



2013 NORTHWESTERN ONTARIO REGIONAL CONFERENCE

The Important Role of Natural Gas In Ontario's Energy Future

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Union Gas: A Spectra Energy Company



Union Gas – By The Numbers In Ontario, we:

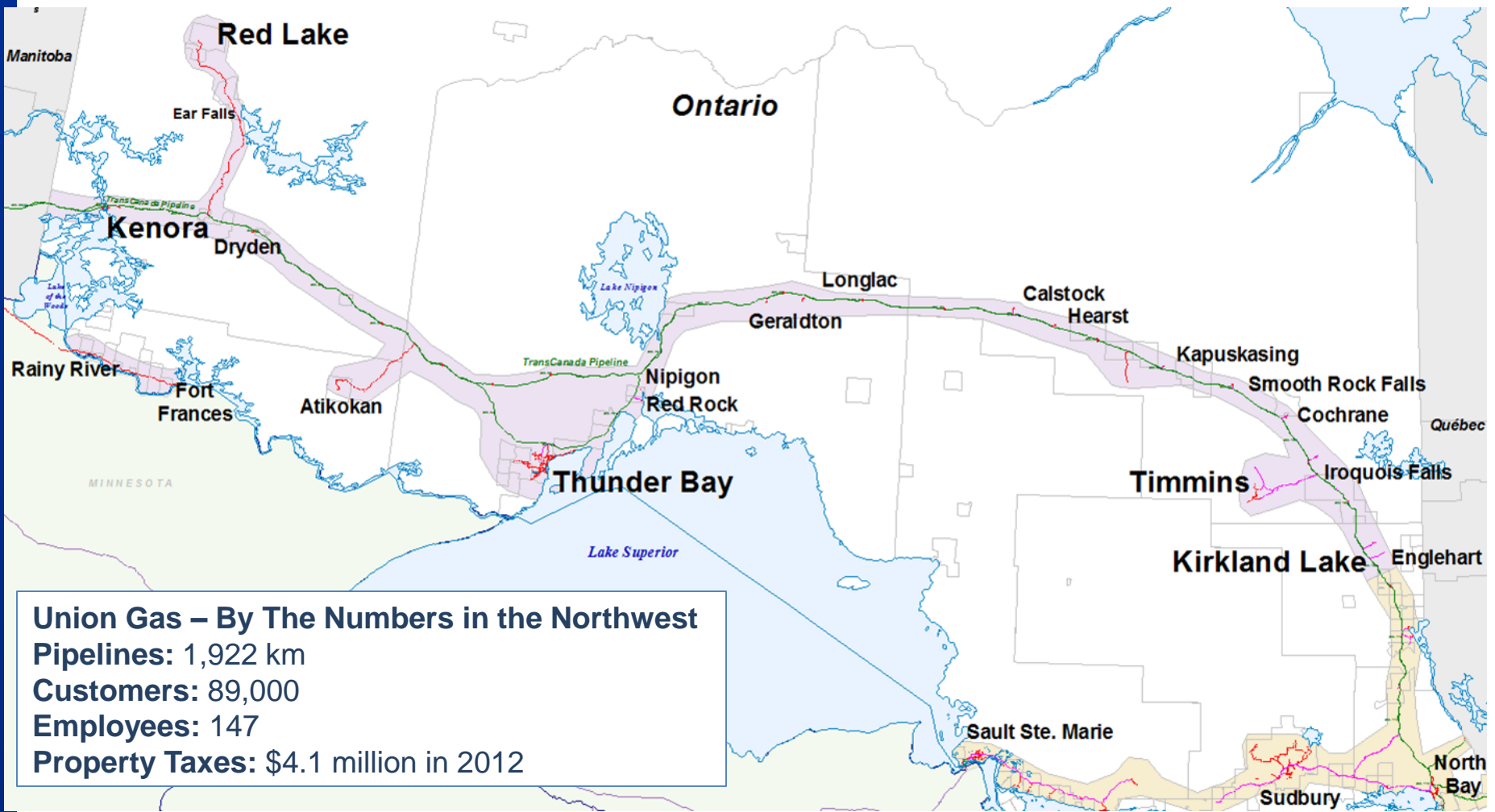
- Serve about **1.4M** retail customers
- Own and operate about **67,000 km** of pipeline
- Maintain **155 Bcf** of storage in **23** underground reservoirs
- Employ **2,200** workers
- Hold **\$5.8B** in assets
- Pay almost **\$63M** in property taxes (2012)
- Realize approximately **\$1.8B** in annual revenue

