual)

December 31,	2016	2015
<i>(millions of Canadian dollars; number of shares in millions)</i>		
Assets		
Current assets		
Cash and cash equivalents	2,117	1,015
Restricted cash	68	34
Accounts receivable and other <i>(Note 7)</i>	4,978	5,430
Accounts receivable from affiliates	14	7
Inventory <i>(Note 8)</i>	1,233	1,111
	8,410	7,597
Property, plant and equipment, net <i>(Note 9)</i>	64,284	64,434
Long-term investments <i>(Note 11)</i>	6,836	7,008
Restricted long-term investments <i>(Note 12)</i>	90	49
Deferred amounts and other assets <i>(Note 13)</i>	3,113	3,160
Intangible assets, net <i>(Note 14)</i>	1,573	1,348
Goodwill <i>(Note 15)</i>	78	80
Deferred income taxes <i>(Note 25)</i>	1,170	839
Assets held for sale <i>(Note 6)</i>	278	–
	85,832	84,515

Statements of Financial Position (Annual)

Liabilities and equity

Current liabilities

Bank indebtedness	623	361
Short-term borrowings (Note 17)	351	599
Accounts payable and other (Note 16)	7,295	7,351
Accounts payable to affiliates	122	48
Interest payable	333	324
Environmental liabilities	142	141
Current maturities of long-term debt (Note 17)	4,100	1,990

12,966 10,814

Long-term debt (Note 17)

36,494 39,391

Other long-term liabilities (Note 18)

4,981 6,056

Deferred income taxes (Note 25)

6,036 5,915

60,477 62,176

Commitments and contingencies (Note 31)

Redeemable noncontrolling interests (Note 20)

3,392 2,141

Equity

Share capital (Note 21)

Preference shares 7,255 6,515

Common shares (943 and 868 outstanding at December 31, 2016 and December 31, 2015, respectively) 10,492 7,391

Additional paid-in capital 3,399 3,301

Retained earnings/(deficit) (716) 142

Accumulated other comprehensive income (Note 23) 1,058 1,632

Reciprocal shareholding (102) (83)

Total Enbridge Inc. shareholders' equity 21,386 18,898

Noncontrolling interests (Note 20) 577 1,300

21,963 20,198

85,832 84,515

Statements of Earnings (Annual)

Year ended December 31,	2016	2015	2014
<i>(millions of Canadian dollars, except per share amounts)</i>			
Revenues			
Commodity sales	22,816	23,842	28,281
Gas distribution sales	2,486	3,096	2,853
Transportation and other services	9,258	6,856	6,507
	34,560	33,794	37,641
Expenses			
Commodity costs	22,409	22,949	27,504
Gas distribution costs	1,596	2,292	1,979
Operating and administrative	4,360	4,152	3,281
Depreciation and amortization	2,240	2,024	1,577
Environmental costs, net of recoveries	(2)	(21)	100
Impairment of property, plant and equipment <i>(Note 9)</i>	1,376	96	–
Goodwill impairment <i>(Note 15)</i>	–	440	–
	31,979	31,932	34,441
	2,581	1,862	3,200
Income from equity investments <i>(Note 11)</i>	428	475	368
Other income/(expense) <i>(Note 27)</i>	1,032	(702)	(266)
Interest expense <i>(Note 17)</i>	(1,590)	(1,624)	(1,129)
	2,451	11	2,173
Income taxes <i>(Note 25)</i>	(142)	(170)	(611)
Earnings/(loss) from continuing operations	2,309	(159)	1,562
Discontinued Operations			
Earnings from discontinued operations before income taxes	–	–	73
Income taxes from discontinued operations	–	–	(27)
Earnings from discontinued operations	–	–	46
Earnings/(loss)	2,309	(159)	1,608
(Earnings)/loss attributable to noncontrolling interests and redeemable noncontrolling interests	(240)	410	(203)
Earnings attributable to Enbridge Inc.	2,069	251	1,405
Preference share dividends	(293)	(288)	(251)
Earnings/(loss) attributable to Enbridge Inc. common shareholders	1,776	(37)	1,154

Statements of Earnings (Annual)

Earnings/(loss) attributable to Enbridge Inc. common shareholders			
Earnings/(loss) from continuing operations	1,776	(37)	1,108
Earnings from discontinued operations, net of tax	–	–	46
	1,776	(37)	1,154
Earnings/(loss) per common share attributable to Enbridge Inc. common shareholders			
Continuing operations	1.95	(0.04)	1.34
Discontinued operations	–	–	0.05
	1.95	(0.04)	1.39
Diluted earnings/(loss) per common share attributable to Enbridge Inc. common shareholders			
Continuing operations	1.93	(0.04)	1.32
Discontinued operations	–	–	0.05
	1.93	(0.04)	1.37

Statement of Earnings (Q1/2017)

	Three months ended March 31,	
	2017	2016
<i>(unaudited; millions of Canadian dollars, except per share amounts)</i>		
Revenues		
Commodity sales	6,866	4,804
Gas distribution sales	1,363	1,007
Transportation and other services	2,917	2,984
	11,146	8,795
Expenses		
Commodity costs	6,550	4,711
Gas distribution costs	1,015	754
Operating and administrative	1,541	1,080
Depreciation and amortization	672	559
Environmental costs, net of recoveries	10	17
	9,788	7,121
	1,358	1,674
Income from equity investments	236	226
Other income	35	276
Interest expense	(486)	(412)
	1,143	1,764
Income taxes (Note 11)	(198)	(417)
Earnings	945	1,347
Earnings attributable to noncontrolling interests and redeemable noncontrolling interests	(224)	(61)
Earnings attributable to Enbridge Inc.	721	1,286
Preference share dividends	(83)	(73)
Earnings attributable to Enbridge Inc. common shareholders	638	1,213
Earnings per common share attributable to Enbridge Inc. common shareholders (Note 8)	0.54	1.38
Diluted earnings per common share attributable to Enbridge Inc. common shareholders (Note 8)	0.54	1.38

Statements of Comprehensive Income (Annual)

Year ended December 31,	2016	2015	2014
<i>(millions of Canadian dollars)</i>			
Earnings/(loss)	2,309	(159)	1,608
Other comprehensive income/(loss), net of tax			
Change in unrealized gains/(loss) on cash flow hedges	(138)	198	(833)
Change in unrealized gains/(loss) on net investment hedges	166	(903)	(270)
Other comprehensive income from equity investees	–	30	10
Reclassification to earnings of realized cash flow hedges	98	(191)	76
Reclassification to earnings of unrealized cash flow hedges	18	(121)	158
Reclassification to earnings of pension plans and other postretirement benefits (OPEB) amortization amounts	17	21	15
Actuarial gains/(loss) on pension plans and other postretirement benefits	(34)	51	(191)
Change in foreign currency translation adjustment	(712)	3,347	1,238
Reclassification to earnings of derecognized cash flow hedges	–	(247)	–
Other comprehensive income/(loss), net of tax	(585)	2,185	203
Comprehensive income	1,724	2,026	1,811
Comprehensive (income)/loss attributable to noncontrolling interests and redeemable noncontrolling interests	(229)	292	(242)
Comprehensive income attributable to Enbridge Inc.	1,495	2,318	1,569
Preference share dividends	(293)	(288)	(251)
Comprehensive income attributable to Enbridge Inc. common shareholders	1,202	2,030	1,318

Statements of Comprehensive Income (Q1/2017)

	Three months ended March 31,	
	2017	2016
<i>(unaudited; millions of Canadian dollars)</i>		
Earnings	945	1,347
Other comprehensive income/(loss), net of tax		
Change in unrealized loss on cash flow hedges	(2)	(443)
Change in unrealized gains on net investment hedges	49	394
Other comprehensive income/(loss) from equity investees	6	(2)
Reclassification to earnings of realized cash flow hedges	45	(10)
Reclassification to earnings of unrealized cash flow hedges	(4)	9
Reclassification to earnings of pension plans and other postretirement benefits (OPEB) amortization amounts	4	2
Change in foreign currency translation adjustment	432	(1,377)
Other comprehensive income/(loss), net of tax	530	(1,427)
Comprehensive income/(loss)	1,475	(80)
Comprehensive (income)/loss attributable to noncontrolling interests and redeemable noncontrolling interests	(374)	100
Comprehensive income attributable to Enbridge Inc.	1,101	20
Preference share dividends	(83)	(73)
Comprehensive income/(loss) attributable to Enbridge Inc. common shareholders	1,018	(53)

Statements of Cash Flow (Annual)

Year ended December 31, (millions of Canadian dollars)	2016	2015	2014
Operating activities			
Earnings/(loss)	2,309	(159)	1,608
Earnings from discontinued operations	–	–	(46)
Depreciation and amortization	2,240	2,024	1,577
Deferred income taxes (Note 25)	43	7	587
Changes in unrealized (gains)/loss on derivative instruments, net	(509)	2,373	(96)
Cash distributions in excess of equity earnings	171	244	196
Impairment	1,620	536	18
Gains on dispositions (Note 27)	(848)	(94)	(38)
Hedge ineffectiveness	61	(20)	210
Inventory revaluation allowance	245	410	174
Unrealized (gains)/loss on intercompany loan	43	(131)	(16)
Other	198	69	131
Changes in environmental liabilities, net of recoveries	(4)	(43)	(78)
Changes in operating assets and liabilities (Note 29)	(358)	(645)	(1,699)
Cash provided by continuing operations	5,211	4,571	2,528
Cash provided by discontinued operations	–	–	19
	5,211	4,571	2,547

Statements of Cash Flow (Annual)

Investing activities

Additions to property, plant and equipment	(5,128)	(7,273)	(10,524)
Joint venture financing	(1)	–	–
Long-term investments	(467)	(622)	(854)
Restricted long-term investments	(46)	(49)	–
Additions to intangible assets	(127)	(101)	(208)
Acquisitions	(644)	(106)	(394)
Proceeds from dispositions	1,379	146	85
Affiliate loans, net	(118)	59	13
Changes in restricted cash	(40)	13	(13)
Cash used in continuing operations	(5,192)	(7,933)	(11,895)
Cash provided by discontinued operations	–	–	4
	(5,192)	(7,933)	(11,891)

Year ended December 31,	2016	2015	2014
<i>(millions of Canadian dollars)</i>			
Liquids Pipelines	3,956	5,882	8,911
Gas Distribution	713	858	610
Gas Pipelines and Processing	176	385	593
Green Power and Transmission	251	68	333
Energy Services	–	–	3
Eliminations and Other	32	80	74
Total capital expenditures	5,128	7,273	10,524

Statements of Cash Flow (Annual)

Financing activities

Net change in bank indebtedness and short-term borrowings	14	(588)	734
Net change in commercial paper and credit facility draws	(2,297)	1,507	4,212
Southern Lights project financing repayments	–	–	(1,519)
Debenture and term note issues – Southern Lights	–	–	1,507
Debenture and term note issues	4,080	3,767	5,414
Debenture and term note repayments	(1,946)	(1,023)	(1,348)
Contributions from noncontrolling interests	28	615	212
Distributions to noncontrolling interests	(720)	(680)	(535)
Contributions from redeemable noncontrolling interests	591	670	323
Distributions to redeemable noncontrolling interests	(202)	(114)	(79)
Preference shares issued	737	–	1,365
Common shares issued	2,260	57	478
Preference share dividends	(293)	(288)	(245)
Common share dividends	(1,150)	(950)	(749)
	1,102	2,973	9,770
Effect of translation of foreign denominated cash and cash equivalents	(19)	143	59
Increase/(decrease) in cash and cash equivalents	1,102	(246)	485
Cash and cash equivalents at beginning of year – continuing operations	1,015	1,261	756
Cash and cash equivalents at beginning of year – discontinued operations	–	–	20
Cash and cash equivalents at end of year	2,117	1,015	1,261
Cash and cash equivalents – discontinued operations	–	–	–
Cash and cash equivalents – continuing operations	2,117	1,015	1,261
Supplementary cash flow information			
Income taxes paid	194	80	9
Interest paid	1,820	1,835	1,435

