

**ASC 715 (US GAAP)
ACTUARIAL VALUATION REPORT
AS AT DECEMBER 31, 2016**
CONSOLIDATED TOTAL FOR ALL PLANS
ENBRIDGE GAS DISTRIBUTION INC.

February 2017

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Report Highlights

Mercer has prepared this report for Enbridge Gas Distribution Inc. and its subsidiary companies (“EGD”) to (i) present actuarial estimates of liabilities as at December 31, 2016, for the following plans: Pension Plan for Employees of Enbridge Gas Distribution Inc. and Affiliates (the “EGD RPP”), Supplemental Executive Retirement Plan of Enbridge Gas Distribution and Affiliates (the “SERP”), Supplementary Senior Executive Retirement Plan of Enbridge Gas Distribution Inc. (the “SSERP”), to incorporate as EGD deems appropriate, in its financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”), and to (ii) provide an actuarial estimate of the net periodic benefit cost for the fiscal year ending December 31, 2017.

The EGD RPP has a defined contribution component as well as a defined benefit component. The results presented in this report consider both components of the EGD RPP. The EGD RPP is funded by contributions from EGD unless it elects to use a funding excess to meet annual contribution requirements. Pension benefits payable from the defined benefit component are based on length of service and final average earnings and are partially indexed for inflation after retirement.

The SERP and the SSERP are closed plans, funded by contributions from EGD as necessary. Pension benefits are based on length of service and final average earnings and are partially indexed for inflation after retirement. There are no longer any active members in the SSERP.

All figures in this report are expressed in Canadian dollars unless otherwise stated.

Please see Section 3 of this report for further explanation as to the purposes and limitations of this report.

Summary of Results

Below are highlights of the results as at December 31, 2016, compared to the corresponding figures as at December 31, 2015.

	Fiscal year ending December 31, 2016	Fiscal year ending December 31, 2015
Net periodic benefit cost (DB)	\$19,345,100	\$31,559,900
Net periodic benefit cost (DC)	\$899,700	\$1,011,800
Benefit obligation	\$1,086,296,300	\$1,015,385,200
Fair value of plan assets	\$988,261,800	\$962,244,600
Funded status	(\$98,034,500)	(\$53,140,600)
Composite discount rate at year-end for all plans	3.91%	4.20%
Composite expected rate of return on assets at year-end for all plans	6.42%	6.41%

As instructed by EGD, the reduction in workforce that occurred in the last quarter of 2016 did not trigger a curtailment. Therefore, the net periodic benefit cost for the fiscal year ending December 31, 2016, includes no charges/credits due to special events.

The estimated net periodic benefit cost for the fiscal year ending December 31, 2017, is \$19,824,300 (DB) and \$851,700 (DC).

Please note that the actual net periodic benefit cost for the fiscal year ending December 31, 2017, may be substantially different from the estimate and may be revised if assets and/or liabilities are remeasured during the year due to a significant event and/or cash flows are updated.

We have not been notified by EGD nor are we aware of any events subsequent to December 31, 2016, which in our opinion would have a material impact on the results of the valuation.

Changes in Plan Provisions

There were no changes in plan provisions since the prior valuation.

Changes in Actuarial Assumptions

The actuarial assumptions changed since the last actuarial valuation as at December 31, 2015. Details are shown in Appendix D.

The approach used for setting the assumptions is similar to the prior year.

Changes in Actuarial Methods

There have been no changes to the actuarial methods since the prior valuation.

Changes in Data

We have incorporated new membership data in the valuation of the benefit obligations as at December 31, 2016 as described in Section 2. In addition, we have updated the value of plans' assets to reflect changes to December 31, 2016.

To our knowledge there have been no other changes since the prior valuation that will affect the valuation results.

Details of the disclosure information are shown in Appendix A. The estimated net periodic benefit cost information for the fiscal year ending December 31, 2017 is shown in Appendix B. Details of plan assets are shown in Appendix C.

Please refer to the remainder of the report for more information about these summary numbers.

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Basis of Valuation

Plan Data

To prepare this report Mercer has used and relied on financial data submitted as at the measurement date by CIBC Mellon without further audit. Customarily, this information would not be verified by a plan's actuary. We have reviewed the information for internal consistency and we have no reason to doubt its substantial accuracy.

Mercer has also used and relied on participant data as described in the funding valuations as at December 31, 2014 and December 31, 2015 as supplied by EGD. The membership data is summarized in Appendix E of the following reports effective December 31, 2015 (the "Funding Reports"):

- The Report on the Actuarial Valuation for Funding Purposes as at December 31, 2015 of the Pension Plan for Employees of Enbridge Gas Distribution Inc. and Affiliates (the "EGD RPP Funding Report"); and
- EGD RPP, SERP and SSERP Preliminary Valuation Results as of December 31, 2015 Presentation dated April 8, 2016

EGD is responsible for ensuring that such participant data provides an accurate description of all persons who are participants under the terms of the plans or otherwise entitled to benefits that is sufficiently comprehensive and accurate for the purposes of this report. If the data supplied are not sufficiently comprehensive and accurate for the purposes of this report, the valuation results may differ significantly from the results that would be obtained with such data; this may require a later revision of this report. We have applied tests for internal consistency, as well as for consistency with the data used for the previous valuation. These tests were applied to membership reconciliation, basic information (date of birth, date of hire, date of membership, gender, etc.), pensionable earnings, credited service, contributions accumulated with interest and pensions to retirees and other members entitled to a deferred pension. Contributions, lump sum payments and pensions to retirees were compared with corresponding amounts reported in financial statements. The results of these tests were satisfactory.

Actuarial Assumptions

To prepare the valuation report, assumptions are used in a forward looking financial and demographic model to present a single scenario from a wide range of possibilities; the results based on that single scenario are included in the valuation. The future is uncertain and the plan's actual experience will differ from those assumptions; these differences may be significant or material because these results are very sensitive to the assumptions made and, in some cases, to the interaction between the assumptions.

Different assumptions or scenarios within the range of possibilities may also be reasonable and results based on those assumptions would be different. As a result of the uncertainty inherent in a forward looking projection over a very long period of time, no one projection is uniquely 'correct' and many alternative projections of the future could also be regarded as reasonable. Two different actuaries could, quite reasonably, arrive at different results based on the same data and different views of the future. A 'sensitivity analysis' shows the degree to which results would be different if you substitute alternative assumptions within the range of possibilities for those utilized in this report.

A sensitivity analysis was performed with respect to the discount rate (-0.5% in discount rate), rate of salary increase (-0.5% in salary increase), and expected return on assets (-0.5% in expected return). Details of this analysis can be found in the disclosure results in Appendix A.

Assumptions may also be changed from one valuation to the next because of changes in mandated requirements, plan experience, changes in expectations about the future and other factors. A change in assumptions is not an indication that prior assumptions were unreasonable when made.

Actuarial Methods

A valuation report is only a snapshot of a plan's estimated financial condition at a particular point in time; it does not predict the plan's future financial condition or its ability to pay benefits in the future and does not provide any guarantee of future financial soundness of the plan. Over time, a plan's total cost will depend on a number of factors, including the amount of benefits the plan pays, the number of people paid benefits, the period of time over which benefits are paid, plan expenses and the amount earned on any assets invested to pay benefits. These amounts and other variables are uncertain and unknowable at the valuation date.

Because modelling all aspects of a situation is not possible or practical, we may use summary information, estimates, or simplifications of estimates to facilitate the modelling of future events in an efficient and cost-effective manner. We may also exclude factors or data that, if used, in our judgment, would not have significantly affected our results. Use of such simplifying techniques does not, in our judgment, affect the reasonableness of valuation results for the plan.

Valuations do not affect the ultimate cost of the plan, only the timing of when benefit costs are recognized. Cost recognition occurs over time. If the costs recognized over a period of years are lower or higher than necessary, for whatever reason, normal and expected practice is to adjust future expense levels with a view to recognizing the entire cost of the plan over time.

As instructed, Mercer has prepared the accounting disclosures in this report based on EGD's accounting policies.

A summary of the actuarial methods, accounting policies and valuation procedures is provided in Appendix E.