We make a significant contribution to Ontario's economy

Here In The Northwest



A Spectra Energy Company



Union Gas – By The Numbers in the Northwest
Pipelines: 1,922 km
Customers: 89,000
Employees: 147
Property Taxes: \$4.1 million in 2012

Something To Celebrate



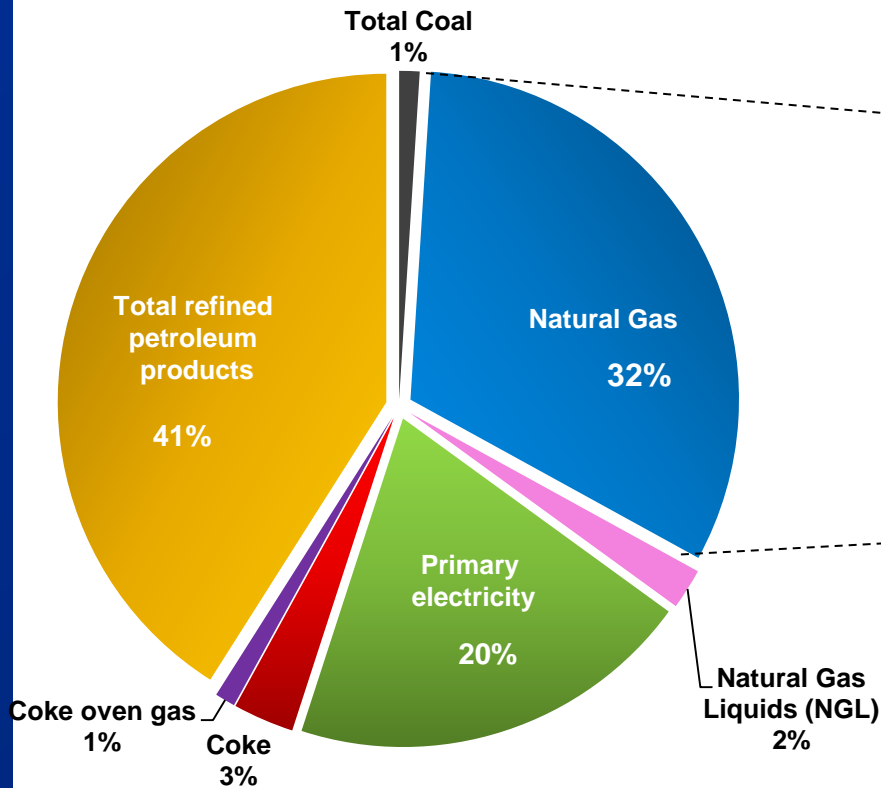
Opportunities for Ontario

- Natural gas prices in Canada have been on a steady decline since mid-2008 due to increasing supply and economic trends
- Residential savings of **\$275-\$400/year**
- Commercial customer savings of **\$9,000-\$15,000/year**
- Industrial customer savings of **\$10-20 million/year**
- **\$3-5 billion/year** in savings to Ontario consumers

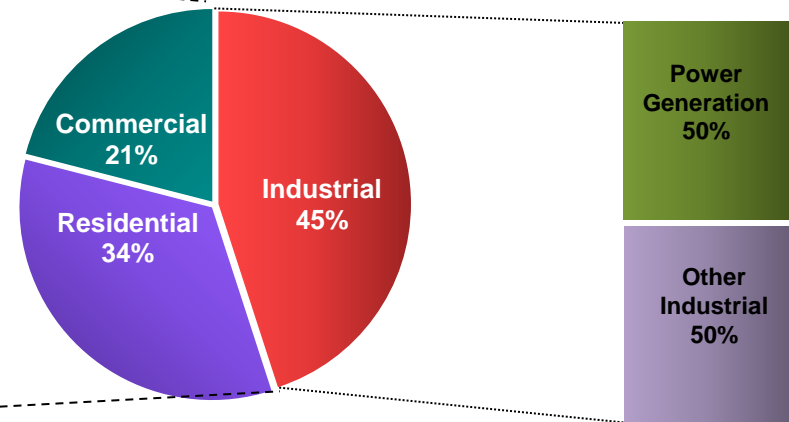


Ontario's Primary Energy Mix

Total Energy Mix (TJ%)