Statements of Cash Flow (Q1/2017)

	Three months ended March 31,	
	2017	2016
<i>(unaudited; millions of Canadian dollars)</i>		
Operating activities		
Earnings	945	1,347
Depreciation and amortization	672	559
Deferred income taxes expense	161	374
Changes in unrealized gains on derivative instruments, net <i>(Note 10)</i>	(418)	(842)
Cash distributions less than equity earnings	(22)	(40)
Gains on disposition	(14)	-
Hedge ineffectiveness	1	26
Inventory revaluation allowance	7	168
Unrealized loss on intercompany loan	6	60
Other	98	87
Changes in environmental liabilities, net of recoveries	4	(9)
Changes in operating assets and liabilities	237	131
	1,677	1,861

Statements of Cash Flow (Q1/2017)

Investing activities

Additions to property, plant and equipment	(1,642)	(1,645)
Joint venture financing	(39)	(10)
Long-term investments	(2,511)	(133)
Cash distributions in excess of equity earnings	11	-
Restricted long-term investments	(15)	(12)
Additions to intangible assets	(233)	(27)
Deposit for acquisition	-	(54)
Cash acquired in Merger Transaction <i>(Note 4)</i>	614	-
Proceeds from disposition	289	-
Affiliate loans, net	(2)	2
Changes in restricted cash	5	27
	(3,523)	(1,852)

Statements of Cash Flow (Q1/2017)

Financing activities

Net change in bank indebtedness and short-term borrowings	260	243
Net change in commercial paper and credit facility draws	2,285	(1,164)
Debenture and term note repayments	(500)	-
Contributions from noncontrolling interests	215	16
Distributions to noncontrolling interests	(191)	(184)
Contributions from redeemable noncontrolling interests	11	4
Distributions to redeemable noncontrolling interests	(54)	(42)
Common shares issued	4	2,227
Preference share dividends	(83)	(73)
Common share dividends	(354)	(276)
	1,593	751
Effect of translation of foreign denominated cash and cash equivalents	(9)	(40)
Increase/(decrease) in cash and cash equivalents	(262)	720
Cash and cash equivalents at beginning of period	2,117	1,015
Cash and cash equivalents at end of period	1,855	1,735

Recommendation

HOLD



TransCanada

Stock Snapshot

Toronto Stock Exchange: TRP
TransCanada Corp

Delayed quote ⓘ
\$62.71

Today's change
+0.51 +0.82%

P/E
94.972

Market cap
54.62B

52-week range

Five Day Performance

July 12 4:00 PM EDT.



KEY COMPANY METRICS

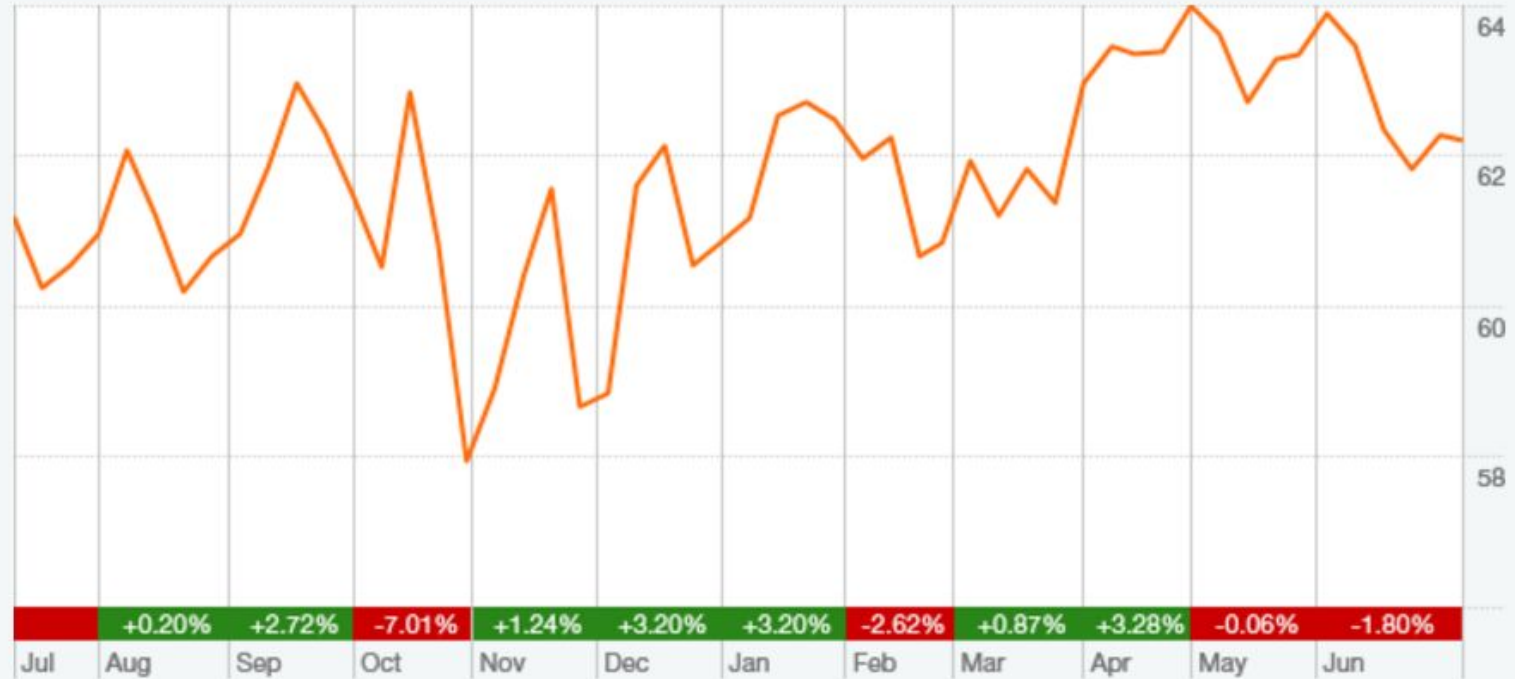
Open	\$62.73
Previous close	\$62.20
High	\$63.13
Low	\$62.19
Bid / Ask ⓘ	\$62.53 / \$62.72
YTD % change	+3.58%
Volume ⓘ	1,390,597
Average volume (10-day)	1,197,916
Average volume (1-month)	1,580,841
Average volume (3-month)	1,612,135
52-week range	\$57.36 to \$65.24
Beta	0.61
Trailing P/E	94.97×
P/E 1 year forward	21.53×
Forward PEG	2.75×
Indicated annual dividend	\$2.50
Dividend yield	3.99%
Trailing EPS	\$0.66

Historical Performance - 1 Year

One Year Performance

July 11 4:00 PM EDT.

1 year



Historical Performance - 5 Year

Five Year Performance

July 11 4:00 PM EDT.

