

NEW BUSINESS ACTIVITIES

1. In response to the *Climate Change Mitigation and Low-carbon Economy Act, 2016* (“Climate Change Act”) and the Province’s Climate Change Action Plan (“CCAP”), Enbridge has begun the process of evaluating longer-term Greenhouse Gas (“GHG”) emission reduction strategies, some of which would entail the investment in capital assets and infrastructure. This infrastructure is likely to be long lived and as such it would be appropriate to recover the cost of these assets and their related operating and maintenance costs over a number of years. This has been contemplated by the Board in its Framework, where the Board indicates that it expects natural gas distribution utilities to make longer-term investments related to GHG mitigation. The Board also states that where the life of these investments or activities is to extend beyond three years or longer, or at least as long as a single Compliance Period, the Board will consider such investments or activities as part of a utility’s long-term strategy for compliance.
2. As noted, Enbridge has begun to investigate potential longer-term GHG emission mitigation strategies. Some are likely to entail the investment in plant and equipment designed to either reduce fugitive emissions stemming from the operation of the Company’s natural gas distribution system. Others are intended to result in reduced GHG emissions due to reduced consumption of natural gas by its customers. Although the Company has a number of potential GHG mitigation initiatives currently under consideration, Enbridge is not in a position to present specific proposals related to these initiatives to the Board at this time.
3. The Company expects that over the course of the next year, specific plans for GHG mitigation programs and projects will evolve to the point where they can be presented to the Board with intended implementation in the next compliance

periods. Such plans will set out elements of the Company's longer-term GHG mitigation strategy and include forecasts of planned capital and operating expenditures related to such programs or projects. It is the Company's expectation that these plans and related investments will be presented to the Board for consideration as part of a future rate application or project specific leave to construct application.

4. As contemplated in the Framework, certain of the proposals to reduce emissions brought before the Board for consideration by the Company may constitute new business activities. Enbridge has not included any new business activities in this Compliance Plan. The Company expects that some of the carbon abatement initiatives it proposes in the future may constitute new business activities that may not necessarily fit within the scope of the Company's current regulatory construct. If such activities are proposed in a later compliance plan, the Company will seek the required authorization from the Board and/or the provincial government before commencing with such activities.