Plan Provisions

Mercer has used and relied on the plan documents, including amendments, and interpretations of plan provisions, supplied by EGD as summarized in the following reports:

- Appendix F of the EGD RPP Funding Report for the EGD RPP;
- Appendix F of The Report on the Actuarial Valuation for Funding Purposes as at December 31, 2013 of the Supplementary Executive Retirement Plan of Enbridge Gas Distribution Inc. and Affiliates; and
- Appendix E of The Report on the Actuarial Valuation for Funding Purposes as at December 31, 2013 of the Supplementary Senior Executive Retirement Plan of Enbridge Gas Distribution Inc.

EGD is solely responsible for the validity, accuracy and comprehensiveness of this information. If any plan provisions supplied are not accurate and complete, the valuation results may differ significantly from the results that would be obtained with accurate and complete information. Moreover, plan documents may be subject to different interpretations, each of which could be reasonable, and the results under each of the different interpretations could vary.

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Notices and Professional Qualifications

Mercer has prepared this report exclusively for EGD; subject to this limitation, EGD may direct that this report be provided to its auditors in connection with the audit of its financial statements. Mercer is not responsible for use of this report by any other party.

The only purposes of this report are to present actuarial estimates of liabilities as at December 31, 2016, for the following plans: EGD RPP, SERP and SSERP, to be incorporated, as EGD deems appropriate, in its financial statements prepared in accordance with US GAAP standards, and to provide an actuarial estimate of the net periodic benefit cost for the fiscal year ending December 31, 2017.

This report may not be used for any other purpose. Mercer is not responsible for the consequences of any unauthorized use. Its content may not be modified, incorporated into or used in other material, sold or otherwise provided, in whole or in part, to any other person or entity, without Mercer's permission.

The rationale for significant assumptions used as at December 31, 2016 and for which we assisted EGD is summarized in Appendix D.

This report was prepared in accordance with generally accepted actuarial principles and procedures. The actuarial assumptions were selected by EGD. Based on the information provided to us, we believe that the actuarial assumptions are reasonable for purposes described in this report.

All parts of this report, including any documents incorporated by reference, are integral to understanding and explaining its contents; no part may be taken out of context, used, or relied upon without reference to the report as a whole.

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

EGD is ultimately responsible for selecting the plan's accounting policies, methods, and assumptions. This information is referenced or described in Section 2 of this report. EGD is solely responsible for communicating to Mercer any changes required to those policies, methods and assumptions.

EGD is solely responsible for selecting the plan's investment policies, asset allocations and individual investments. The Mercer actuaries who prepared this report have not provided any investment advice to EGD.

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

EGD should notify Mercer promptly after receipt of this valuation report if EGD disagrees with anything contained herein or is aware of any information that would affect the results of this report that has not been communicated to Mercer or incorporated therein. The valuation report will be deemed final and acceptable to EGD unless EGD promptly provides such notice to Mercer.

Professional Qualifications

I am available to answer any questions on the material contained in this report, or to provide explanations or further details as may be appropriate. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report. I am not aware of any direct or material indirect financial interest or relationship, including investments or other services that could create a conflict of interest, that would impair the objectivity of this work.



February 7, 2017

Benedict O. Ukonga

Date

FSA, FCIA

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APPENDIX A

Disclosure Information

Plan Name: Fiscal year ending on	EGD RPP		SERP		SSERP		All Plans	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015
A. Change in benefit obligation								
1. Benefit obligation at beginning of year	996,001,600	1,017,628,800	15,301,600	16,076,600	4,082,000	4,334,200	1,015,385,200	1,038,039,600
2. Service cost	30,947,700	34,110,000	-	-	-	-	30,947,700	34,110,000
3. Interest cost	34,101,400	39,882,100	476,900	623,400	110,800	165,600	34,689,100	40,671,100
4. Employee contributions	-	-	-	-	-	-	-	-
5. Plan amendments	-	-	-	-	-	-	-	-
6. Plan curtailments	-	-	-	-	-	-	-	-
7. Plan settlements	-	-	-	-	-	-	-	-
8. Special termination benefits	-	-	-	-	-	-	-	-
9. Benefits paid from the plan	(44,758,400)	(41,585,000)	(1,003,500)	(970,600)	(399,300)	(396,500)	(46,161,200)	(42,952,100)
10. Medicare subsidies received	-	-	-	-	-	-	-	-
11. Expenses paid	-	-	-	-	-	-	-	-
12. Taxes paid	-	-	-	-	-	-	-	-
13. Premiums paid	-	-	-	-	-	-	-	-
14. Net transfer in/(out)	-	-	-	-	-	-	-	-
15. Plan combinations	-	-	-	-	-	-	-	-
16. Actuarial loss (gain)	50,101,000	(54,034,300)	967,000	(427,800)	367,500	(21,300)	51,435,500	(54,483,400)
17. Exchange rate changes	-	-	-	-	-	-	-	-
18. Benefit obligation at end of year	1,066,393,300	996,001,600	15,742,000	15,301,600	4,161,000	4,082,000	1,086,296,300	1,015,385,200
B. Change in plan assets								
1. Fair value of plan assets at beginning of year	937,095,800	930,244,200	17,022,900	17,284,300	8,125,900	8,194,400	962,244,600	955,722,900
2. Actual return on plan assets	71,113,400	48,436,600	667,900	554,100	386,200	328,000	72,167,500	49,318,700
3. Employer contributions to plan	-	-	10,900	155,100	-	-	10,900	155,100
4. Employee contributions	-	-	-	-	-	-	-	-
5. Plan settlements	-	-	-	-	-	-	-	-
6. Benefits paid from the plan	(44,758,400)	(41,585,000)	(1,003,500)	(970,600)	(399,300)	(396,500)	(46,161,200)	(42,952,100)
7. Medicare subsidies received	-	-	-	-	-	-	-	-
8. Expenses paid	-	-	-	-	-	-	-	-
9. Taxes paid	-	-	-	-	-	-	-	-
10. Premiums paid	-	-	-	-	-	-	-	-
11. Acquisitions / divestitures	-	-	-	-	-	-	-	-
12. Plan combinations	-	-	-	-	-	-	-	-
13. Adjustments	-	-	-	-	-	-	-	-
14. Exchange rate changes	-	-	-	-	-	-	-	-
15. Fair value of plan assets at end of year	963,450,800	937,095,800	16,698,200	17,022,900	8,112,800	8,125,900	988,261,800	962,244,600