5 years

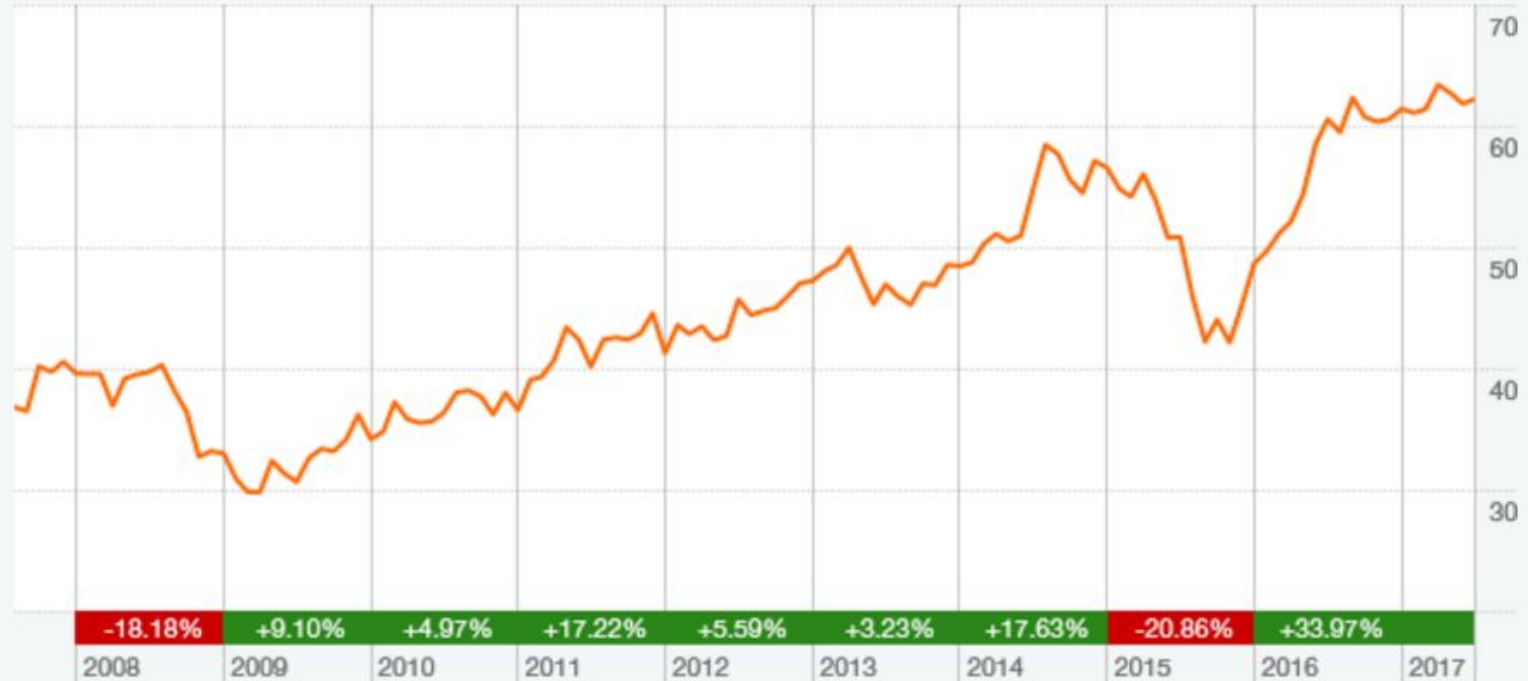


Historical Performance - 10 Year

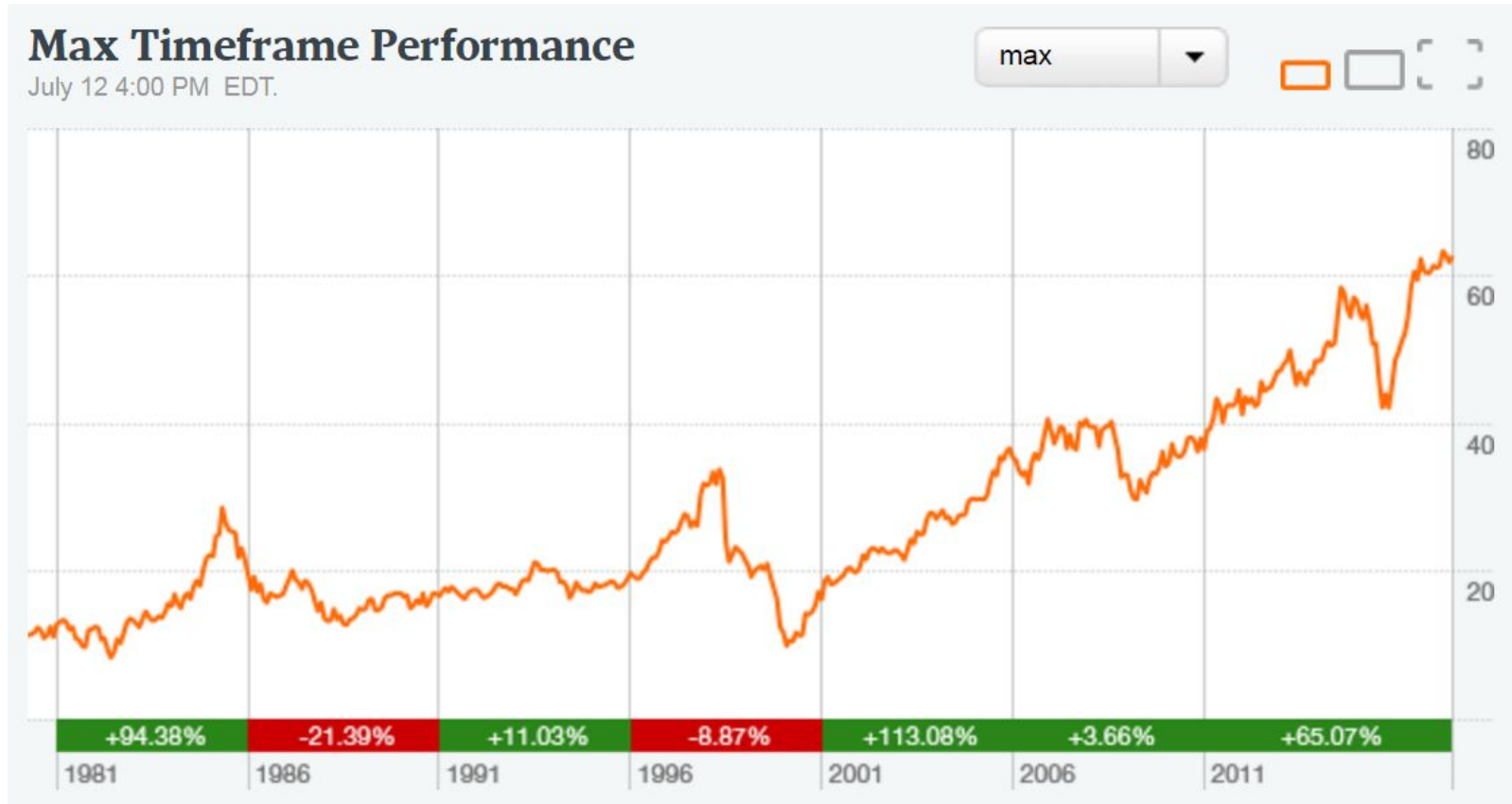
Ten Year Performance

July 11 4:00 PM EDT.

10 years



Historical Performance - Max



Performance vs. S&P/TSX Composite - 1 Year



Performance vs. S&P/TSX Composite - 5 Year



Performance vs. S&P/TSX Composite - 10 Year



Performance vs. S&P/TSX Composite - Max



Share Structure

as at February 13, 2017

Common shares

issued and outstanding

867 million

Preferred shares

issued and outstanding

convertible to

Series 1	9.5 million	Series 2 preferred shares
Series 2	12.5 million	Series 1 preferred shares
Series 3	8.5 million	Series 4 preferred shares
Series 4	5.5 million	Series 3 preferred shares
Series 5	12.7 million	Series 6 preferred shares
Series 6	1.3 million	Series 5 preferred shares
Series 7	24 million	Series 8 preferred shares
Series 9	18 million	Series 10 preferred shares
Series 11	10 million	Series 12 preferred shares
Series 13	20 million	Series 14 preferred shares
Series 15	40 million	Series 16 preferred shares

options to buy common shares

outstanding

exercisable

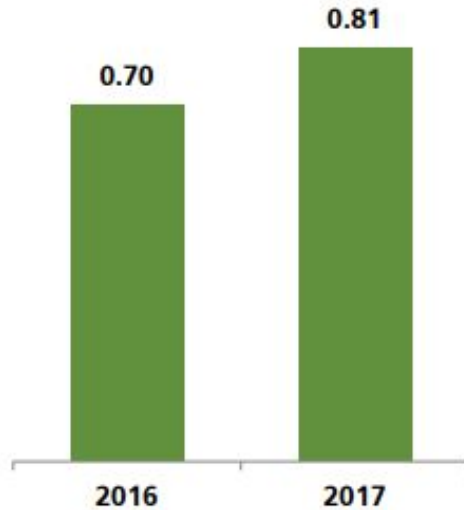
11 million

6 million

Financial Performance

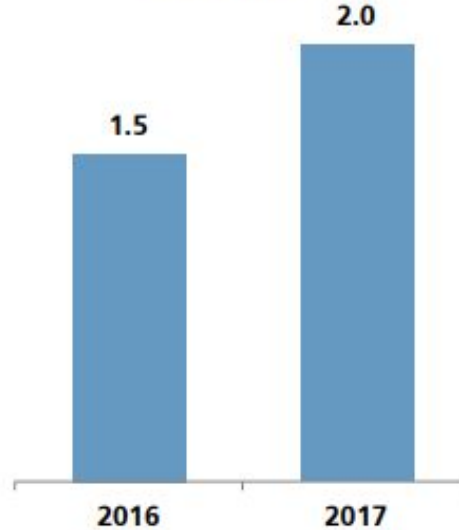
Comparable Earnings per Share*
(Dollars)

16% Increase



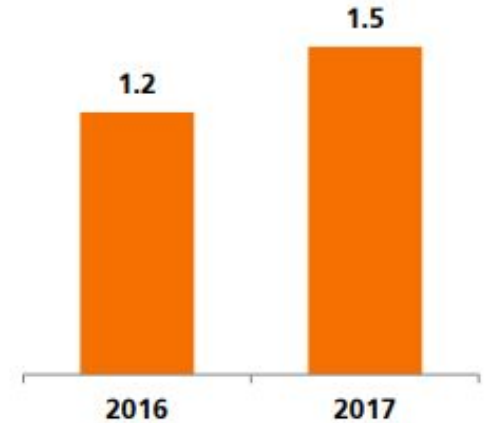
Comparable EBITDA*
(\$Billions)