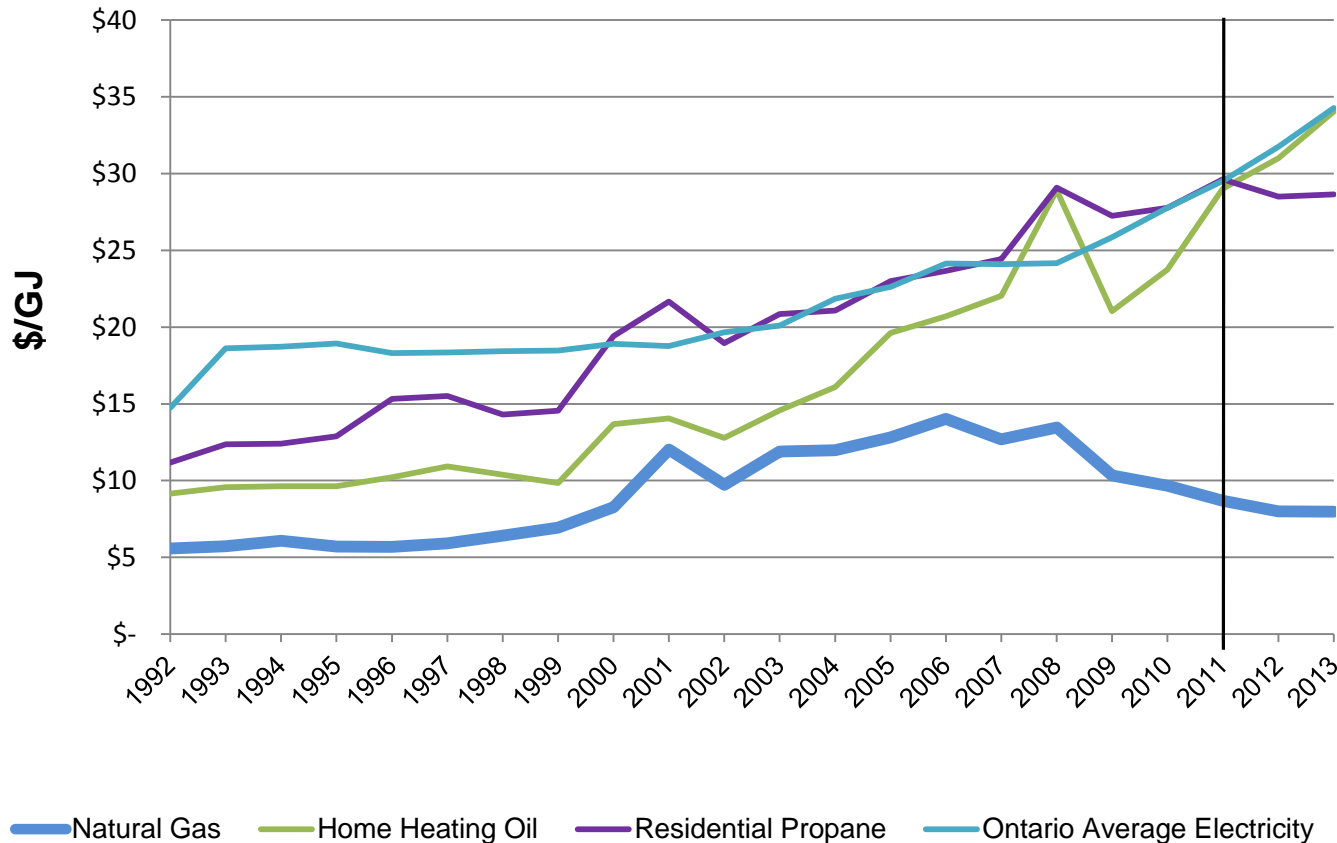
Natural Gas Throughput



- Residential **95%** of Customers
- Commercial **4.8%** of Customers
- Industrial **.02%** of Customers