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**ENBRIDGE GAS DISTRIBUTION INC.
CONSOLIDATED TOTAL FOR ALL PLANS**

Plan Name: Fiscal year ending on	EGD RPP		SERP		SSERP		All Plans	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015
C. Reconciliation of funded status								
1. Fair value of plan assets	963,450,800	937,095,800	16,698,200	17,022,900	8,112,800	8,125,900	988,261,800	962,244,600
2. Benefit obligations	1,066,393,300	996,001,600	15,742,000	15,301,600	4,161,000	4,082,000	1,086,296,300	1,015,385,200
3. Funded status (plan assets less benefit obligations)	(102,942,500)	(58,905,800)	956,200	1,721,300	3,951,800	4,043,900	(98,034,500)	(53,140,600)
4. Contributions and distributions made by company from measurement date to fiscal year end	-	-	-	-	-	-	-	-
5. Net asset (obligation) recognized in statement of financial position	<u>(102,942,500)</u>	<u>(58,905,800)</u>	<u>956,200</u>	<u>1,721,300</u>	<u>3,951,800</u>	<u>4,043,900</u>	<u>(98,034,500)</u>	<u>(53,140,600)</u>
D. Amounts recognized on the consolidated balance sheet position consists of								
1. Noncurrent assets	-	-	956,200	1,721,300	3,951,800	4,043,900	4,908,000	5,765,200
2. Current liabilities	-	-	-	-	-	-	-	-
3. Noncurrent liabilities	(102,942,500)	(58,905,800)	-	-	-	-	(102,942,500)	(58,905,800)
4. Net asset (obligation) recognized in statement of financial position	<u>(102,942,500)</u>	<u>(58,905,800)</u>	<u>956,200</u>	<u>1,721,300</u>	<u>3,951,800</u>	<u>4,043,900</u>	<u>(98,034,500)</u>	<u>(53,140,600)</u>
E. Reconciliation of amounts recognized in statement of financial position								
1. Initial net asset (obligation)	-	-	-	-	-	-	-	-
2. Prior service credit (cost)	-	-	-	-	-	-	-	-
3. Net gain (loss)	(306,084,400)	(281,512,800)	(3,773,200)	(3,020,200)	102,800	337,900	(309,754,800)	(284,195,100)
4. Accumulated other comprehensive income (loss)	(306,084,400)	(281,512,800)	(3,773,200)	(3,020,200)	102,800	337,900	(309,754,800)	(284,195,100)
5. Accumulated contributions in excess of net periodic benefit cost	203,141,900	222,607,000	4,729,400	4,741,500	3,849,000	3,706,000	211,720,300	231,054,500
6. Net asset (obligation) recognized in statement of financial position	<u>(102,942,500)</u>	<u>(58,905,800)</u>	<u>956,200</u>	<u>1,721,300</u>	<u>3,951,800</u>	<u>4,043,900</u>	<u>(98,034,500)</u>	<u>(53,140,600)</u>
F. Components of net periodic benefit cost								
1. Service cost	30,947,700	34,110,000	-	-	-	-	30,947,700	34,110,000
2. Interest cost	34,101,400	39,882,100	476,900	623,400	110,800	165,600	34,689,100	40,671,100
3. Expected return on plan assets	(59,502,300)	(61,402,500)	(531,500)	(542,200)	(253,800)	(256,000)	(60,287,600)	(62,200,700)
4. Amortization of initial net obligation (asset)	-	-	-	-	-	-	-	-
5. Amortization of prior service cost	-	-	-	-	-	-	-	-
6. Amortization of net (gain) loss	13,918,300	18,556,100	77,600	423,400	-	-	13,995,900	18,979,500
7. Curtailment (gain) / loss recognized	-	-	-	-	-	-	-	-
8. Settlement (gain) / loss recognized	-	-	-	-	-	-	-	-
9. Special termination benefit recognized	-	-	-	-	-	-	-	-
10. Net periodic benefit cost	<u>19,465,100</u>	<u>31,145,700</u>	<u>23,000</u>	<u>504,600</u>	<u>(143,000)</u>	<u>(90,400)</u>	<u>19,345,100</u>	<u>31,559,900</u>

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**ENBRIDGE GAS DISTRIBUTION INC.
CONSOLIDATED TOTAL FOR ALL PLANS**

Plan Name:	EGD RPP		SERP		SSERP		All Plans	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015
G. Changes recognized in other comprehensive income								
<i>Changes in plan assets and benefit obligations</i>								
<i>recognized in other comprehensive income</i>								
1. New prior service cost	-	-	-	-	-	-	-	-
2. Net loss (gain) arising during the year*	38,489,900	(41,068,400)	830,600	(439,700)	235,100	(93,300)	39,555,600	(41,601,400)
3. Effect of exchange rates on amounts included in AOCI	-	-	-	-	-	-	-	-
<i>Amounts recognized as a component of net periodic benefit cost</i>								
4. Amortization, settlement or curtailment recognition of net transition asset (obligation)	-	-	-	-	-	-	-	-
5. Amortization or curtailment recognition of prior service credit (cost)	-	-	-	-	-	-	-	-
6. Amortization or settlement recognition of net gain (loss)	(13,918,300)	(18,556,100)	(77,600)	(423,400)	-	-	(13,995,900)	(18,979,500)
7. Total recognized in other comprehensive loss (income)	24,571,600	(59,624,500)	753,000	(863,100)	235,100	(93,300)	25,559,700	(60,580,900)
8. Total recognized in net periodic benefit and other comprehensive loss (income)	44,036,700	(28,478,800)	776,000	(358,500)	92,100	(183,700)	44,904,800	(29,021,000)
<i>*Includes curtailment gains not recognized as a component of net periodic cost</i>								
<i>Estimated amounts that will be amortized from accumulated other comprehensive income over the next fiscal year</i>								
9. Initial net asset (obligation)	-	-	-	-	-	-	-	-
10. Prior service credit (cost)	-	-	-	-	-	-	-	-
11. Net gain (loss)	(15,086,600)	-	(129,300)	-	-	-	(15,215,900)	-
	(15,086,600)	-	(129,300)	-	-	-	(15,215,900)	-
H. Weighted-average assumptions to determine benefit obligations								
1. Discount rate	3.92%	4.20%	3.69%	4.20%	3.31%	4.20%	3.91%	4.20%
2. Rate of compensation increase	3.46%	3.43%	3.25%	3.25%	Not applicable	Not applicable	3.46%	3.43%
3. Measurement date	31-Dec-2016	31-Dec-2015	31-Dec-2016	31-Dec-2015	31-Dec-2016	31-Dec-2015	31-Dec-2016	31-Dec-2015
I. Assumptions to determine net cost								
1. a. Effective discount rate for benefit obligations	4.20%	4.00%	4.20%	4.00%	4.20%	4.00%	4.20%	4.00%
b. Effective rate for interest on benefit obligations	3.50%	4.00%	3.22%	4.00%	2.85%	4.00%	3.49%	4.00%
c. Effective rate for service cost	4.30%	4.00%	4.30%	4.00%	4.30%	4.00%	4.30%	4.00%
d. Effective rate for interest on service cost	4.02%	4.00%	Not applicable	4.00%	Not applicable	4.00%	4.02%	4.00%
2. Expected return on assets	6.50%	6.75%	3.20%	3.20%	3.20%	3.20%	6.41%	6.66%
3. Rate of compensation increase	3.43%	3.65%	3.25%	3.90%	Not applicable	Not applicable	3.43%	3.65%
J. Additional year-end information								
Required information for all defined benefit plans								
1. Accumulated benefit obligation	978,238,800	914,766,400	15,640,900	15,019,100	4,161,000	4,082,000	998,040,700	933,867,500
Sensitivity to key assumptions for pension plans								
2. Sensitivity to key assumptions								
a. Half a percent decrease in expected return on assets								
i. Effect on pension expense	4,577,100		83,100		39,700		4,699,900	
ii. Effect on year-end benefit obligation	-		-		-		-	
b. Half a percent decrease in discount rate								
i. Effect on pension expense	6,514,200		1,000		(15,300)		6,499,900	
ii. Effect on year-end benefit obligation	85,689,100		894,700		158,900		86,742,700	
c. Half a percent decrease in rate of salary increase								
i. Effect on pension expense	(2,903,200)		(800)		-		(2,904,000)	
ii. Effect on year-end benefit obligation	(14,702,600)		(8,700)		-		(14,711,300)	