32% Increase

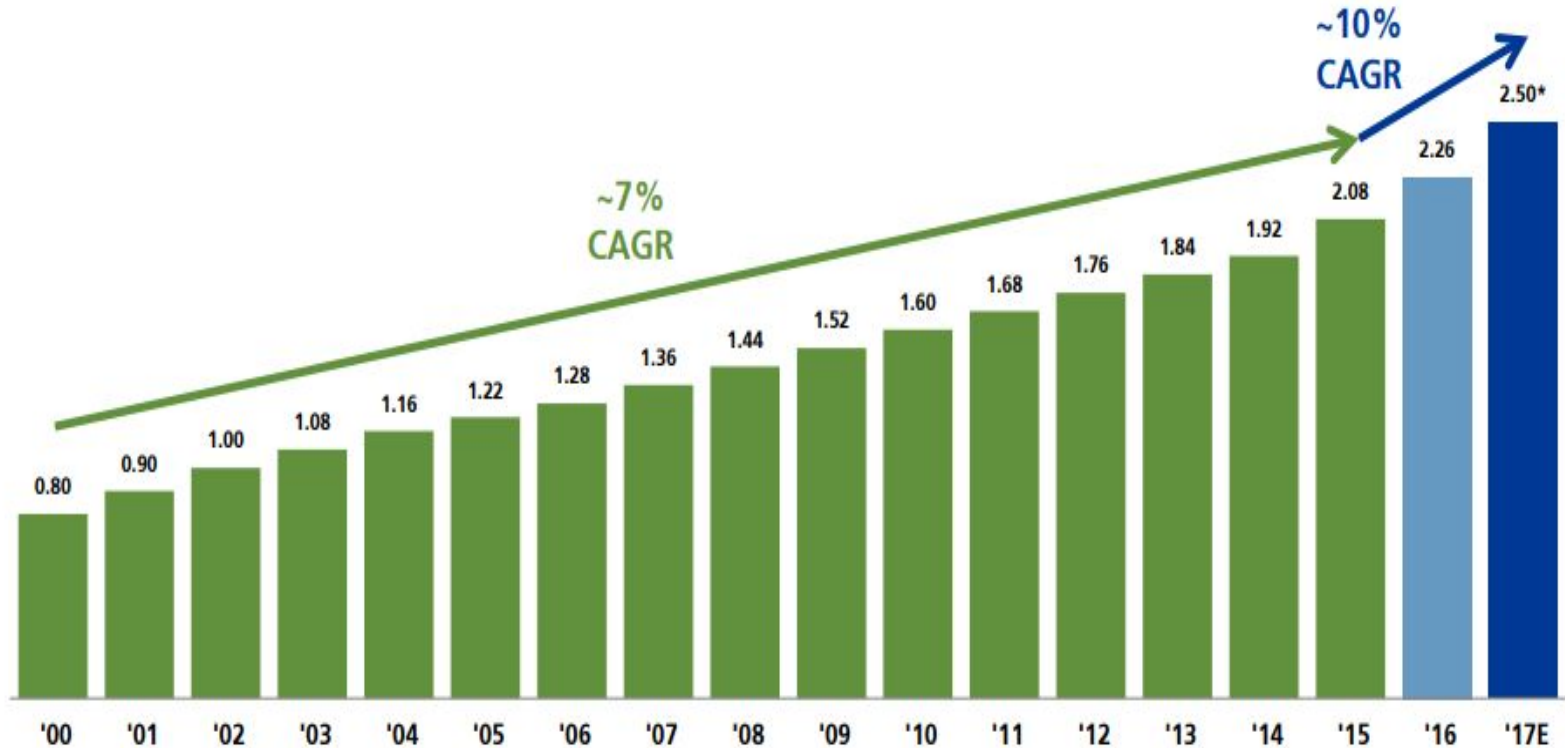


**Comparable Funds Generated
from Operations***
(\$Billions)

21% Increase

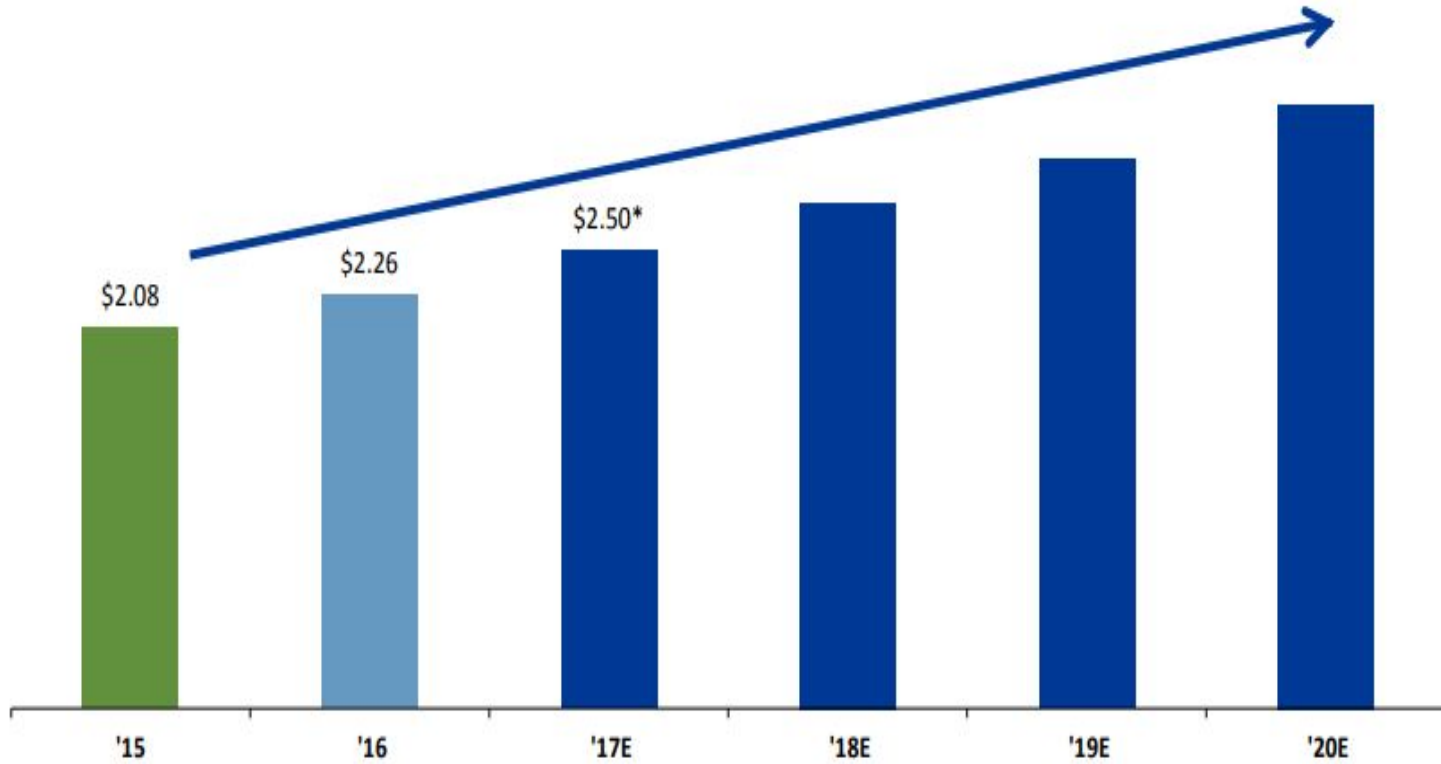


Dividend



*Annualized based on second quarter declaration. CAGR is compound average annual growth rate

Dividend Growth



* Annualized rate based on second quarter declared dividend of \$0.625 per share

Investment Highlights

Track record of delivering long-term shareholder value

- 14% average annual return since 2000

Visible growth portfolio

- \$23 billion of near-term projects
- Advancing over \$45 billion of commercially secured medium- to longer-term projects

Strong Financial Position

- 'A' grade credit rating
- Numerous levers available to fund growth

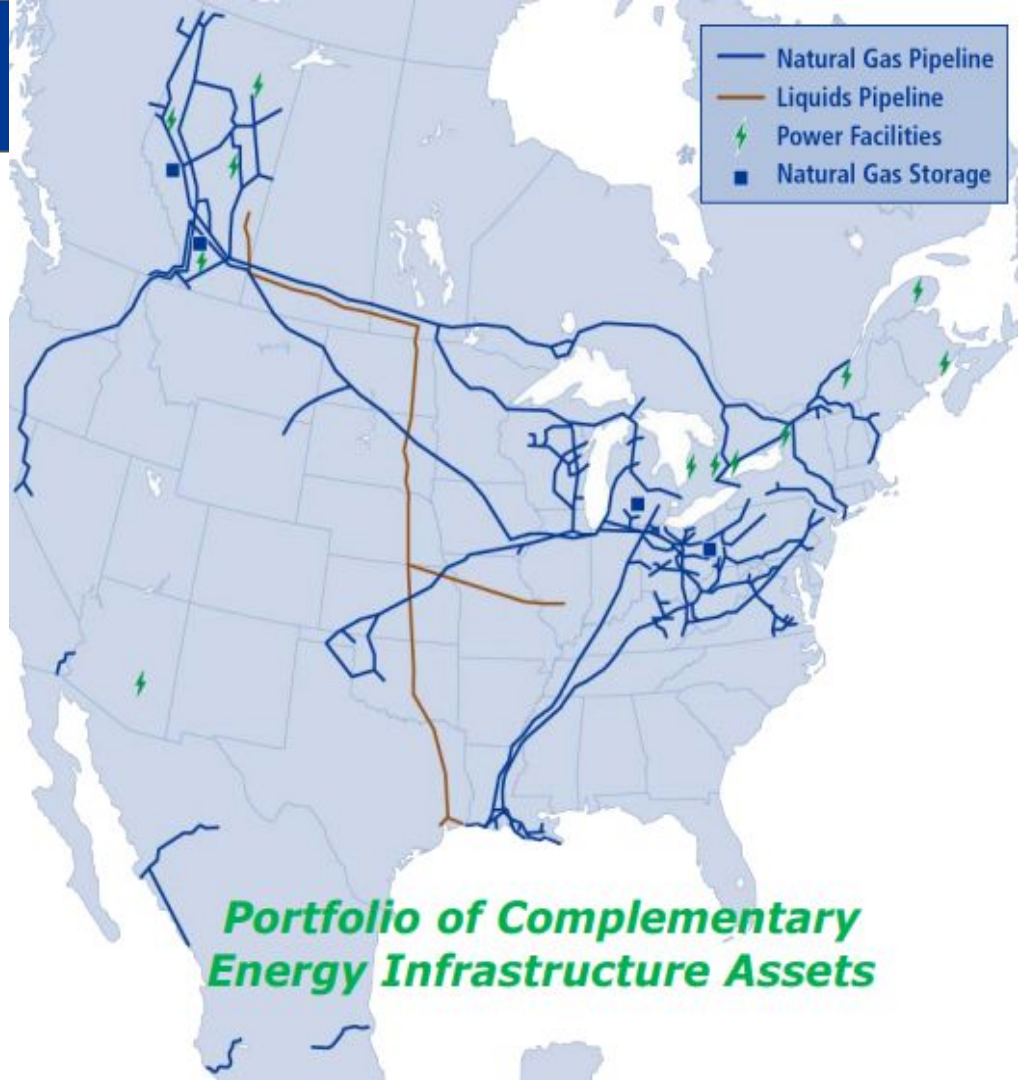
Corporate Overview

Company Profile

- One of the major energy midstream companies with one of the largest pipeline networks in North America
- Founded in 1951 (66 years-old)
- Headquartered in Calgary, Alberta
- Serves Canada, U.S., and Mexico
- Three core business segments:
 - Natural gas pipeline
 - Liquids (oil) pipeline
 - Energy (power generators)

Company Profile

- **Natural Gas Pipeline**
 - 91,500 km of pipeline
 - 23 bcf/d; ~25% of continental demand
- **Liquids (Oil) Pipeline**
 - 4,300 km of pipeline
 - 545,000 bbl/d; ~20% of Western Canadian exports
- **Energy (Power Generators)**
 - 12 power plants, 6,200 MW
 - Primarily long-term contracted assets following sale of U.S. Northern Power
- **Enterprise value over \$100 billion**



Financial Comparison of Each Segment - Assets

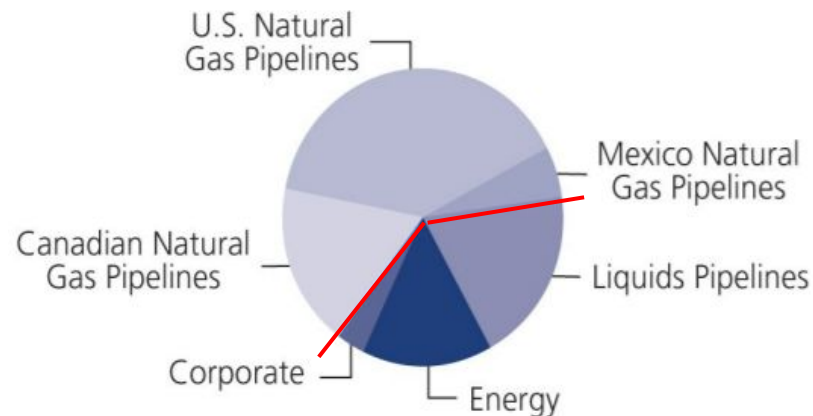
at December 31

(millions of \$)

Total assets

	2016	2015
Canadian Natural Gas Pipelines	15,816	15,038
U.S. Natural Gas Pipelines ¹	34,422	12,207
Mexico Natural Gas Pipelines	5,013	3,787
Liquids Pipelines	16,896	16,046
Energy ²	13,169	15,614
Corporate	2,735	1,706
	88,051	64,398

2016 Total assets



Financial Comparison of Each Segment - Revenues

year ended December 31

(millions of \$)

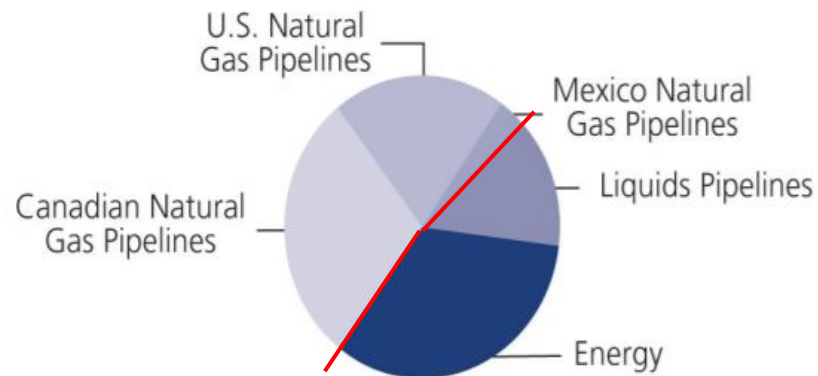
2016

2015

Total revenues

Canadian Natural Gas Pipelines	3,682	3,680
U.S. Natural Gas Pipelines ¹	2,526	1,444
Mexico Natural Gas Pipelines	378	259
Liquids Pipelines	1,755	1,879
Energy	4,164	4,038
	12,505	11,300

2016 Total revenues



Financial Comparison of Each Segment - EBIT

year ended December 31

(millions of \$)

