Productivity

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2016 Productivity Agenda

1. Overview of Productivity Reporting
2. 2016 Custom IR Capital and O&M Commitments
3. Embedded Initiatives
4. Productivity Results
5. Performance Measures Results

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1. Overview of Productivity Reporting

- In 2016, safety and operational reliability remains the Company's number one priority, underpinning our pursuit of productivity improvements
- Building on the productivity work established in 2014 and 2015, the Company continued to engage all employees in productivity actions and reporting on initiatives to facilitate reporting to the OEB, as required
- The commitment will continue throughout the rest of the Custom IR term and beyond

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1. Overview of Productivity Reporting

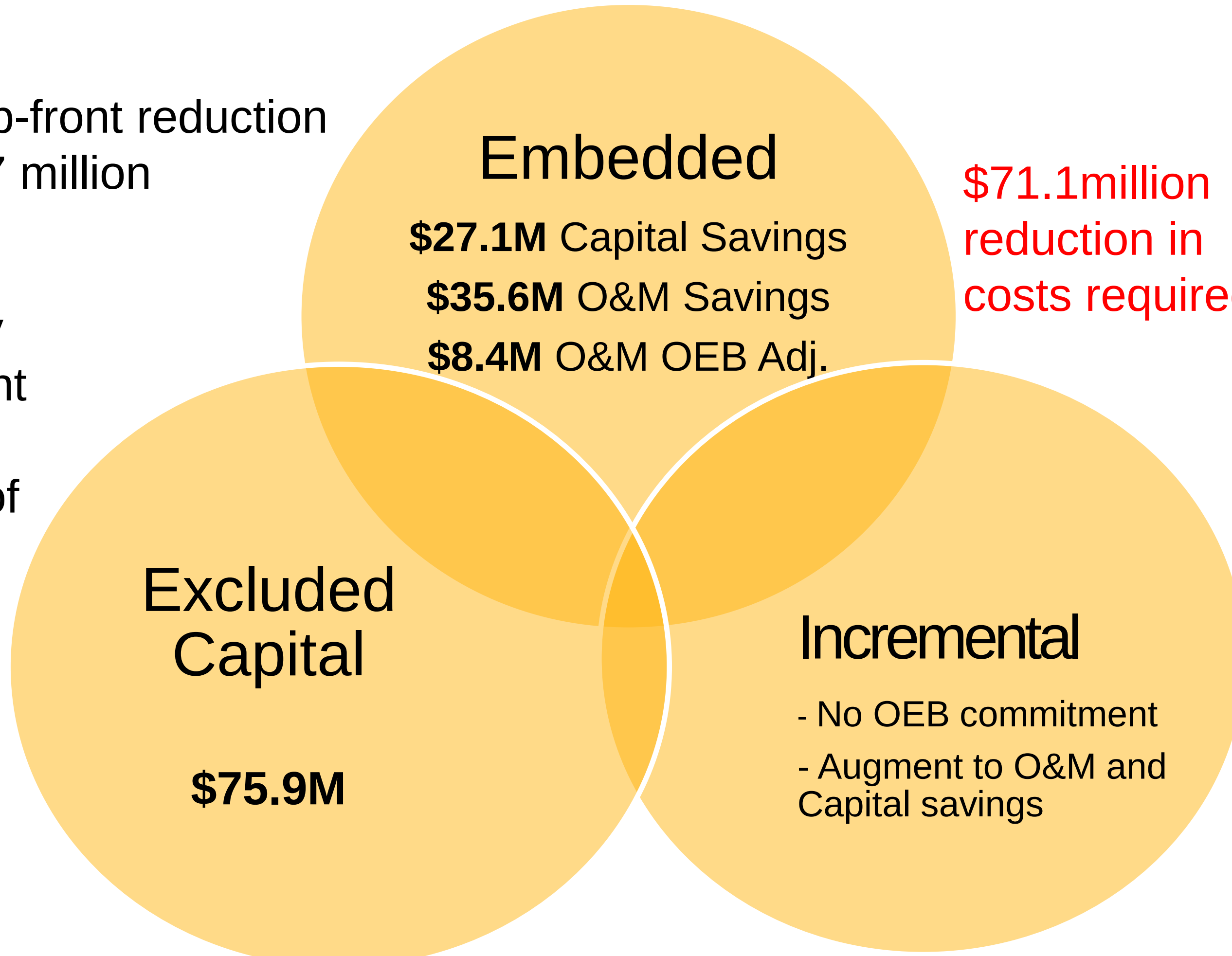
- To qualify as a sustainable Productivity gain, the following guidelines have been used:
  - Output and / or quality must be maintained at a lower cost
  - Output and / or quality must be improved at the same cost
  - Productivity actions should be those that have been embedded in IR budgets or incremental savings relative to the IR budget
  - Enbridge's required operational and customer service levels must not be compromised
  - All productivity actions matter. No materiality threshold was defined
- This resulted in over 150 reported (sustained and new) initiatives, which underpin the remainder of the presentation

2. 2016 Custom IR Capital and O&M Commitments

2016

Total up-front reduction of $147 million

Productivity Commitment increases each year of the IR term



$71.1million reduction in costs required

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2. 2016 Custom IR Capital and O&M Commitments