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**ENBRIDGE GAS DISTRIBUTION INC.
CONSOLIDATED TOTAL FOR ALL PLANS**

Plan Name: Fiscal year ending on	EGD RPP		SERP		SSERP		All Plans	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015
K. Additional year-end information for plans with accumulated benefit obligations in excess of plan assets								
1. Projected benefit obligation	1,066,393,300	-	-	-	-	-	1,066,393,300	-
2. Accumulated benefit obligation	978,238,800	-	-	-	-	-	978,238,800	-
3. Fair value of plan assets	963,450,800	-	-	-	-	-	963,450,800	-
L. Additional year-end information for plans with projected benefit obligations in excess of plan assets								
1. Projected benefit obligation	1,066,393,300	996,001,600	-	-	-	-	1,066,393,300	996,001,600
2. Fair value of plan assets	963,450,800	937,095,800	-	-	-	-	963,450,800	937,095,800
M. Cash flows								
1. Projected company contributions for fiscal year ending:								
31-Dec-2017 :	34,407,100		10,900		-		34,418,000	
31-Dec-2018 :	35,179,900		10,900		-		35,190,800	
31-Dec-2019 :	35,979,400		10,900		-		35,990,300	
31-Dec-2020 :	25,598,400		-		-		25,598,400	
31-Dec-2021 :	26,476,400		-		-		26,476,400	
31-Dec-2022 :	27,384,600		-		-		27,384,600	
31-Dec-2023 :	28,323,800		-		-		28,323,800	
31-Dec-2024 :	29,295,500		-		-		29,295,500	
31-Dec-2025 :	30,300,200		-		-		30,300,200	
31-Dec-2026 :	31,339,600		-		-		31,339,600	
2. Expected benefit payments for FYE								
31-Dec-2017 :	47,646,200		1,024,000		391,300		49,061,500	
31-Dec-2018 :	48,873,200		1,042,100		386,000		50,301,300	
31-Dec-2019 :	50,161,300		1,049,200		379,500		51,590,000	
31-Dec-2020 :	51,544,800		1,049,700		371,700		52,966,200	
31-Dec-2021 :	53,066,000		1,045,800		362,200		54,474,000	
Next five years	288,254,900		5,091,500		1,607,500		294,953,900	
N. Accumulated contributions in excess of net periodic benefit cost								
1. Amount as of beginning of year	222,607,000	253,752,700	4,741,500	5,091,000	3,706,000	3,615,600	231,054,500	262,459,300
2. Net periodic pension (cost) income for fiscal year	(19,465,100)	(31,145,700)	(23,000)	(504,600)	143,000	90,400	(19,345,100)	(31,559,900)
3. Employer contributions made in fiscal year (excludes contributions made between measurement year end and fiscal year end)	-	-	10,900	155,100	-	-	10,900	155,100
4. Benefits paid directly by company in the fiscal year (excludes contributions made between measurement year end and fiscal year	-	-	-	-	-	-	-	-
5. FAS 88 (expense) income	-	-	-	-	-	-	-	-
6. Other gain / (loss) recognized	-	-	-	-	-	-	-	-
7. Plan combinations	-	-	-	-	-	-	-	-
8. Adjustment to match local books	-	-	-	-	-	-	-	-
9. Exchange rate adjustment	-	-	-	-	-	-	-	-
10. Preliminary amount as of end of year	203,141,900	222,607,000	4,729,400	4,741,500	3,849,000	3,706,000	211,720,300	231,054,500
11. Contributions and direct benefit payments made between measurement date and fiscal year end	-	-	-	-	-	-	-	-
12. Amount as of end of year	203,141,900	222,607,000	4,729,400	4,741,500	3,849,000	3,706,000	211,720,300	231,054,500

**ASC 715 (US GAAP)
ACTUARIAL VALUATION REPORT AS AT DECEMBER 31, 2016**

ENBRIDGE GAS DISTRIBUTION INC.
CONSOLIDATED TOTAL FOR ALL PLANS

Plan Name: Fiscal year ending on	EGD RPP		SERP		SSERP		All Plans	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015
O. Reconciliation of transition obligation (asset)								
1. Amount as disclosed as of prior year end	-	-	-	-	-	-	-	-
<i>Amounts recognized as a component of net periodic benefit cost</i>								
2. Amortization	-	-	-	-	-	-	-	-
3. Effect of curtailment	-	-	-	-	-	-	-	-
4. Effect of settlement	-	-	-	-	-	-	-	-
5. Total amount recognized as a component of net periodic benefit cost	-	-	-	-	-	-	-	-
<i>Other changes (adjustment to accumulated comprehensive income, retained earnings)</i>								
6. Plan combinations	-	-	-	-	-	-	-	-
7. Difference between prior year end and beginning of current year	-	-	-	-	-	-	-	-
8. Total amount recognized as other change in accumulated other comprehensive income	-	-	-	-	-	-	-	-
9. Exchange rate adjustment	-	-	-	-	-	-	-	-
10. Amount at end of year	-	-	-	-	-	-	-	-
P. Reconciliation of prior service cost (credit)								
1. Amount as disclosed as of prior year end	-	-	-	-	-	-	-	-
<i>Amounts recognized as a component of net periodic benefit cost</i>								
2. Amortization	-	-	-	-	-	-	-	-
3. Effect of curtailment	-	-	-	-	-	-	-	-
4. Total amount recognized as a component of net periodic benefit cost	-	-	-	-	-	-	-	-
<i>Changes in plan assets and benefit obligations recognized in other comprehensive income</i>								
5. Plan amendments	-	-	-	-	-	-	-	-
<i>Other changes (adjustment to accumulated comprehensive income, retained earnings)</i>								
6. Plan combinations	-	-	-	-	-	-	-	-
7. Difference between prior year end and beginning of current year	-	-	-	-	-	-	-	-
8. Total amount recognized as other change in accumulated other comprehensive income	-	-	-	-	-	-	-	-
9. Exchange rate adjustment	-	-	-	-	-	-	-	-
10. Amount at end of year	-	-	-	-	-	-	-	-

**ASC 715 (US GAAP)
ACTUARIAL VALUATION REPORT AS AT DECEMBER 31, 2016**

**ENBRIDGE GAS DISTRIBUTION INC.
CONSOLIDATED TOTAL FOR ALL PLANS**

Plan Name: Fiscal year ending on	EGD RPP		SERP		SSERP		All Plans	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Q. Reconciliation of net (gain) loss								
1. Amount as disclosed as of prior year end	281,512,800	341,137,300	3,020,200	3,883,300	(337,900)	(244,600)	284,195,100	344,776,000
<i>Amounts recognized as a component of net periodic benefit cost</i>								
2. Amortization	(13,918,300)	(18,556,100)	(77,600)	(423,400)	-	-	(13,995,900)	(18,979,500)
3. Effect of settlement	-	-	-	-	-	-	-	-
4. Total amount recognized as a component of net periodic benefit cost	(13,918,300)	(18,556,100)	(77,600)	(423,400)	-	-	(13,995,900)	(18,979,500)
<i>Changes in plan assets and benefit obligations recognized in other comprehensive income</i>								
5. Liability experience	50,101,000	(54,034,300)	967,000	(427,800)	367,500	(21,300)	51,435,500	(54,483,400)
6. Asset experience	(11,611,100)	12,965,900	(136,400)	(11,900)	(132,400)	(72,000)	(11,879,900)	12,882,000
7. Effect of curtailment	-	-	-	-	-	-	-	-
8. Extraordinary event that adjusts assets	-	-	-	-	-	-	-	-
9. Total amount recognized as a change in plan assets and benefit obligations	38,489,900	(41,068,400)	830,600	(439,700)	235,100	(93,300)	39,555,600	(41,601,400)
<i>Other changes (adjustment to accumulated comprehensive income, retained earnings)</i>								
10. Plan combinations	-	-	-	-	-	-	-	-
11. Adjustment to match local books	-	-	-	-	-	-	-	-
12. Difference between prior year end and beginning of current year	-	-	-	-	-	-	-	-
13. Difference between calculated year-end gain/loss and amount using events that occurred during the year	-	-	-	-	-	-	-	-
14. Total amount recognized as other change in accumulated other comprehensive income	-	-	-	-	-	-	-	-
15. Exchange rate adjustment	-	-	-	-	-	-	-	-
16. Amount at end of year	<u>306,084,400</u>	<u>281,512,800</u>	<u>3,773,200</u>	<u>3,020,200</u>	<u>(102,800)</u>	<u>(337,900)</u>	<u>309,754,800</u>	<u>284,195,100</u>
R. Composition of asset balance for supplemental plans								
1. Market value of RCA invested assets as per CIBC Mellon statement			9,105,600	9,275,000	5,331,900	5,422,200	14,437,500	14,697,200
2. Estimated value of Refundable Tax Account (RTA)			<u>7,592,600</u>	<u>7,747,900</u>	<u>2,780,900</u>	<u>2,703,700</u>	<u>10,373,500</u>	<u>10,451,600</u>
3. Market value of assets for disclosure			<u>16,698,200</u>	<u>17,022,900</u>	<u>8,112,800</u>	<u>8,125,900</u>	<u>24,811,000</u>	<u>25,148,800</u>
S. DC current service cost	899,700	1,011,800					899,700	1,011,800
Projected DC current service cost for fiscal year ending:								
31-Dec-2017 :	851,700						851,700	
31-Dec-2018 :	881,300						881,300	
31-Dec-2019 :	911,900						911,900	
31-Dec-2020 :	943,500						943,500	
31-Dec-2021 :	976,300						976,300	
31-Dec-2022 :	1,010,200						1,010,200	
31-Dec-2023 :	1,045,200						1,045,200	
31-Dec-2024 :	1,081,400						1,081,400	
31-Dec-2025 :	1,119,000						1,119,000	
31-Dec-2026 :	1,157,800						1,157,800	