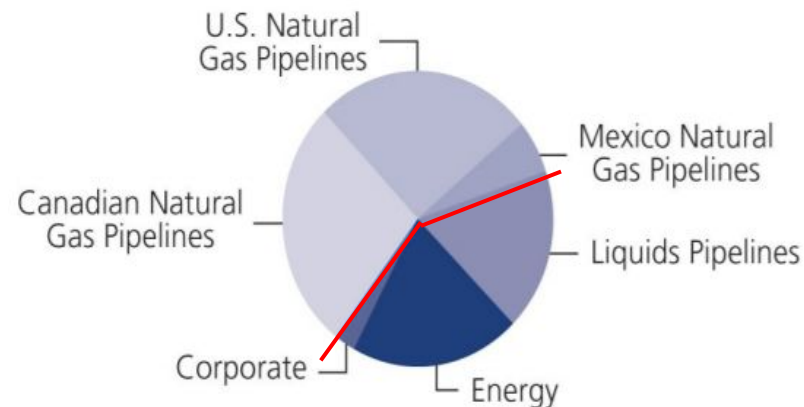
2016

2015

Comparable EBIT

Canadian Natural Gas Pipelines	1,373	1,413
U.S. Natural Gas Pipelines ¹	1,286	731
Mexico Natural Gas Pipelines	290	171
Liquids Pipelines	881	1,043
Energy	996	924
Corporate	(118)	(139)
	4,708	4,143

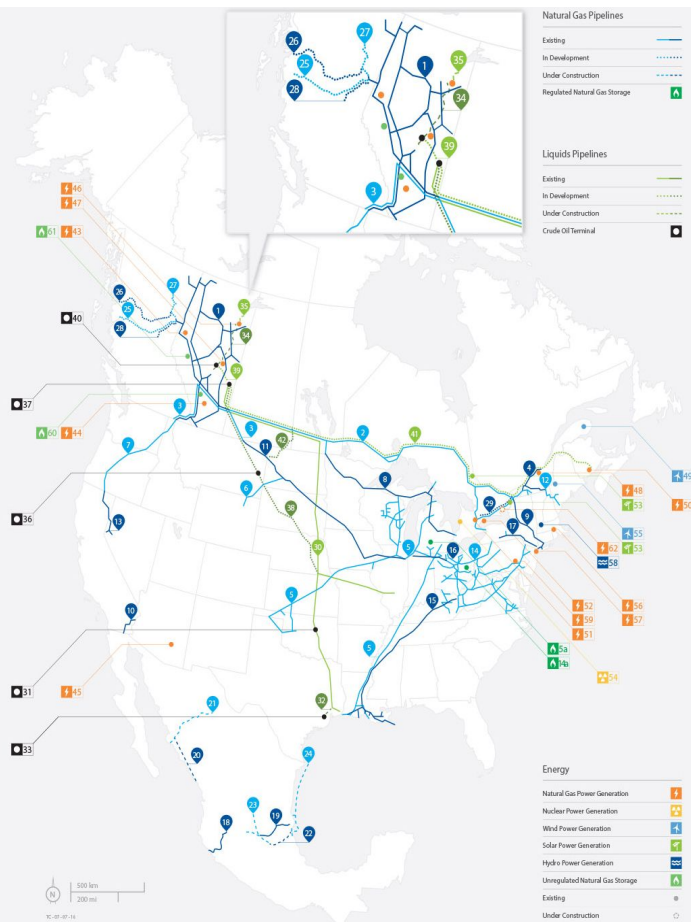
2016 Comparable EBIT



Company Priority

- **Safety**
- **Maximize the Value of Our Existing Businesses**
- **Complete Construction**
- **Deliver New Opportunities**
- **Maintain Financial Strength**

Asset Map



Natural Gas Pipelines

Canadian Pipelines

- 1 NGTL System
- 2 Canadian Mainline
- 3 Foothills
- 4 Trans Quebec & Maritimes (TQM)

U.S. Pipelines

- 5 ANR Pipeline
- 5a ANR Regulated Natural Gas Storage
- 6 Bison
- 7 Gas Transmission Northwest (GTN)
- 8 Great Lakes
- 9 Iroquois
- 10 North Baja
- 11 Northern Border
- 12 Portland
- 13 Tuscarora
- 14 Columbia Gas Transmission
- 14a Columbia Regulated Natural Gas Storage
- 15 Columbia Gulf Transmission
- 16 Crossroads Pipeline
- 17 Millenium Pipeline

Under Construction

- 20 Mazatlan Pipeline
- 21 Topolobampo Pipeline
- 22 Tuxpan-Tula Pipeline
- 23 Tula - Villa de Reyes
- 24 Sur de Texas

In Development

- 25 Coastal GasLink
- 26 Prince Rupert Gas Transmission
- 27 North Montney Mainline
- 28 Merrick Mainline
- 29 Eastern Mainline

Liquids Pipelines

Canadian/U.S. Pipelines

- 25 Keystone Pipeline System
- 26 Cushing Marketlink

Under Construction

- 27 Houston Lateral
- 28 Houston Terminal
- 29 Keystone Hardisty Terminal
- 30 Grand Rapids Pipeline
- 31 Northern Courier Pipeline

In Development

- 32 Bakken Marketlink
- 33 Keystone XL
- 34 Heartland Pipeline
- 35 TC Terminals
- 36 Energy East Pipeline
- 37 Upland Pipeline

Energy

Canadian - Western Power

- 43 Bear Creek
- 44 Carseland
- 45 Coolidge¹
- 46 Mackay River
- 47 Redwater

Canadian - Eastern Power

- 48 Bécancour
- 49 Cartier Wind
- 50 Grandview
- 51 Halton Hills
- 52 Portlands Energy
- 53 Ontario Solar (8 Facilities)

Bruce Power

- 54 Bruce

U.S. Power

- 55 Kibby Wind
- 56 Ocean State Power
- 57 Ravenswood
- 58 TC Hydro
- 59 Ironwood

Unregulated Natural Gas Storage

- 60 CrossAlta
- 61 Edson

Under Construction

- 62 Napanee

Projects

Advancing \$25 Billion Near-Term Capital Program



Project	Estimated Capital Cost*	Invested to Date	Expected In-Service Date*
Columbia	US\$7.1	US\$1.9	2017-2020
NGTL System	7.1	1.2	2017-2021
Canadian Mainline	0.3	0.1	2017-2018
Tula	US\$0.6	US\$0.4	2018
Villa de Reyes	US\$0.6	US\$0.3	2018
Sur de Texas	US\$1.3	US\$0.2	2018
Grand Rapids	0.9	0.8	2017
Northern Courier	1.0	0.9	2017
White Spruce	0.2	-	2018
Napanee	1.1	0.7	2018
Bruce Power Life Extension	1.1	0.1	Up to 2020+
Foreign Exchange Impact (1.33 exchange rate)	3.2	0.9	-
Total Canadian Equivalent	24.5	7.5	

* TransCanada share in billions of dollars. Certain projects are subject to various conditions including corporate and regulatory approvals.

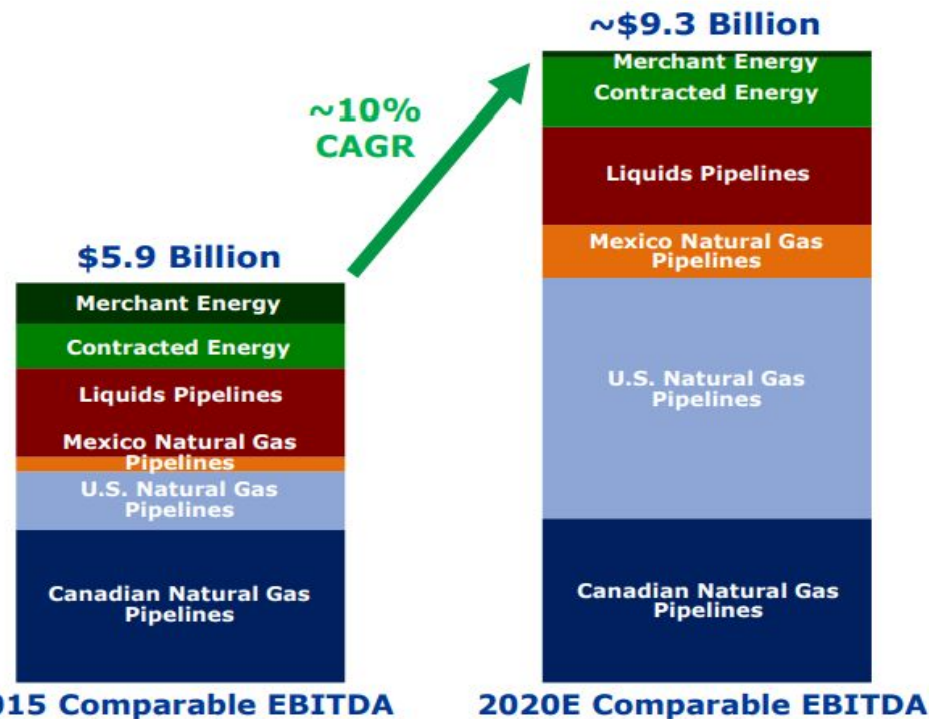
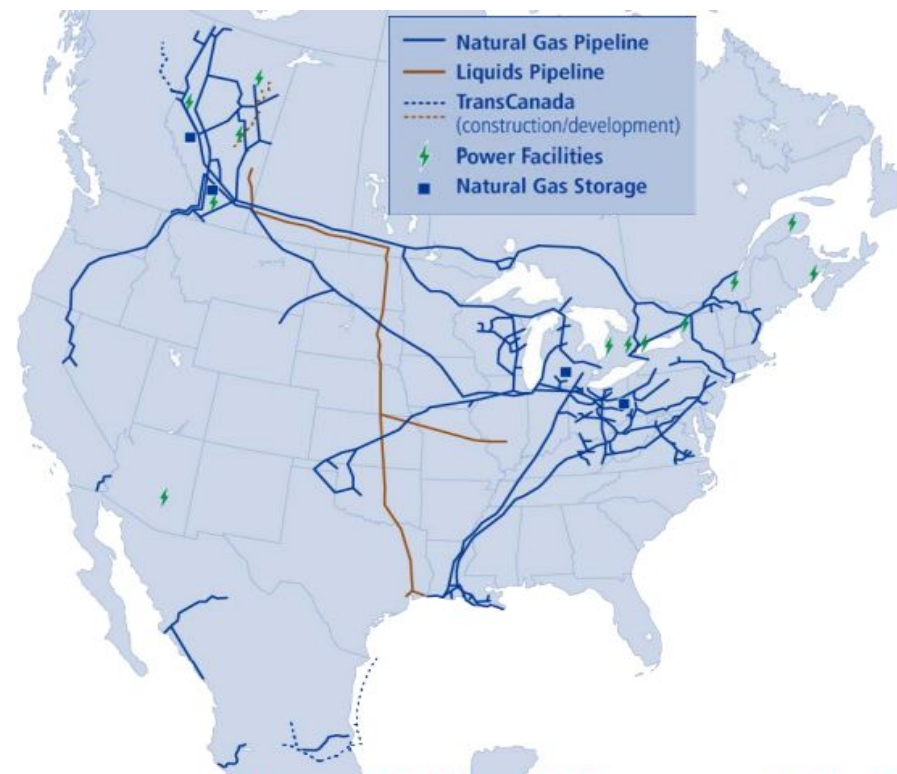
Underpinned by Long-Term Contracts or Cost-of-Service Regulation