IR Budgets & EGD's Productivity Commitment

Capital Amounts Approved						
	2014	2015	2016	2017	2018	Total IR Term
Core Capital without Productivity	495.1	538.3	544.9	527.1	537.2	2,642.7
Less: Embedded Reduction	(26.2)	(28.7)	(27.1)	(35.2)	(45.3)	(162.5)
Less: Variable Costs	(25.1)	(63.0)	(75.9)	(50.0)	(50.0)	(264.5)
Approved Core Capital Expenditures	443.8	446.6	441.9	441.9	441.9	2,216.1

Other O&M Amounts Approved						
	2014	2015	2016	2017	2018	Total IR Term
Proposed "Other" O&M	252.1	261.6	276.6	287.8	299.5	1,377.6
Less: Embedded Reduction	(24.1)	(30.1)	(35.6)	(39.3)	(43.2)	(172.3)
Less: OEB Adjustment	-	(1.2)	(8.4)	(13.6)	(19.0)	(42.2)
Approved "Other" O&M	228.0	230.3	232.6	234.9	237.3	1,163.1

3. Embedded Initiatives

O&M and Capital Embedded Productivity Results

	2016 Embedded O&M and Actual and Capital Reductions	Embedded Commitment ($M)	Actual ($M)
1.	O&M: Merit increase	(2.5)	(0.5)
2.	O&M: Employee Benefits	(2.3)	(1.1)
3.	O&M: Incremental cost to service new customers	(1.7)	0.1
4.	O&M: Incremental safety and integrity work	(9.3)	(2.6)
5.	O&M: External contractor rate increases	(1.7)	(0.4)
6.	O&M: Increased volume of locates-compliance with Bill 8	(3.8)	(3.0)
7.	O&M: FTEs	(8.7)	(15.0)
8.	O&M: Bad Debt expenses	(5.6)	(8.1)
9.	Total Estimated O&M Reductions	(35.6)	(30.5)
10.	Capital: Customer Attachments	(24.4)	(17.7)
11.	Capital: Departmental Labour	(2.7)	(11.6)
12.	Total Estimated Capital Reductions	(27.1)	(29.3)
13.	Total Estimated Embedded O&M & Capital Reductions	(62.7)	(59.8)

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4. Overall 2016 Productivity Results

	2016					
	O&M ($M)		Capital ($M)		Total ($M)	
	Commitment	Actual	Commitment	Actual	Commitment	Actual
Embedded	(35.6)	(30.5)	(27.1)	(29.3)	(62.7)	(59.8)
Incremental		(12.9)		(4.9)		(17.8)
OEB Adjustment	(8.4)				(8.4)	
2016 Total Savings	(44.0)	(43.4)	(27.1)	(34.2)	(71.1)	(77.6)

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5. Performance Measures

Customer Relationship (SQRs)	Operational Performance
• Customer Satisfaction Index • Call Answering Service Level • % Emergency Calls Resp. to within 1Hr • Appointments Met within Designated Time • Time to Reschedule Missed Appointments • # Days to Reconnect Customer • # Calls Abandon Rate • Meter Reading Performance • # Days to provide a Written Response	• EHS: TRIF Rate • # Excavation Damages per 1k locates • Service Leaks Repaired per Mile of service • Total # Grade 1 (A) leaks repaired during Yr. • Operational Effectiveness: All Outages per 1000 Customers

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5. Customer Relationship Performance Measure Results

All Customer Relationship metrics are achieving strong performance

Customer Relationship Performance	OEB Target	2013	2014	2015	2016	Trending
1. Overall Customer Satisfaction Index	NA	78%	77%	79%	79%	↑
2. Call Answering Service Level (SQR)	75%	75.9%	79%	79.7%	82.4%	↑
3. Percentage of Emergency Calls Responded to within One Hour (SQR)	90%	96.1%	96.9%	96.7%	95.2%	↔
4. Appointments Met within the Designated Time Period (SQR)	85%	94.2%	95.1%	95.2%	95.3%	↑
5. Time to Reschedule a Missed Appointments (SQR)	100%	95.0%	95.5%	94.8%	95.0%	↔
6. Number of Days to Reconnect a Customer (SQR)	85%	92.6%	94.0%	94.6%	94.8%	↑
7. Number of Calls Abandon Rate (SQR)	10%	2.8%	1.9%	2.3%	1.8%	↑
8. Meter Reading Performance (SQR)	0.5%	0.50%	0.69%	0.51%	0.40%	↑
9. Number of Days to provide a Written Response (SQR)	80%	94.5%	93.3%	100.0%	95.5%	↔

↑ – Improving
↔ – Stable
↓ – Decreasing

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5. Operational Performance Measure Results

All Operational Performance metrics are achieving strong performance

Operational Performance	2013	2014	2015	2016	Trending
1. Employees Health and Safety: Total Reportable Injury Frequency Rate	2.01	2.00	1.06	0.93	↑
2. Damage Prevention: Number of Excavation Damages per 1000 locates	2.84	2.49	2.43	2.17	↑
3. Leak Management: Service leaks Repaired per Mile of service	0.09	0.06	0.06	0.06	↔
4. Leak Management: Total Number of Grade 1 (A) leaks repaired during the year	1280	661	905	991	↔
5. Operational Effectiveness: All Outages per 1000 Customers	6.09	5.31	4.84	4.60	↑

↑ – Improving
↔ – Stable
↓ – Decreasing

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