APPENDIX B

Estimated Net Periodic Benefit Cost Information

Plan Name:	EGD RPP	SERP	SSERP	All Plans
Fiscal year ending on	12/31/2017	12/31/2017	12/31/2017	12/31/2017
A. Components of projected net periodic benefit cost				
1. DB service cost	32,284,000	-	-	32,284,000
2. Interest cost	34,717,500	464,500	107,900	35,289,900
3. Expected return on plan assets	(62,194,100)	(518,100)	(253,300)	(62,965,500)
4. Amortization of initial net obligation (asset)	-	-	-	-
5. Amortization of prior service cost	-	-	-	-
6. Amortization of net (gain) loss	15,086,600	129,300	-	15,215,900
7. Curtailment (gain) / loss recognized	-	-	-	-
8. Settlement (gain) / loss recognized	-	-	-	-
9. Special termination benefit recognized	-	-	-	-
10. Net periodic benefit cost	<u>19,894,000</u>	<u>75,700</u>	<u>(145,400)</u>	<u>19,824,300</u>
11. Defined contribution service cost	851,700	-	-	851,700
B. Additional Items For Net Periodic Benefit Cost Calculations				
1. Fair value of assets	963,450,800	16,698,200	8,112,800	988,261,800
2. Market-related value of assets	963,450,800	16,698,200	8,112,800	988,261,800
3. a. Expected benefits paid from plan assets	47,646,200	1,024,000	391,300	49,061,500
b. Weighted for timing	23,823,100	512,000	195,700	24,530,800
4. a. Expected employer contributions to plan assets	34,407,100	10,900	-	34,418,000
b. Weighted for timing	17,203,600	5,500	-	17,209,100
5. Average future years of service	13.22	16.27	9.37	N/A
C. Benefit Obligations and Assets				
Funded Status				
1. Projected benefit obligation (PBO) / Accumulated postretirement benefit obligation (APBO)	(1,066,393,300)	(15,742,000)	(4,161,000)	(1,086,296,300)
2. Fair value of plan assets	963,450,800	16,698,200	8,112,800	988,261,800
3. Funded status (1. + 2.)	(102,942,500)	956,200	3,951,800	(98,034,500)
D. Weighted-average assumptions to determine net cost				
1. Effective discount rate for defined benefit obligations	3.92%	3.69%	3.31%	3.91%
2. Effective rate for net interest cost	3.33%	3.05%	2.72%	3.32%
3. Effective discount rate for service cost	4.14%	Not applicable	Not applicable	4.14%
4. Effective rate for interest on service cost	3.85%	Not applicable	Not applicable	3.85%
5. Expected return on assets	6.50%	3.20%	3.20%	6.42%
6. Salary scale	3.46%	3.25%	Not applicable	3.46%

APPENDIX C

Plan Assets

Plan assets have been taken at their fair value as provided by CIBC Mellon via their online tool Workbench on January 12, 2017.

APPENDIX D

Actuarial Assumptions

The assumptions as at the reporting date are used to determine the present value of the benefit obligation at that date and the net periodic benefit cost for the following year. We have used actuarial assumptions selected by EGD. The principal financial and demographic assumptions used at December 31, 2016, and December 31, 2015, are shown in the table below.

Discount rate used for determine benefit obligation determination	EGD RPP: <ul style="list-style-type: none"> • 3.92% per year for year-end disclosure December 31, 2016 • 4.20% per year for year-end disclosure December 31, 2015 SERP: <ul style="list-style-type: none"> • 3.69% per year for year-end disclosure December 31, 2016 • 4.20% per year for year-end disclosure December 31, 2015 SSERP: <ul style="list-style-type: none"> • 3.31% per year for year-end disclosure December 31, 2016 • 4.20% per year for year-end disclosure December 31, 2015
Discount rate used for determine current service cost determination (EGD RPP only)	<ul style="list-style-type: none"> • 4.14% per year for 2017 expense determination • 4.30% per year for 2016 expense determination • 4.00% per year for 2015 expense determination

Effective discount rate for interest cost on benefit obligation	<p>EGD RPP:</p> <ul style="list-style-type: none"> • 3.33% per year for 2017 expense determination • 3.50% per year for 2016 expense determination • 4.00% per year for 2015 expense determination <p>SERP:</p> <ul style="list-style-type: none"> • 3.05% per year for 2017 expense determination • 3.22% per year for 2016 expense determination • 4.00% per year for 2015 expense determination <p>SERP:</p> <ul style="list-style-type: none"> • 2.72% per year for 2017 expense determination • 2.85% per year for 2016 expense determination • 4.00% per year for 2015 expense determination
Effective discount rate for interest on current service cost (EGD RPP only)	<ul style="list-style-type: none"> • 3.85% per year for 2017 expense determination • 4.02% per year for 2016 expense determination • 4.00% per year for 2015 expense determination
Expected long-term rate of return on assets	<p>EGD RPP:</p> <ul style="list-style-type: none"> • 6.50% per year for 2016 and 2017 expense determination • 6.75% per year for 2015 expense determination <p>SERP and SSERP:</p> <ul style="list-style-type: none"> • 3.20% per year for the 2017, 2016 and 2015 expense determination
Inflation	<ul style="list-style-type: none"> • 2.00% per year
Increases in pensionable earnings	<ul style="list-style-type: none"> • 2.50% plus age graded merit and promotion scale (see tables of sample rates)
Bonus	<ul style="list-style-type: none"> • 135% of target bonus
Target bonus	<ul style="list-style-type: none"> • Senior manager: Actual target bonus • Non-senior manager: 12% non-union / 5% union
Increases in the YMPE	<ul style="list-style-type: none"> • \$54,900 in 2016 and increasing by 2.50% per year for year-end disclosure December 31, 2016 and 2017 expense determination • \$53,600 in 2015 and increasing by 2.50% per year for year-end disclosure December 31, 2015 and 2016 expense determination

Increases in maximum pension permitted under the <i>Income Tax Act</i>	<ul style="list-style-type: none"> • \$2,890.00 in 2016 and increasing by 2.50% per year for year-end disclosure December 31, 2016 and 2017 expense determination • \$2,818.89 in 2015 and increasing by 2.50% per year for year-end disclosure December 31, 2015 and 2016 expense determination
Mortality table	<ul style="list-style-type: none"> • 2014 Private Sector Canadian Pensioners Mortality Table
Mortality improvements	<ul style="list-style-type: none"> • Fully generational using CPM Improvement Scale B
Mortality table size adjustments	<ul style="list-style-type: none"> • Nil
Termination	<ul style="list-style-type: none"> • See tables of sample rates
Retirement age for active members	<ul style="list-style-type: none"> • See table of sample rates
Expenses	<ul style="list-style-type: none"> • Implicit in long-term rate of return on assets
Percentage with spouse at retirement	<ul style="list-style-type: none"> • 80% married
Spousal age difference	<ul style="list-style-type: none"> • A male is assumed to be three years older than his female spouse

There have been no changes in actuarial assumptions since the prior valuation other than the changes to the principal assumptions shown in the table above.

Sample rates from the age related tables are summarized below:

Age Based Merit and Promotion Scale

Age	Non-SME ¹	SME
<30	3.50%	3.75%
30-39	2.50%	2.75%
40-49	1.50%	1.75%
50-54	0.50%	1.25%
55+	0.50%	0.75%

Termination

Age	Male	Female
20	5.0%	5.0%
25	5.0%	5.0%
30	5.0%	5.0%
35	4.6%	4.6%
40	3.0%	3.0%
45	2.5%	2.5%
50	1.5%	1.5%
54	1.1%	1.1%

¹ Senior Management Employee (“SME”)

Retirement

Age	Not Eligible for Unreduced	Eligible for Unreduced
55	5.0%	17.5%
56	5.0%	17.5%
57	5.0%	17.5%
58	5.0%	17.5%
59	5.0%	17.5%
60	17.5%	17.5%
61	17.5%	17.5%
62	17.5%	17.5%
63	17.5%	17.5%
64	17.5%	17.5%
65	50.0%	50.0%
66	50.0%	50.0%
67	50.0%	50.0%
68	50.0%	50.0%
69	50.0%	50.0%
70+	100.0%	100.0%

Rationale for Significant Economic and Demographic Assumptions as at December 31, 2016

We assisted EGD in developing their demographic assumptions to measure pension obligations as at December 31, 2016 and the rationale behind such assumptions is the same as described in the Funding Reports.