Columbia - Premium Natural Gas Pipeline Network

- **Strong incumbency position in U.S. Northeast**
 - Well situated to connect Marcellus and Utica supply to domestic and LNG export markets
- **Realizing US\$250 million of annualized benefits with full impact expected in 2018**
- **Advancing US\$7.1 billion near-term capital program**
 - Projects underpinned by long-term contracts
 - US\$2.3 billion expected to be in service in 2017
- **Appalachian production expected to grow from ~20 bcf/d in 2015 to over 30 bcf/d by 2020**
 - Additional investment opportunities expected to connect growing supply to market



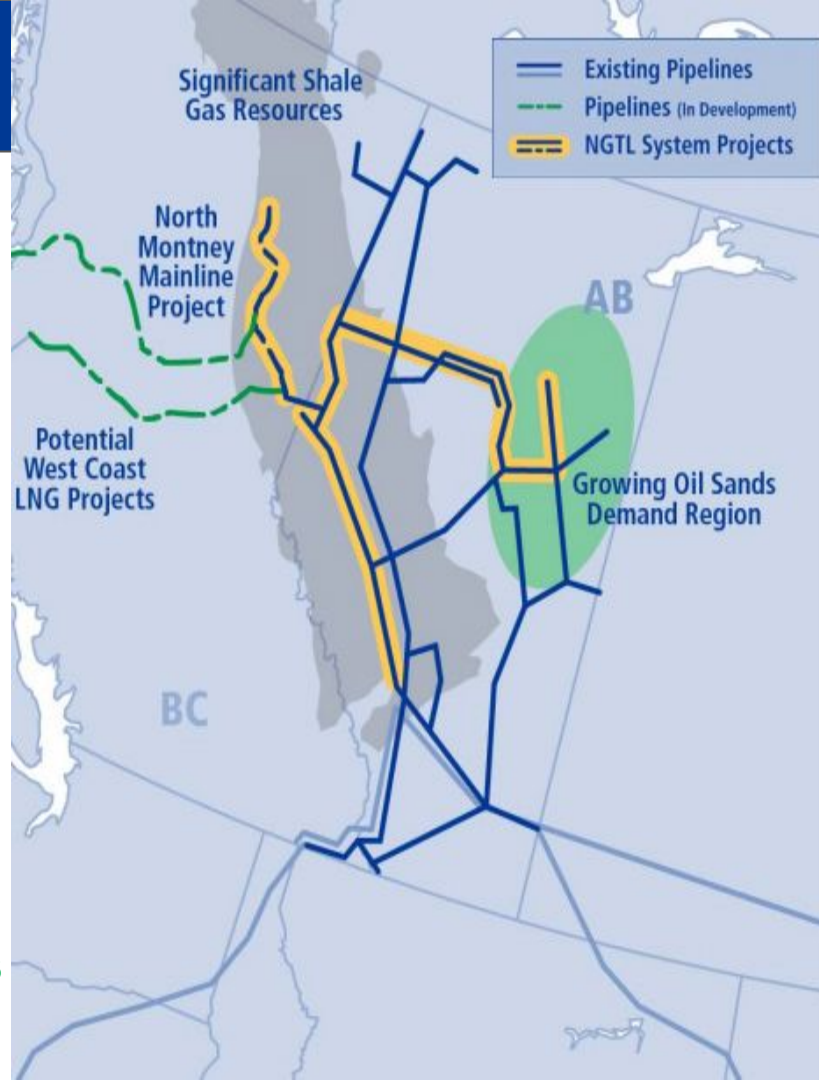
Columbia Acquisition & Near-term Capital Program Drive Significant Growth



Over 95% of Comparable EBITDA to come from Regulated or Long-Term Contracted Assets

NGTL System's Unparalleled Footprint

- **Primary transporter of WCSB supply**
 - Key connections to Alberta and export markets
 - Field receipts averaged ~11.5bcf/d in Q1 2017
 - Intra-Alberta peak day deliveries in excess of 6.5 bcf/d
- **\$7.1 billion near-term capital program**
 - Expected in service through 2021
 - \$1.6 billion of new facilities entering service in 2017
 - Recently announced \$2 billion capacity expansion
- **Additional investment expected to connect growing supply to local and downstream markets**
- **Well situated for West Coast LNG exports**



Mexico - Solid Position & Growing

- Four revenue-generating pipelines
 - Tamazunchale - Guadalajara
 - Mazatlán - Topolobampo
- Three new projects expected to enter service in 2018 will increase portfolio to ~US\$5 billion
 - Tula - US\$0.6 billion
 - Villa de Reyes - US\$0.6 billion
 - Sur de Texas - US\$1.3 billion
- All underpinned by long-term contracts with the comisión Federal de Electricidad
- Once completed, portfolio expected to generate annual EBITDA of ~US\$575 million
- Well positioned to connect U.S. natural gas supply to growing power generation and industrial markets in central Mexico

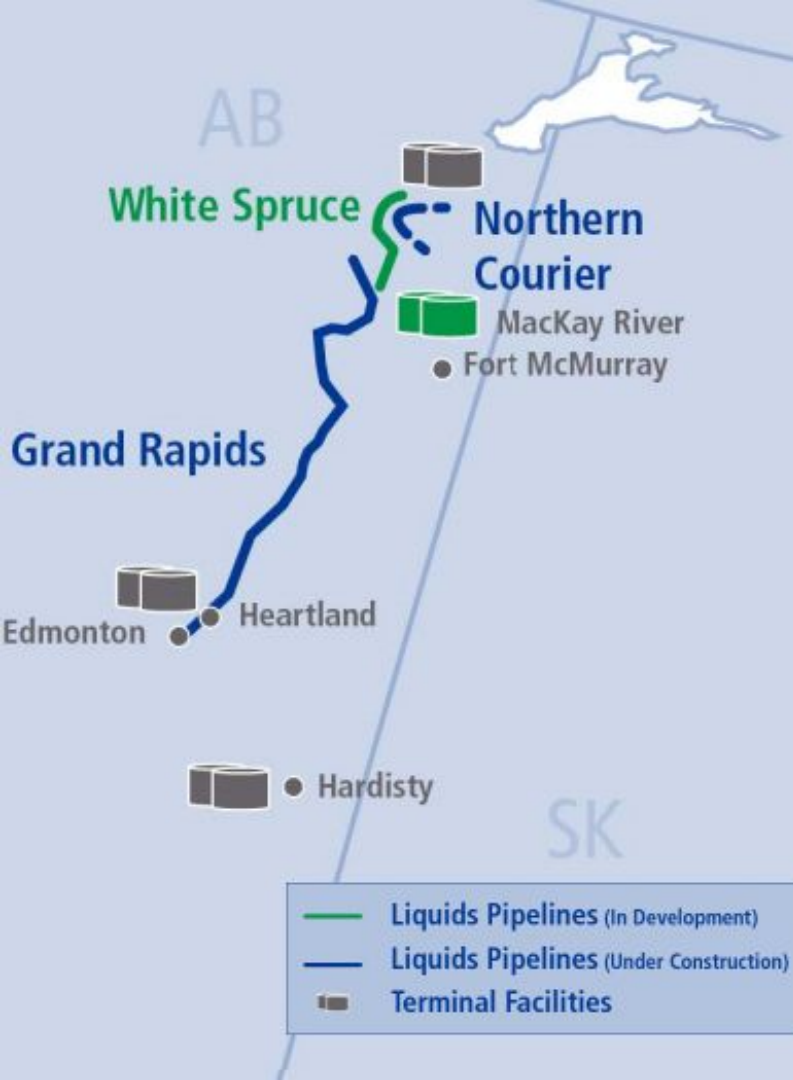


Keystone - Premier Liquids Pipelines Business



- 545,000 bbl/d of long-term, long-haul contracts with fixed monthly payments
- Transports ~20% of western Canadian crude oil exports
- Provides market access to ~6 million bbl/d of refining capacity
- Safely moved over 1.5 billion barrels since operations commenced
- New market connections could provide opportunities for growth

Building a Regional Liquids Pipeline System



- Construction of \$1 billion Northern Courier advancing
 - 25-year contract with Fort Hills Partnership
 - Expected to be in-service in 2017
- Construction of \$900 million Grand Rapids project progressing
 - 50/50 joint venture and 25-year contract with Brion Energy
 - Expected to be in-service in 2017
- \$200 million White Spruce pipeline will transport crude oil to the Grand Rapids system and is expected to be in-service in 2018
- Additional market connections could provide opportunities for growth

Well Established Energy Platform

- Completed sale of U.s. Northeast Power assets
 - Columbia acquisition bridge facilities fully retired
 - Monetization of marketing business also underway
- Balance of portfolio underpinned primarily by long-term contracts with solid counterparties
 - 6,200 MW of power generation
 - 118 bcf of natural gas storage capacity
 - Generated EBITDA of \$765 million in 2016
- Construction progressing on \$1.1 billion Napanee project; expected in-service in 2018
- Work continues on Bruce Power refurbishment
- Continue to pursue contracted growth opportunities in our core geographies
- ~95% of generating capacity underpinned by long-term contracts



Funding Program for Near-term Growth Portfolio

\$Billions

35

30

25

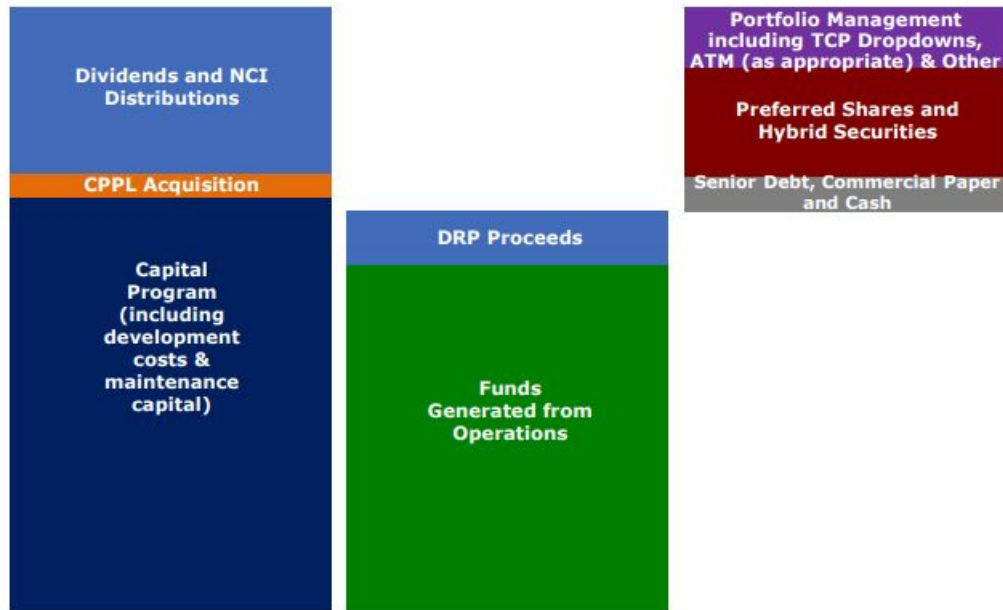
20

15

10

5

0



2017 – 2019 Outlook

Numerous Levers Available to Fund Near-Term Capital Program

- Strong, predictable and growing cash flow from operations
- Dividend Reinvestment Plan
- Access to capital markets including:
 - Senior debt
 - Preferred shares and hybrid securities
- Portfolio management including dropdowns to TC PipeLines, LP
- At-The-Market (ATM) program, as appropriate

Funding Program Manageable

Completion of \$25 Billion Near-Term Capital Program Does Not Require Discrete Equity