Ontario's Total Residential Bill Prices

Burner Tip & Commodity Prices

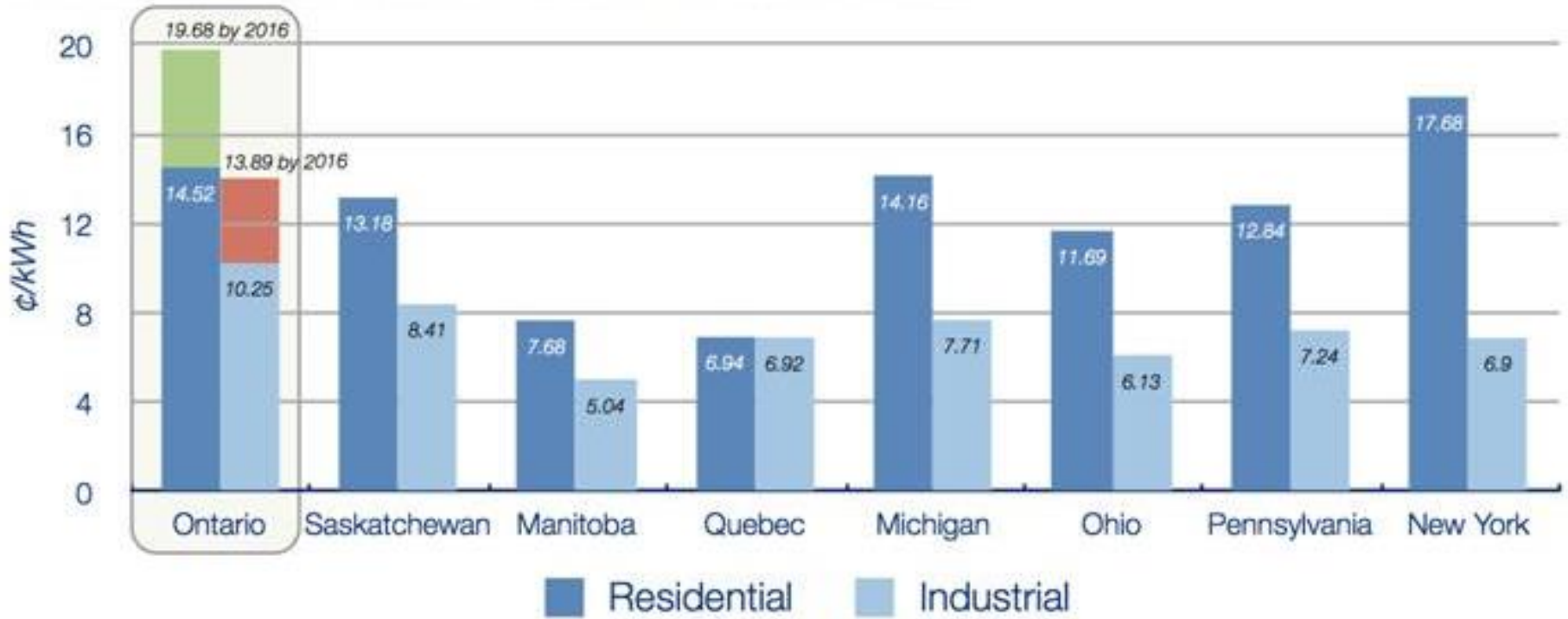


("Ontario Average Electricity" is the average price of all electricity distributors across Ontario as reported by Statistics Canada; HST and Ontario Clean Energy Benefit are not included)

Natural gas prices are lower than they have been in a decade

Ontario's Electricity Rates & Surrounding Provinces/States

(Based on average residential and industrial consumption HOEP + global adjustment)



Ontario's electricity rates need to be competitive

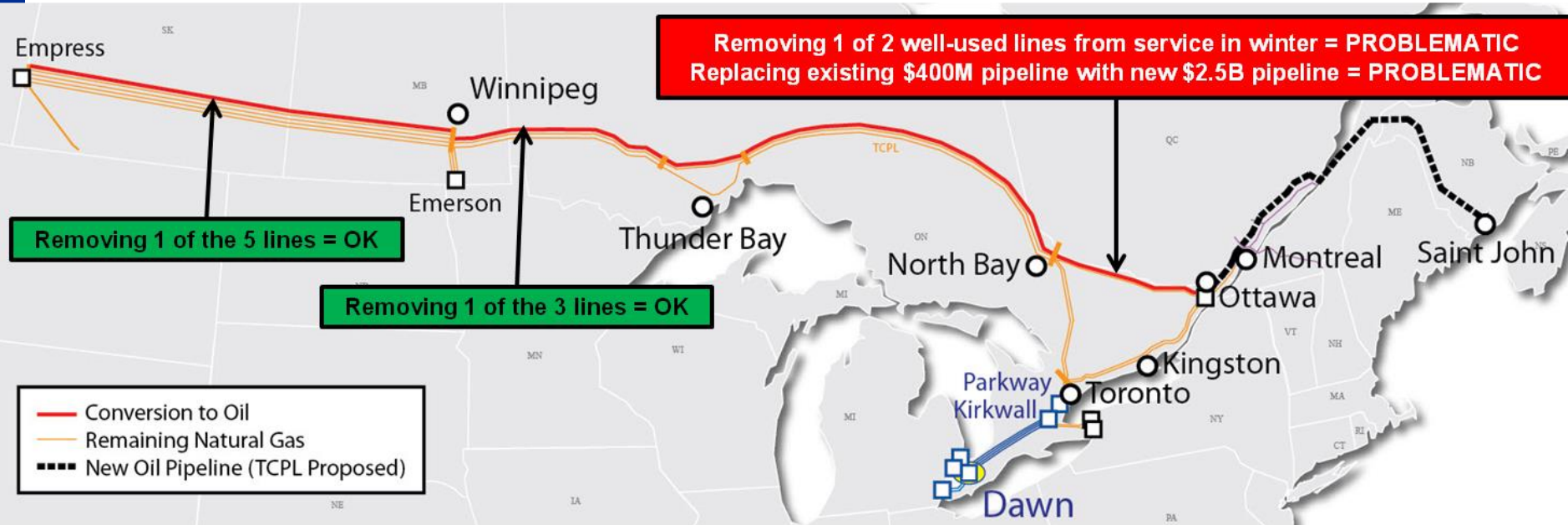
Natural Gas A Natural Option For The North