A rationale for each of the significant economic assumptions used to measure pension obligations as at December 31, 2016 other than prescribed assumptions is provided below:

- The discount rate was determined based on the high quality corporate bond yield curve derived from the Mercer Model (revised November 2016). Under the Mercer Model, the plans' projected benefit payments are matched against a series of spot rates derived from a yield to maturity curve based on actual AA corporate bond yield data for short term yields and extrapolated data for longer terms.
- The inflation assumption reflects the best estimate of future price inflation considering current market conditions and taking into account the mid-point of the inflation target set by Bank of Canada.
- The YMPE and ITA limit increase assumption reflects the best estimate assumption of inflation plus an allowance of 0.50% for the effects of real economic growth and productivity gains in Canada.
- The expected rate of return on plan assets is based on:
 - The median simulated investment return using estimated returns for each major asset class consistent with market conditions on the measurement date, the expected time horizon over which benefits are expected to be paid, and the target asset mix specified in the plan's investment policy.
 - Additional returns assumed to be achievable due to active equity management, equal to the fees related to active equity management. Such fees were determined as the difference between the provision for total investment expenses and the hypothetical fees that would be incurred for passive management of all assets.
 - Implicit provision for expenses determined as the average rate of investment and non-investment expenses paid from the fund over recent years.
- The pensionable earnings increase assumption is based on an experience study that was conducted in 2014 considering increases over the years 2009 to 2013 and on EGD's expectations.

APPENDIX E

Actuarial Methods

Benefit obligations are estimated using the Projected Unit Credit method. Under this method each participant's benefits under the plan are attributed to years of service, taking into consideration future salary increases and the plan's benefit allocation formula. Thus, the estimated total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A description of the calculation follows:

- An individual's estimated attributed benefit for valuation purposes related to a particular separation date (for example, expected date of retirement, leaving service or death) is the benefit described under the plan based on credited service as at the measurement date, but determined using the projected salary that would be used in the calculation estimate of the benefit on the expected separation date.
- The benefit attributed to an individual's service during a plan year is the excess of the attributed benefit for valuation purposes at the end of the plan year over the attributed benefit for valuation purposes at the beginning of the plan year. Both attributed benefits are estimated from the same projections to the various anticipated separation dates.
- An individual's estimated benefit obligation is the present value of the attributed benefit for valuation purposes at the beginning of the plan year, and the service cost is the present value of the benefit attributed to the year of service in the plan year. If multiple decrements are used, the benefit obligation and the service cost for an individual are the sum of the component benefit obligations and service costs associated with the various anticipated separation dates. Such benefit obligations and service costs reflect the estimated attributed benefits and the probability of the individual separating on those dates.
- The vested benefit obligation is based on the expected date of separation, and an individual's projected benefit obligation is constrained to be not less than his or her accumulated benefit obligation.

In all cases, the **benefit obligation** is the total present value of the individuals' attributed benefits for valuation purposes at the measurement date, and the **service cost** is the total present value of the individuals' benefits attributable to service during the year. If multiple decrements are used, the present values take into account the probability of the individual leaving employment at the various anticipated separation dates.

Valuation Procedures

The following approximations have been made in applying this method:

Projection of obligations from valuation date to year-end measurement date: The benefit obligations at the year end December 31, 2016 have been based on a projection of the results of the actuarial funding valuations of the plans as at December 31, 2015. This projection involves rolling forward the results at the earlier date allowing for interest on the liabilities, the accrual of further benefits by active members, the actual benefits payments paid out and the effect of any changes in the actuarial assumptions. We have assumed that all other experience during the projection, apart from investment returns, contributions, benefit payments, administration expenses and insurance premiums, has been in line with the assumptions made at the start of the year.

Accounting Policies

The accounting policies in cases where EGD has a choice of policy are set out below.

There have been no changes to the accounting methods or accounting policies since the prior valuation.

Materiality threshold: EGD has not instructed us to make any adjustments to the valuation procedures described in order to satisfy its materiality threshold.

Net periodic benefit cost measurement: The net periodic benefit cost charged to profit or loss is budgeted for at the start of each reporting period using actuarial assumptions fixed at the start of the period, including assumptions about expected pensionable salaries, contributions and benefit payments that will be made during the period. It is only updated to allow for subsequent experience in the event of material changes.

Interest on service cost: The current service cost includes all interest on the service cost during the reporting period.

Administration expenses: An allowance for administration expenses is included in the pension expense by making a deduction from the expected rate of return on plan assets.

Discretionary benefits: No allowance is made in the benefit obligation for discretionary benefits on the grounds that there is no substantive commitment to provide such benefits. Therefore any benefit increases that are awarded on a discretionary basis are accounted for as a prior service cost.

Significant events: No significant events have occurred during the reporting period that require accounting policy decisions.

Amortization method and periods: The cumulative gains and losses in excess of 10% of the greater of the beginning of year benefit obligation or market related value of plan assets are amortized over the expected average remaining working lives of the employees participating in the plan.

Accounting Estimates

Accounting estimates as they apply to the split rate approach as at December 31, 2016 are as follows:

Discount rate setting process: For each plan, the discount rate on the benefit obligation is estimated as the single equivalent rate such that the present value of the benefit obligation cash flows using the single rate equals the present value of those cash flows using the Mercer Yield Curve as of the measurement date.

The same process is applied to the service cost cash flows to determine the discount rate associated with the service cost. Separate discount rates are determined for the benefit obligations and service costs.

Determination of benefit obligations and service costs: The benefit obligations and service cost are each calculated using their separate discount rates described above.

Prior to December 31, 2016, EGD had used a single liability-weighted discount rate for all Canadian pension and non-pension plans combined, and rounded to the nearest 10 basis points.

Calculation of interest: Interest on benefit obligations, for purposes of determining the interest cost, and the interest on the service cost are calculated by applying interest to the present value of the payment expected at each payment date. For this purpose, interest is determined using the same spot rate used to determine the present value of the associated payment.

APPENDIX F

EGD RPP Disclosure Information – By Employer

	<u>Enbridge Gas</u> <u>Distribution Inc.</u>	<u>Gazifere Inc.</u>	<u>Enbridge Gas</u> <u>New Brunswick</u> <u>Inc.</u>	<u>Total</u>
A. Change in benefit obligation				
Benefit obligation at beginning of year	965,810,400	18,501,800	11,689,400	996,001,600
Service cost	29,210,000	889,700	848,000	30,947,700
Interest cost	33,069,300	628,000	404,100	34,101,400
Employee contributions	-	-	-	-
Special termination benefits	-	-	-	-
Benefits paid from the plan	(43,782,600)	(610,300)	(365,500)	(44,758,400)
Net transfer in/(out)	510,000	(509,000)	(1,000)	-
Actuarial loss (gain)	47,919,300	1,371,800	809,900	50,101,000
Benefit obligation at end of year	<u>1,032,736,400</u>	<u>20,272,000</u>	<u>13,384,900</u>	<u>1,066,393,300</u>
B. Change in plan assets				
Fair value of plan assets at beginning of year	913,463,600	14,771,800	8,860,400	937,095,800
Actual return on plan assets	69,326,500	1,114,400	672,500	71,113,400
Employer contributions to plan	-	-	-	-
Employee contributions	-	-	-	-
Benefits paid	(43,782,600)	(610,300)	(365,500)	(44,758,400)
DC contributions paid from DB surplus	-	-	-	-
Net transfer in (out)	354,900	(354,000)	(900)	-
Fair value of plan assets at end of year	<u>939,362,400</u>	<u>14,921,900</u>	<u>9,166,500</u>	<u>963,450,800</u>
C. Reconciliation of funded status				
Fair value of plan assets	939,362,400	14,921,900	9,166,500	963,450,800
Benefit obligations	1,032,736,400	20,272,000	13,384,900	1,066,393,300
Net asset (obligation) recognized in statement of financial position	<u>(93,374,000)</u>	<u>(5,350,100)</u>	<u>(4,218,400)</u>	<u>(102,942,500)</u>
D. Amounts recognized on the consolidated balance sheet position consists of				
Noncurrent assets	-	-	-	-
Current liabilities	-	-	-	-
Noncurrent liabilities	(93,374,000)	(5,350,100)	(4,218,400)	(102,942,500)
Net asset (obligation) recognized in statement of financial position	<u>(93,374,000)</u>	<u>(5,350,100)</u>	<u>(4,218,400)</u>	<u>(102,942,500)</u>