Stability and Longevity of Core Asset Base + \$25 Billion of Visible Growth with Upside

Comparable
EBITDA
(\$Billions)

12

10

8

6

4

2

2015

2020E

2025E

■ Cdn Regulated Gas Pipelines
■ Contracted Liquids Pipelines
■ U.S. Gas Pipelines
■ Mexico Gas Pipelines

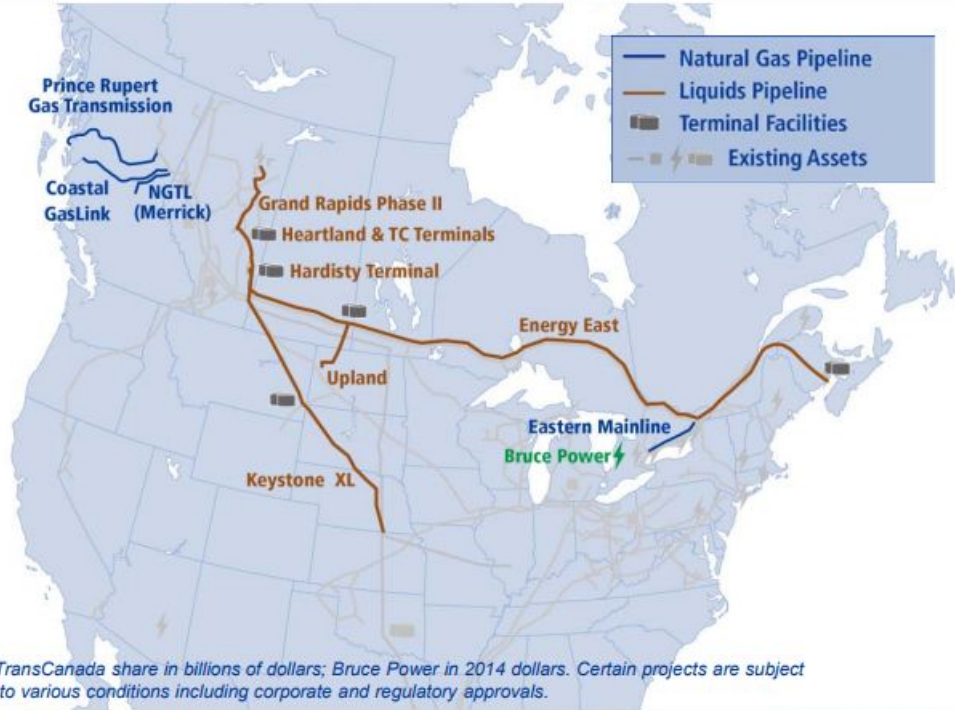
■ Contracted Power
■ Other Variable*
■ New Growth Opportunities

Generated by predictable
cost of service and
long-term contracted
cash flow streams
supported by:

- Solid counterparties
- Minimal volumetric risk
- No commodity price risk

* Includes pipeline capacity not under long-term contract, merchant power and unregulated natural gas storage.

\$45 Billion+ of Long-Term Projects*



• Bruce Power Life Extension Agreement

- First Major Component Replacement outage occurs in 2020
- Expected investment of \$5.3 billion post 2020
- Extends operating life of facility to 2064

• Four transformational projects

- Keystone XL (US\$8 billion)
- Energy East (\$15.7 billion) and related Eastern Mainline Project (\$2.0 billion)
- Prince Rupert Gas Transmission (\$5 billion)
- Coastal GasLink (\$4.8 billion)

* TransCanada share in billions of dollars; Bruce Power in 2014 dollars. Certain projects are subject to various conditions including corporate and regulatory approvals.



Medium- to Longer-Term Projects

at March 31, 2017 (unaudited - billions of \$)		Estimated project cost	Carrying value
	Segment		
Heartland and TC Terminals	Liquids Pipelines	0.9	0.1
Upland	Liquids Pipelines	US 0.6	—
Grand Rapids Phase 2 ¹	Liquids Pipelines	0.7	—
Bruce Power - life extension ¹	Energy	5.3	—
Keystone projects			
Keystone XL ²	Liquids Pipelines	US 8.0	US 0.3
Keystone Hardisty Terminal ²	Liquids Pipelines	0.3	0.1
Energy East projects			
Energy East ³	Liquids Pipelines	15.7	0.8
Eastern Mainline	Canadian Natural Gas Pipelines	2.0	0.1
BC west coast LNG-related projects			
Coastal GasLink	Canadian Natural Gas Pipelines	4.8	0.4
Prince Rupert Gas Transmission	Canadian Natural Gas Pipelines	5.0	0.5
NGTL System - Merrick	Canadian Natural Gas Pipelines	1.9	—
		45.2	2.3
Foreign exchange impact on medium to longer-term projects ⁴		2.8	0.1
Total medium to longer-term projects (billions of Cdn\$)		48.0	2.4

Management

Russell K. Girling

President and Chief Executive Officer (since 2010), and Director

- Joined TransCanada in 1994 as Executive VP (Power)
- Previously served as COO and President (Pipelines), CFO, Executive VP (Corporate Development), and President (Gas Services)
- Prior to joining TransCanada, he worked at Suncor Inc., Northridge Petroleum, and Dome Petroleum
- Former Chairman of the Interstate Natural Gas Association of America and the Natural Gas Council
- Former Director of the Canada Energy Pipeline Association
- Holds Bachelor of Commerce degree and Master of Business Administration in Finance from University of Calgary



Karl Johansson

Executive Vice-President and President (Natural Gas Pipelines)

- Responsible for TransCanada's natural gas pipelines and regulates natural gas storage business in Canada, U.S., and Mexico
- Joined TransCanada in 1990 and has over 25 years of experience in marketing and trading energy products in Canada and U.S.
- Served as Senior VP (Canadian and Eastern U.S. Pipeline, and Canadian Power) prior to his current appointment
- Holds a Master of Business Administration from Haskayne School of Business, Arts Degree from University of Calgary, and is a graduate of Harvard Business School's General Management program



Stan Chapman

Executive Vice-President and President (U.S. Natural Gas Pipelines since April 2017)

- Responsible for all pipeline operations and commercial activities across TransCanada's FERC-regulated transmission and storage assets
- Previously served as Senior VP and General Manager of Natural Gas Pipeline
- Joined in July 2016 as a part of Columbia Pipeline Acquisition Group
- Previously served as Columbia's Executive VP and CCO, positions in marketing, supply, regulatory, and business development (El Paso Corp and Tenneco Energy)
- Member of Board of Directors (Interstate Natural Gas Association) and member of Society of Gas Lighters
- Bachelor of Science degree in Economics from Texas A&M University, Master of Business Administration specialized in Finance from University of St. Thomas



Paul Miller

Executive Vice-President and President (Liquids Pipelines)

- Responsible for TransCanada's Liquids transportation business
- Senior VP (Oil Pipelines) accountable for profitability and commercial management of TransCanada's oil pipelines prior to his current appointment
- Joined TransCanada in 1990 and held a variety of progressively senior roles in treasury, finance, corporate development, and business development
- Holds Bachelor of Business Administration from University of Regina and Master of Business Administration from University of Calgary
- A Certified Management Accountant



Donald R. Marchand

Executive Vice-President (Corporate Development) and Chief Financial Officer
(since 2010)

- Responsible for financial reporting, taxation, finance, treasury, risk management, investor relations, strategy, and corporate development for TransCanada
- Joined TransCanada in 1994 and held a variety of progressively more senior roles within the organization
- Served as VP (Finance and Treasury) prior to current appointment
- Member of Calgary Society of Financial Analysts and Institute of Chartered Accountants of Alberta



Kristine L. Delkus

Executive Vice-President (Stakeholder Relations), General counsel, and Chief Compliance Officer

- Responsible for the management of TransCanada's Legal, Internal Audit, Aboriginal Relations, Government Relations, Communications, and Community Engagement functions
- Joined TransCanada in 1995 and has held a variety of progressively senior roles with the organization
- Holds a Bachelor of Arts degree (with Honours) in Public Administration from Carleton University and a Bachelor of Laws degree from the University of Windsor
- Holds bar memberships in New York, Ontario and Alberta



Wendy Hanrahan

Executive Vice-President (Corporate Services)

- Responsible for providing strategic and functional leadership for human resources, business process integration, information systems, supply chain management, aviation, and facilities services
- Joined TransCanada in 1995 and has held a variety of key leadership roles in finance and accounting, corporate strategy, and in the gas transmission business
- Served as VP (Human Resources) and VP (TC PipeLines, LP) prior to her current appointment
- Holds a Bachelor of Science in Business Administration from the University of South Carolina
- Member of the Institute of Chartered Accountants of Alberta



Francois Poirier

Executive Vice-President (Strategy & Corporate Development, since February 2017)

- Provides leadership in the development of TransCanada's long-term strategy and corporate development activities, and oversees performance optimization initiatives
- Served as President (Energy East Pipeline project) prior to this appointment from April 2014 to September 2015, then became Senior VP (Strategy & Corporate Development) in Sept 2015
- Served as investment banker, consultant, and Corporate Director prior to joining TransCanada
- Previously served as President and Head (Investment Banking at Wells Fargo), Group Head (Investment Banking at Morgan Securities), Independent Director (Capital Power Income), Past Chair (North York Harvest Food Bank)
- Holds Master of Business Administration from York University and Bachelor of Operations Research from University of Ottawa



Financial Statements

Balance Sheet - Q1/2017

(unaudited - millions of Canadian \$)		March 31, 2017	December 31, 2016
ASSETS			
Current Assets			
Cash and cash equivalents		894	1,016
Accounts receivable		2,120	2,075
Inventories		384	368
Assets held for sale		3,687	3,717
Other		918	908
		8,003	8,084
Plant, Property and Equipment	net of accumulated depreciation of \$22,696 and \$22,263, respectively	55,353	54,475
Equity Investments		6,262	6,544
Regulatory Assets		1,325	1,322
Goodwill		13,849	13,958
Intangible and Other Assets		3,148	3,026
Restricted Investments		699	642
		88,639	88,051

Balance Sheet - Q1/2017

LIABILITIES		
Current Liabilities		
Notes payable	1,493	774
Accounts payable and other	3,806	3,861
Dividends payable	557	526
Accrued interest	549	595
Liabilities related to assets held for sale	60	86
Current portion of long-term debt	2,669	1,838
	9,134	7,680
Regulatory Liabilities	2,259	2,121
Other Long-Term Liabilities	1,134	1,183
Deferred Income Tax Liabilities	7,749	7,662
Long-Term Debt	36,163	38,312
Junior Subordinated Notes	5,879	3,931
	62,318	60,889
Common Units Subject to Rescission or Redemption	82	1,179
EQUITY		
Common shares, no par value	20,308	20,099
Issued and outstanding:	March 31, 2017 - 867 million shares	
	December 31, 2016 - 864 million shares	
Preferred shares	3,980	3,980
Additional paid-in capital	—	—
Retained earnings	1,115	1,138
Accumulated other comprehensive loss	(992)	(960)
Controlling Interests	24,411	24,257
Non-controlling interests	1,828	1,726
	26,239	25,983
	88,639	88,051

