

FORECASTING PERIOD

1. Enbridge elects, as contemplated by the Framework¹, to file a one-year Compliance Plan for 2018. The Company believes that this is the most reasonable forecasting period given recent market changes and ongoing developments.
2. On September 22, 2017 the Government of Ontario announced² that an agreement has formally been signed, linking Ontario's Cap and Trade market with the California and Québec markets effective January 1, 2018 provided that all legal measures are completed by this date. Enbridge submits that a one-year Compliance Plan is appropriate as linkage becomes finalized and Enbridge develops an understanding of the dynamics associated with this larger multi-jurisdictional market.
3. The Cap and Trade program is new in Ontario and still relatively new in California and Québec. A one-year Compliance Plan will allow Enbridge the required flexibility to adjust for any change in regulations.
4. Although the Company is submitting a one-year Compliance Plan, it should be noted that the Company uses a longer planning horizon when considering financial instrument planning and investments that involve customer and facility abatement.
5. Enbridge's next Compliance Plan, for the remaining years in Ontario's first compliance period, 2019 and 2020, will be submitted on August 1, 2018.

¹ Report of the Board, Regulatory Framework for the Assessment of Costs of Natural Gas Utilities' Cap & Trade Activities, EB-2015-0363, September 26, 2016, p. 16

² <https://news.ontario.ca/opo/en/2017/09/quebec-ontario-and-california-join-forces-to-fight-climate-change.html>

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