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ENBRIDGE GAS DISTRIBUTION INC.
CONSOLIDATED TOTAL FOR ALL PLANS

	<u>Enbridge Gas</u> <u>Distribution Inc.</u>	<u>Gazifere Inc.</u>	<u>Enbridge Gas</u> <u>New Brunswick</u> <u>Inc.</u>	<u>Total</u>
E. Reconciliation of amounts recognized in statement of financial position				
Initial net asset(obligation)	-	-	-	-
Prior service credit (cost)	-	-	-	-
Net gain (loss)	<u>(297,466,300)</u>	<u>(5,790,200)</u>	<u>(2,827,900)</u>	<u>(306,084,400)</u>
Accumulated other comprehensive income (loss)	(297,466,300)	(5,790,200)	(2,827,900)	(306,084,400)
Accumulated contributions in excess of net periodic benefit cost	<u>204,092,300</u>	<u>440,100</u>	<u>(1,390,500)</u>	<u>203,141,900</u>
Net asset (obligation) recognized in statement of financial position	(93,374,000)	(5,350,100)	(4,218,400)	(102,942,500)
F. Components of net periodic benefit cost				
Service cost	29,210,000	889,700	848,000	30,947,700
Interest cost	33,069,300	628,000	404,100	34,101,400
Expected return on plan assets	(58,011,800)	(923,900)	(566,600)	(59,502,300)
Amortization of initial net obligation (asset)	-	-	-	-
Amortization of prior service cost	-	-	-	-
Amortization of net (gain) loss	<u>13,610,600</u>	<u>228,600</u>	<u>79,100</u>	<u>13,918,300</u>
Net periodic benefit cost	17,878,100	822,400	764,600	19,465,100
Headcounts for expense¹				
EGD RPP - DB service cost provision	2,021	81	79	2,181
¹ Note the 2016 expense is based on headcount as at December 31, 2014				
G. Changes recognized in other comprehensive income				
<i>Changes in plan assets and benefit obligations recognized in other comprehensive income</i>				
New prior service cost	-	-	-	-
Net loss (gain) arising during the year	36,604,600	1,181,300	704,000	38,489,900
<i>Amounts recognized as a component of net periodic benefit cost</i>				
Amortization or curtailment recognition of prior service credit (cost)	-	-	-	-
Amortization or settlement recognition of net gain (loss)	<u>(13,610,600)</u>	<u>(228,600)</u>	<u>(79,100)</u>	<u>(13,918,300)</u>
Total recognized in other comprehensive loss (income)	22,994,000	952,700	624,900	24,571,600
Total recognized in net periodic benefit and other comprehensive loss	40,872,100	1,775,100	1,389,500	44,036,700
<i>Estimated amounts that will be amortized from accumulated other comprehensive income over the next fiscal year</i>				
Initial net asset (obligation)	-	-	-	-
Prior service credit (cost)	-	-	-	-
Net gain (loss)	(14,661,800)	(285,400)	(139,400)	(15,086,600)

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ENBRIDGE GAS DISTRIBUTION INC.
CONSOLIDATED TOTAL FOR ALL PLANS

	<u>Enbridge Gas</u> <u>Distribution Inc.</u>	<u>Gazifere Inc.</u>	<u>Enbridge Gas</u> <u>New Brunswick</u> <u>Inc.</u>	<u>Total</u>
H. Weighted-average assumptions to determine benefit obligations				
Discount rate	3.92%	3.92%	3.92%	3.92%
Rate of compensation increase	3.46%	3.46%	3.46%	3.46%
Measurement date	31-Dec-2016	31-Dec-2016	31-Dec-2016	31-Dec-2016
I. Assumptions to determine net cost				
Effective discount rate for benefit obligations	4.20%	4.20%	4.20%	4.20%
Effective rate for interest on benefit obligations	3.50%	3.50%	3.50%	3.50%
Effective rate for service cost	4.30%	4.30%	4.30%	4.30%
Effective rate for interest on service cost	4.02%	4.02%	4.02%	4.02%
Expected return on assets	6.50%	6.50%	6.50%	6.50%
Rate of compensation increase	3.43%	3.43%	3.43%	3.43%
J. Additional year-end information				
Required information for all defined benefit plans				
Accumulated benefit obligation	950,275,000	17,147,500	10,816,300	978,238,800
<i>Sensitivity to key assumptions for pension plans</i>				
Sensitivity to key assumptions				
a. Half a percent decrease in expected return on assets				
i. Effect on pension expense	4,462,400	71,100	43,600	4,577,100
ii. Effect on year-end benefit obligation	-	-	-	-
b. Half a percent decrease in discount rate				
i. Effect on pension expense	6,140,400	198,700	175,100	6,514,200
ii. Effect on year-end benefit obligation	82,277,400	1,966,600	1,445,100	85,689,100
c. Half a percent decrease in rate of salary increase				
i. Effect on pension expense	(2,705,100)	(103,500)	(94,600)	(2,903,200)
ii. Effect on year-end benefit obligation	(13,699,300)	(538,000)	(465,300)	(14,702,600)
K. Additional year-end information for plans with accumulated benefit obligations in excess of plan assets				
Projected benefit obligation	1,032,736,400	20,272,000	13,384,900	
Accumulated benefit obligation	950,275,000	17,147,500	10,816,300	
Fair value of plan assets	939,362,400	14,921,900	9,166,500	
<i>The aggregate of results on an individual basis will not match the total plan</i>				
L. Additional year-end information for plans with projected benefit obligations in excess of plan assets				
Projected benefit obligation	1,032,736,400	20,272,000	13,384,900	1,066,393,300
<i>The aggregate of results on an individual basis will not match the total plan</i>				

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ENBRIDGE GAS DISTRIBUTION INC.
CONSOLIDATED TOTAL FOR ALL PLANS

	<u>Enbridge Gas Distribution Inc.</u>	<u>Gazifere Inc.</u>	<u>Enbridge Gas New Brunswick Inc.</u>	<u>Total</u>
M. Cash flows				
Projected company contributions in respect of service cost for following fiscal year				
31-Dec-2017 :	21,867,100	667,100	601,000	23,135,200
31-Dec-2018 :	22,617,100	690,000	621,600	23,928,700
31-Dec-2019 :	23,392,900	713,700	643,000	24,749,600
31-Dec-2020 :	24,195,200	738,200	665,000	25,598,400
31-Dec-2021 :	25,025,100	763,500	687,800	26,476,400
31-Dec-2022 :	25,883,500	789,700	711,400	27,384,600
31-Dec-2023 :	26,771,300	816,700	735,800	28,323,800
31-Dec-2024 :	27,689,600	844,800	761,100	29,295,500
31-Dec-2025 :	28,639,300	873,700	787,200	30,300,200
31-Dec-2026 :	29,621,700	903,700	814,200	31,339,600
Projected company contributions in respect of special payments for following fiscal year				
31-Dec-2017 :	10,611,800	386,500	273,600	11,271,900
31-Dec-2018 :	10,592,300	385,800	273,100	11,251,200
31-Dec-2019 :	10,572,100	385,100	272,600	11,229,800
31-Dec-2020 :	-	-	-	-
31-Dec-2021 :	-	-	-	-
31-Dec-2022 :	-	-	-	-
31-Dec-2023 :	-	-	-	-
31-Dec-2024 :	-	-	-	-
31-Dec-2025 :	-	-	-	-
31-Dec-2026 :	-	-	-	-
Total projected company DB contributions for following fiscal year				
31-Dec-2017 :	32,478,900	1,053,600	874,600	34,407,100
31-Dec-2018 :	33,209,400	1,075,800	894,700	35,179,900
31-Dec-2019 :	33,965,000	1,098,800	915,600	35,979,400
31-Dec-2020 :	24,195,200	738,200	665,000	25,598,400
31-Dec-2021 :	25,025,100	763,500	687,800	26,476,400
31-Dec-2022 :	25,883,500	789,700	711,400	27,384,600
31-Dec-2023 :	26,771,300	816,700	735,800	28,323,800
31-Dec-2024 :	27,689,600	844,800	761,100	29,295,500
31-Dec-2025 :	28,639,300	873,700	787,200	30,300,200
31-Dec-2026 :	29,621,700	903,700	814,200	31,339,600