Exploring opportunities to support growth and prosperity

- CNG/LNG applications for:
 - Serving remote communities through “off pipe” service
 - Mining developments like the Ring of Fire
- ‘Traditional’ pipeline connections for:
 - Communities not currently connected to distribution lines
 - New power generation (i.e. OPA’s recent *North of Dryden* report recommends siting of a new natural gas fired plant in NW Ontario)

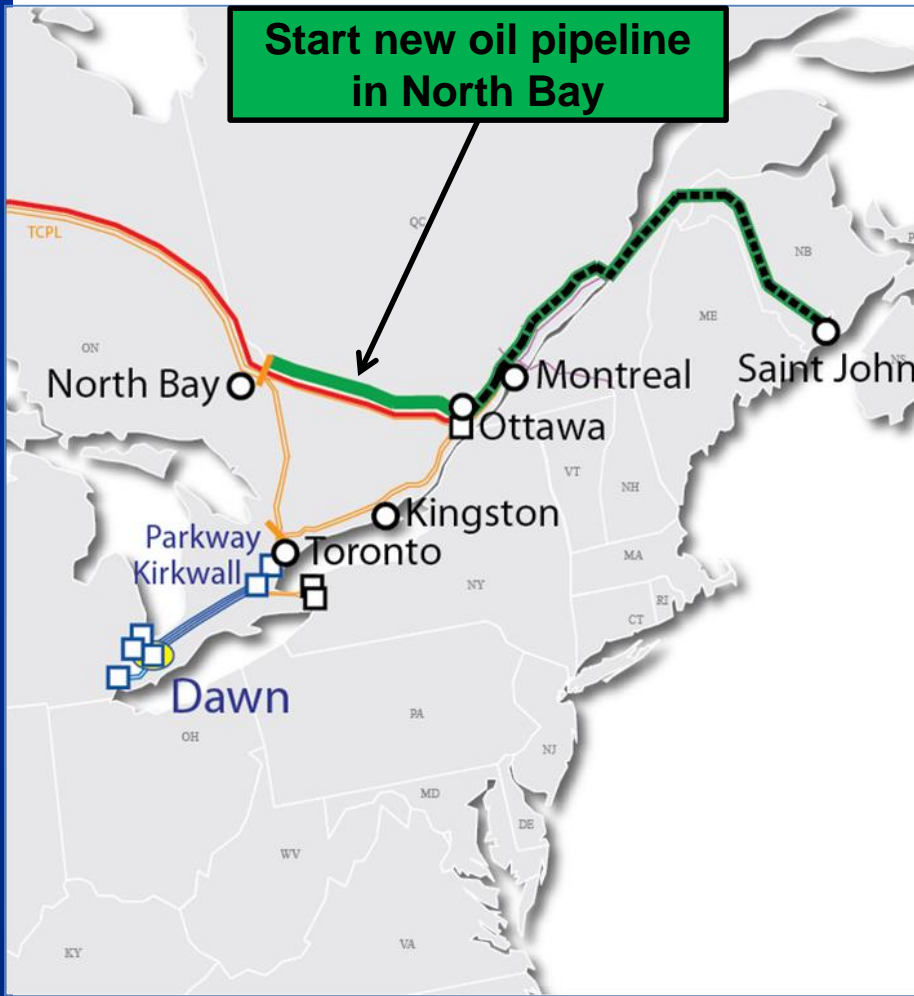
Natural gas can provide northern communities with options
for industrial applications and power generation

Energy East As Currently Proposed



In principle, Union Gas supports TransCanada's proposed oil conversion project

Establishing Winning Conditions For Energy East



- Specific mitigation that would ensure Ontario consumers aren't disadvantaged:
- Start the construction of the new oil pipeline in North Bay
- Ensure conversion of existing infrastructure accomplished without increasing current gas market cost in Ontario & Quebec (i.e. \$400M)

Be engaged, stay informed, help to ensure a positive outcome

Q&A



www.uniongas.com