Balance Sheet - Annual

at December 31		
(millions of Canadian \$)	2016	2015
ASSETS		
Current Assets		
Cash and cash equivalents	1,016	850
Accounts receivable	2,075	1,387
Inventories	368	323
Assets held for sale (Note 6)	3,717	20
Other (Note 7)	908	1,338
	8,084	3,918
Plant, Property and Equipment (Note 8)	54,475	44,817
Equity Investments (Note 9)	6,544	6,214
Regulatory Assets (Note 10)	1,322	1,184
Goodwill (Note 11)	13,958	4,812
Intangible and Other Assets (Note 12)	3,026	3,102
Restricted Investments	642	351
	88,051	64,398

Acquisition of Columbia
See 2 slides down

Balance Sheet - Annual

LIABILITIES		
Current Liabilities		
Notes payable (Note 13)	774	1,218
Accounts payable and other (Note 14)	3,861	2,653
Dividends payable	526	385
Accrued interest	595	520
Liabilities related to assets held for sale (Note 6)	86	39
Current portion of long-term debt (Note 17)	1,838	2,547
	7,680	7,362
Regulatory Liabilities (Note 10)	2,121	1,159
Other Long-Term Liabilities (Note 15)	1,183	1,260
Deferred Income Tax Liabilities (Note 16)	7,662	5,144
Long-Term Debt (Note 17)	38,312	28,909
Junior Subordinated Notes (Note 18)	3,931	2,409
	60,889	46,243
Common Units Subject to Rescission or Redemption (Note 19)	1,179	—
EQUITY		
Common shares, no par value (Note 20)	20,099	12,102
Issued and outstanding:	December 31, 2016 – 864 million shares December 31, 2015 – 703 million shares	
Preferred shares (Note 21)	3,980	2,499
Additional paid-in capital	—	7
Retained earnings	1,138	2,769
Accumulated other comprehensive loss (Note 22)	(960)	(939)
Controlling Interests	24,257	16,438
Non-controlling interests (Note 19)	1,726	1,717
	25,983	18,155
	88,051	64,398

Due to Columbia Acquisition

Due to Columbia Acquisition
See 2 slides down

Note 11 - Goodwill

Note 5 - Acquisition of Columbia

11. GOODWILL

The Company has recorded the following Goodwill on its acquisitions in the U.S.:

(millions of Canadian \$)	U.S. Natural Gas Pipelines	Energy	Total
Balance at January 1, 2015	3,074	960	4,034
Foreign exchange rate changes	593	185	778
Balance at December 31, 2015	3,667	1,145	4,812
Acquisition of Columbia (Note 5)	10,078	—	10,078
Impairment charge	—	(1,085)	(1,085)
Foreign exchange rate changes	213	(60)	153
Balance at December 31, 2016	13,958	—	13,958

5. ACQUISITION OF COLUMBIA

- 100% ownership for purchase price US\$10.3 billion in cash
- Financed US\$6.9 billion from draws on acquisition bridge facilities and existing cash on hand
- Financed US\$4.4 billion from sale of subscription receipts
 - Closing of acquisition were exchanged into 96.6 million common shares of TransCanada

Note 20 - Common Shares

20. COMMON SHARES

	Number of Shares (thousands)	Amount (millions of Canadian \$)
Outstanding at January 1, 2014	707,441	12,149
Exercise of options	1,221	53
Outstanding at December 31, 2014	708,662	12,202
Exercise of options	737	30
Repurchase of shares	(6,785)	(130)
Outstanding at December 31, 2015	702,614	12,102
Issued under public offerings ¹	156,825	7,752
Dividend reinvestment and share purchase plan	2,942	177
Exercise of options	1,683	74
Repurchase of shares	(305)	(6)
Outstanding at December 31, 2016	863,759	20,099

Income Statement - Annual

year ended December 31			
(millions of Canadian \$, except per share amounts)	2016	2015	2014
Revenues (Note 1)			
Canadian Natural Gas Pipelines	3,682	3,680	3,557
U.S. Natural Gas Pipelines	2,526	1,444	1,159
Mexico Natural Gas Pipelines	378	259	197
Liquids Pipelines	1,755	1,879	1,547
Energy	4,164	4,038	3,725
	12,505	11,300	10,185
Income from Equity Investments (Note 9)	514	440	522
Operating and Other Expenses			
Plant operating costs and other	3,819	3,250	2,973
Commodity purchases resold	2,172	2,237	1,836
Property taxes	555	517	473
Depreciation and amortization	1,939	1,765	1,611
Goodwill and other asset impairment charges (Note 8, 11 and 12)	1,388	3,745	—
	9,873	11,514	6,893

Income Statement - Annual

(Loss)/Gain on Assets Held for Sale/Sold (Notes 6 and 26)	(833)	(125)	117
Financial Charges			
Interest expense (Note 17)	1,998	1,370	1,198
Allowance for funds used during construction	(419)	(295)	(136)
Interest income and other	(103)	132	45
	1,476	1,207	1,107
Income/(Loss) before Income Taxes	837	(1,106)	2,824
Income Tax Expense/(Recovery) (Note 16)			
Current	156	136	145
Deferred	196	(102)	686
	352	34	831
Net Income/(Loss)	485	(1,140)	1,993
Net Income attributable to non-controlling interests (Note 19)	252	6	153
Net Income/(Loss) Attributable to Controlling Interests	233	(1,146)	1,840
Preferred share dividends	109	94	97
Net Income/(Loss) Attributable to Common Shares	124	(1,240)	1,743
Net Income/(Loss) per Common Share (Note 20)			
Basic and diluted	\$0.16	(\$1.75)	\$2.46

Income Statement - Q1/2017

(unaudited - millions of Canadian \$, except per share amounts)	three months ended March 31	
	2017	2016
Revenues		
Canadian Natural Gas Pipelines	882	818
U.S. Natural Gas Pipelines	994	429
Mexico Natural Gas Pipelines	143	66
Liquids Pipelines	472	436
Energy	900	754
	3,391	2,503
Income from Equity Investments	174	135
Operating and Other Expenses		
Plant operating costs and other	990	715
Commodity purchases resold	543	470
Property taxes	162	141
Depreciation and amortization	517	454
Asset impairment charges	—	211
	2,212	1,991

Income Statement - Q1/2017

Loss on sale of assets	—	(4)
Financial Charges		
Interest expense	500	420
Allowance for funds used during construction	(101)	(101)
Interest income and other	(20)	(100)
	379	219
Income before Income Taxes	974	424
Income Tax Expense		
Current	67	34
Deferred	133	36
	200	70
Net Income	774	354
Net income attributable to non-controlling interests	90	80
Net Income Attributable to Controlling Interests	684	274
Preferred share dividends	41	22
Net Income Attributable to Common Shares	643	252
Net Income per Common Share		
Basic and diluted	\$0.74	\$0.36
Dividends Declared per Common Share	\$0.625	\$0.565
Weighted Average Number of Common Shares (millions)		
Basic	866	702
Diluted	868	703

Statement of Cash Flows - Annual

year ended December 31			
(millions of Canadian \$)	2016	2015	2014
Cash Generated from Operations			
Net income/(loss)	485	(1,140)	1,993
Depreciation and amortization	1,939	1,765	1,611
Goodwill and other asset impairment charges (Notes 8, 11 and 12)	1,388	3,745	—
Deferred income taxes (Note 16)	196	(102)	686
Income from equity investments (Note 9)	(514)	(440)	(522)
Distributions received from operating activities of equity investments (Note 9)	844	793	726
Employee post-retirement benefits expense, net of funding (Note 23)	(3)	44	37
Loss/(gain) on assets held for sale/sold (Notes 6 and 26)	833	125	(117)
Equity allowance for funds used during construction	(253)	(165)	(95)
Unrealized (gains)/losses on financial instruments	(149)	58	74
Other	55	47	22
Decrease/(increase) in operating working capital (Note 25)	248	(346)	(189)
Net cash provided by operations	5,069	4,384	4,226
Investing Activities			
Capital expenditures (Note 4)	(5,007)	(3,918)	(3,489)
Capital projects in development (Note 4)	(295)	(511)	(848)
Contributions to equity investments (Note 9)	(765)	(493)	(256)
Acquisitions, net of cash acquired (Note 5 and 26)	(13,608)	(236)	(241)
Proceeds from sale of assets, net of transaction costs (Note 26)	6	—	196
Other distributions from equity investments (Note 9)	727	9	12
Deferred amounts and other	159	270	335
Net cash used in investing activities	(18,783)	(4,879)	(4,291)

Statement of Cash Flows - Annual

Financing Activities

Notes payable (repaid)/issued, net	(329)	(1,382)	544
Long-term debt issued, net of issue costs	12,333	5,045	1,403
Long-term debt repaid	(7,153)	(2,105)	(1,069)
Junior subordinated notes issued, net of issue costs	1,549	917	—
Dividends on common shares	(1,436)	(1,446)	(1,345)
Dividends on preferred shares	(100)	(92)	(94)
Distributions paid to non-controlling interests	(279)	(224)	(178)
Common shares issued, net of issue costs	7,747	27	47
Common shares repurchased (Note 20)	(14)	(294)	—
Preferred shares issued, net of issue costs	1,474	243	440
Partnership units of subsidiary issued, net of issue costs	215	55	79
Preferred shares of subsidiary redeemed (Note 19)	—	—	(200)
Net cash provided by/(used in) financing activities	14,007	744	(373)
Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	(127)	112	—
Increase/(Decrease) in Cash and Cash Equivalents	166	361	(438)
Cash and Cash Equivalents			
Beginning of year	850	489	927
Cash and Cash Equivalents			
End of year	1,016	850	489

Statement of Cash Flows - Q1/2017

(unaudited - millions of Canadian \$)	three months ended March 31	
	2017	2016
Cash Generated from Operations		
Net income	774	354
Depreciation and amortization	517	454
Asset impairment charges	—	211
Deferred income taxes	133	36
Income from equity investments	(174)	(135)
Distributions received from operating activities of equity investments	219	259
Employee post-retirement benefits expense, net of funding	3	11
Loss on sale of assets	—	4
Equity allowance for funds used during construction	(64)	(57)
Unrealized losses on financial instruments	41	71
Other	8	5
Increase in operating working capital	(155)	(132)
Net cash provided by operations	1,302	1,081
Investing Activities		
Capital expenditures	(1,560)	(836)
Capital projects in development	(42)	(67)
Contributions to equity investments	(192)	(170)
Acquisitions, net of cash acquired	—	(995)
Proceeds from sale of assets, net of transaction costs	—	6
Other distributions from equity investments	363	—
Deferred amounts and other	(85)	52
Net cash used in investing activities	(1,516)	(2,010)

Statement of Cash Flows - Q1/2017

Financing Activities		
Notes payable issued, net	670	1,176
Long-term debt issued, net of issue costs	—	1,992
Long-term debt repaid	(1,051)	(1,357)
Junior subordinated notes issued, net of issue costs	1,982	—
Dividends on common shares	(300)	(365)
Dividends on preferred shares	(39)	(23)
Distributions paid to non-controlling interests	(80)	(62)
Common shares issued, net of issue costs	18	3
Common shares repurchased	—	(14)
Partnership units of TC PipeLines, LP issued, net of issue costs	92	24
Common units of Columbia Pipeline Partners LP acquired	(1,205)	—
Net cash provided by financing activities	87	1,374
Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		
	5	(57)
(Decrease)/increase in Cash and Cash Equivalents	(122)	388
Cash and Cash Equivalents		
Beginning of period	1,016	850
Cash and Cash Equivalents		
End of period	894	1,238

Recommendation

HOLD