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ENBRIDGE GAS DISTRIBUTION INC.
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	<u>Enbridge Gas Distribution Inc.</u>	<u>Gazifere Inc.</u>	<u>Enbridge Gas New Brunswick Inc.</u>	<u>Total</u>
Expected benefit payments for FYE				
31-Dec-2017 :	46,607,500	649,600	389,100	47,646,200
31-Dec-2018 :	47,807,700	666,400	399,100	48,873,200
31-Dec-2019 :	49,067,800	683,900	409,600	50,161,300
31-Dec-2020 :	50,421,100	702,800	420,900	51,544,800
31-Dec-2021 :	51,909,200	723,500	433,300	53,066,000
Next five years	281,970,800	3,930,200	2,353,900	288,254,900
N. Accumulated contributions in excess of net periodic benefit cost				
Amount as of beginning of year	222,125,500	1,107,500	(626,000)	222,607,000
Net periodic pension (cost) income for fiscal year	(17,878,100)	(822,400)	(764,600)	(19,465,100)
Employer contributions made in fiscal year (excludes contributions made between measurement year end and fiscal year end)	-	-	-	-
Benefits paid directly by company in the fiscal year (excludes contributions made between measurement year end and fiscal year end)	-	-	-	-
FAS 88 (expense) income	-	-	-	-
Net intraplan transfers	(155,100)	155,000	100	-
Plan combinations	-	-	-	-
Adjustment to match local books	-	-	-	-
Exchange rate adjustment	-	-	-	-
Amount as of end of year	204,092,300	440,100	(1,390,500)	203,141,900
O. Reconciliation of prior service cost (credit)				
Amount as disclosed as of prior year end	-	-	-	-
<i>Amounts recognized as a component of net periodic benefit cost</i>				
Amortization	-	-	-	-
Effect of curtailment	-	-	-	-
Total amount recognized as a component of net periodic benefit cost	-	-	-	-
<i>Changes in plan assets and benefit obligations recognized in other comprehensive income</i>				
Plan amendments	-	-	-	-
<i>Other changes (adjustment to accumulated comprehensive income, retained earnings)</i>				
Plan combinations	-	-	-	-
Difference between prior year end and beginning of current year	-	-	-	-
Total amount recognized as other change in accumulated other comprehensive income	-	-	-	-
Amount at end of year	-	-	-	-

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ACTUARIAL VALUATION REPORT AS AT DECEMBER 31, 2016**

ENBRIDGE GAS DISTRIBUTION INC.
CONSOLIDATED TOTAL FOR ALL PLANS

	<u>Enbridge Gas Distribution Inc.</u>	<u>Gazifere Inc.</u>	<u>Enbridge Gas New Brunswick Inc.</u>	<u>Total</u>
P. Reconciliation of net (gain) loss				
Amount as disclosed as of prior year end	274,472,300	4,837,500	2,203,000	281,512,800
<i>Amounts recognized as a component of net periodic benefit cost</i>				
Amortization	(13,610,600)	(228,600)	(79,100)	(13,918,300)
Effect of settlement	-	-	-	-
Total amount recognized as a component of net periodic benefit cost	(13,610,600)	(228,600)	(79,100)	(13,918,300)
<i>Changes in plan assets and benefit obligations recognized in other comprehensive income</i>				
Liability experience	47,919,300	1,371,800	809,900	50,101,000
Asset experience	(11,314,700)	(190,500)	(105,900)	(11,611,100)
Effect of curtailment	-	-	-	-
Extraordinary event that adjusts assets	-	-	-	-
Total amount recognized as a change in plan assets and benefit obligations	36,604,600	1,181,300	704,000	38,489,900
<i>Other changes (adjustment to accumulated comprehensive income, retained earnings)</i>				
Plan combinations	-	-	-	-
Adjustment to match local books	-	-	-	-
Difference between prior year end and beginning of current year	-	-	-	-
Difference between calculated year-end gain/loss and amount using events that occurred during the year	-	-	-	-
Total amount recognized as other change in accumulated other comprehensive income	-	-	-	-
Exchange rate adjustment	-	-	-	-
Amount at end of year	297,466,300	5,790,200	2,827,900	306,084,400
<i>Actual net return on assets assuming middle of period cash flows</i>	7.77%	7.80%	7.75%	7.77%
Q. DC Current service cost	808,700	53,500	37,500	899,700
Projected DC current service cost for fiscal year ending:				
31-Dec-2017 :	763,900	49,000	38,800	851,700
31-Dec-2018 :	790,400	50,700	40,200	881,300
31-Dec-2019 :	817,800	52,500	41,600	911,900
31-Dec-2020 :	846,200	54,300	43,000	943,500
31-Dec-2021 :	875,600	56,200	44,500	976,300
31-Dec-2022 :	906,000	58,100	46,100	1,010,200
31-Dec-2023 :	937,400	60,100	47,700	1,045,200
31-Dec-2024 :	969,900	62,200	49,300	1,081,400
31-Dec-2025 :	1,003,600	64,400	51,000	1,119,000
31-Dec-2026 :	1,038,400	66,600	52,800	1,157,800

The following table presents the estimated pension expense for the fiscal period ending December 31, 2017:

	<u>Enbridge Gas</u> <u>Distribution Inc.</u>	<u>Gazifere Inc.</u>	<u>Enbridge Gas</u> <u>New Brunswick</u> <u>Inc.</u>	<u>Total</u>
Components of net periodic benefit cost				
Current service cost (employer)	30,460,200	962,700	861,100	32,284,000
Interest cost	33,614,100	664,200	439,200	34,717,500
Expected return on plan assets	(60,599,400)	(983,100)	(611,600)	(62,194,100)
Amortization of transitional obligation (asset)	-	-	-	-
Amortization of past service costs	-	-	-	-
Amortization of net actuarial loss (gain)	14,661,800	285,400	139,400	15,086,600
Net periodic benefit cost	18,136,700	929,200	828,100	19,894,000
DC current service cost	763,900	49,000	38,800	851,700
Headcounts for expense¹				
EGD RPP - DB	1,988	81	78	2,147
Assumptions to determine net cost				
Effective discount rate for benefit obligations	3.92%	3.92%	3.92%	3.92%
Effective rate for interest on benefit obligations	3.33%	3.33%	3.33%	3.33%
Effective rate for service cost	4.14%	4.14%	4.14%	4.14%
Effective rate for interest on service cost	3.85%	3.85%	3.85%	3.85%
Expected return on assets	6.50%	6.50%	6.50%	6.50%
Salary increase rate	3.46%	3.46%	3.46%	3.46%

¹ Note the 2017 expense is based on headcount as at December 31, 2015

APPENDIX G

Employer Certification

With respect to the Actuarial Valuation Report for fiscal year ending December 31, 2016, and estimated net periodic benefit cost for fiscal year 2017, prepared in accordance with US GAAP, of the following plans: EGD RPP, SERP, SSERP, I hereby certify that, to the best of my knowledge and belief:

- The membership data supplied to the actuary provides a complete and accurate description of all persons who are entitled to benefits under the terms of the plan for service up to the date of the valuation.
- Copies of the official plan documents and of all amendments made up to December 31, 2016, have been supplied to the actuary.
- All substantive commitments (in accordance with US GAAP) have been communicated to the actuary.
- Accounting policies as adopted by EGD are those described in this report.
- The actuarial methods to be used for the purposes of the valuation are those described in this report.
- The management's best estimate assumptions for purposes of the valuations and the extrapolation of the financial position of the plan as at December 31, 2016, are those described in this report.
- All events subsequent to the valuation that may have an impact on the results of the valuation or of a future valuation have been communicated to the actuary.

Feb 3, 2017
Date

Ryan Stelmaschuk
Signed

Feb 6 17
Date

WCP
Signed

Ryan Stelmaschuk
Name
Mgr. Pension Benefits & Mobility
Title

Wanda O'Brien
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