énergir the new Gaz Métro

Natural gas supply in Québec

An undeniable asset for industrial development

Énergir – a key player in sustainable development

With more than $7 billion in assets, Énergir distributes 97% of all natural gas in Québec. Its distribution network is strategically developed to enable industrial customers to take advantage of the many benefits natural gas offers.

More than
10,000 km
of underground pipelines

More than
300
municipalities

About
8,000
industrial customers

Natural gas stockage capacity of
17.31 BCF*

Énergir's industrial customers represent nearly 4% of its total clientele and consume almost 80% of the natural gas volumes distributed. Their energy needs are as varied as their activity sectors and that is why Énergir offers them a personalized support service that goes way beyond supplying natural gas: supervising rates and volumes, offering technology choices, cost management, and energy efficiency measures.

Énergir – more than a natural gas distributor

In Québec, it is the leading natural gas distribution company and also produces, through its subsidiaries, electricity from wind power. In the United States, through its subsidiaries, the company operates in nearly fifteen states, where it produces electricity from hydraulic, wind and solar sources, in addition to being the leading electricity distributor and the sole natural gas distributor in Vermont. Énergir values energy efficiency and invests both resources and efforts in innovative energy projects such as renewable natural gas and liquefied and compressed natural gas.

* By January 1st, 2018

A favorable energy context for the industrial sector

As well as being an ideal location for access to North American and European markets, Québec is also one of the most propitious Canadian provinces for industrial development because of its many advantages in terms of energy.

Here are some of those advantages:

1 – Stable

Advantageous regulatory framework which ensures stability in natural gas costs.

2 – Proactive

As a turn-key option, Énergir take care of connecting new customers, including constructing the natural gas line and installing the metering equipment.[1]

3 – Agile

Énergir has an authorized up to 10% transmission over-capacity (compared with estimated needs) to facilitate its industrial customers' development.

4 – Efficient

High energy efficiency programs encourage the development of new industries.[2]

5 – Strategic location

Maritime strategy promoting industrial-port areas, most served by the natural gas network.

6 – Political will

Québec energy policy that encourages the use of natural gas to reduce GHG emissions in the industrial sector.

7 – Resource rich

Québec is known for its iron ore, zinc, gold, niobium, titanium, nickel, copper, silver, and lithium deposits.

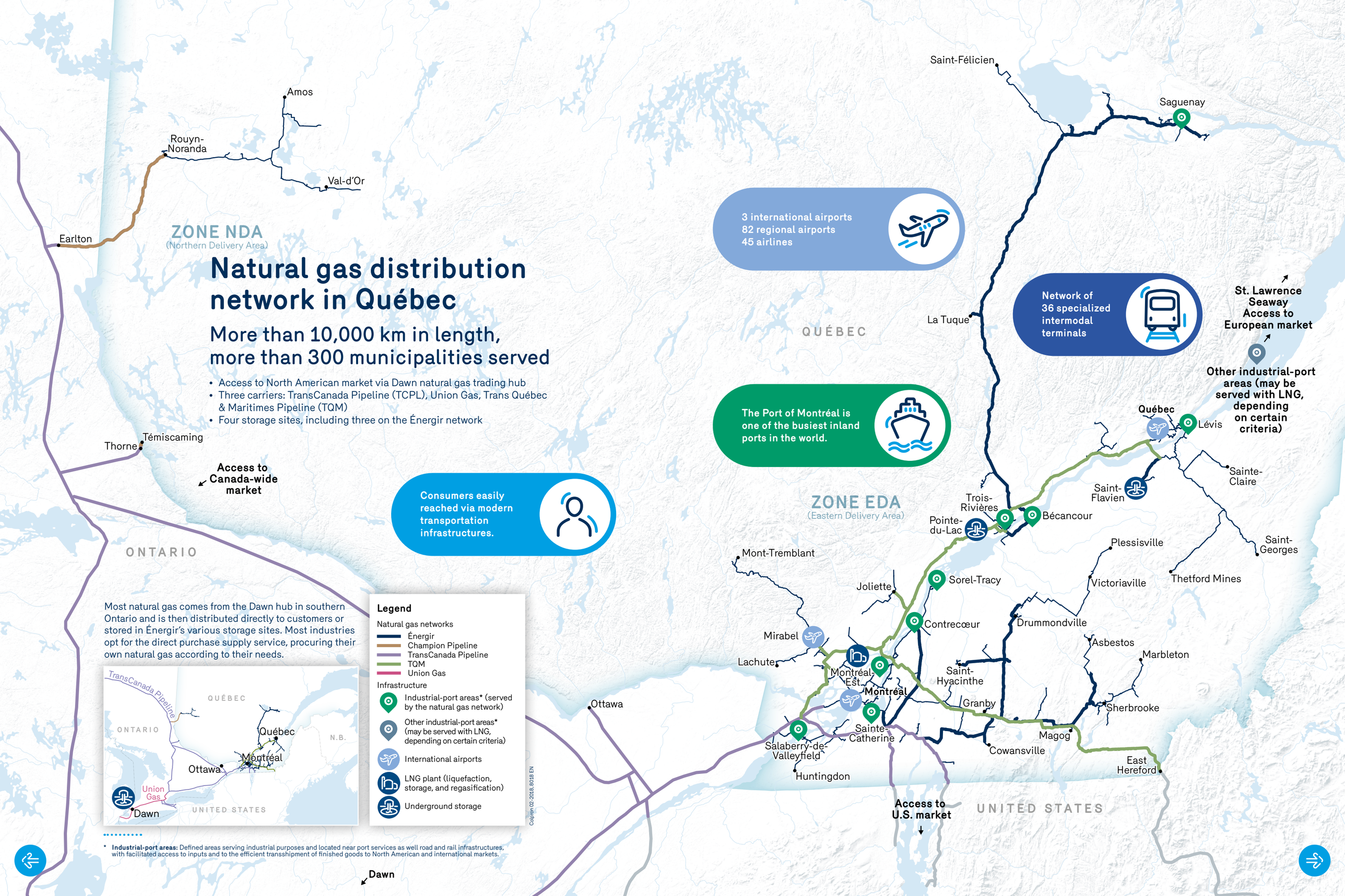
[1] A financial contribution can be required.

[2] Certain conditions apply.

Natural gas distribution network in Québec

More than 10,000 km in length, more than 300 municipalities served

- Access to North American market via Dawn natural gas trading hub
- Three carriers: TransCanada Pipeline (TCPL), Union Gas, Trans Québec & Maritimes Pipeline (TQM)
- Four storage sites, including three on the Énergir network



3 international airports
82 regional airports
45 airlines

Network of 36 specialized intermodal terminals

The Port of Montréal is one of the busiest inland ports in the world.

Consumers easily reached via modern transportation infrastructures.

Most natural gas comes from the Dawn hub in southern Ontario and is then distributed directly to customers or stored in Énergir's various storage sites. Most industries opt for the direct purchase supply service, procuring their own natural gas according to their needs.

Legend

Natural gas networks
- Énergir
- Champion Pipeline
- TransCanada Pipeline
- TQM
- Union Gas

Infrastructure
- Industrial-port areas* (served by the natural gas network)
- Other industrial-port areas* (may be served with LNG, depending on certain criteria)
- International airports
- LNG plant (liquefaction, storage, and regasification)
- Underground storage

* **Industrial-port areas:** Defined areas serving industrial purposes and located near port services as well road and rail infrastructures, with facilitated access to inputs and to the efficient transshipment of finished goods to North American and international markets.

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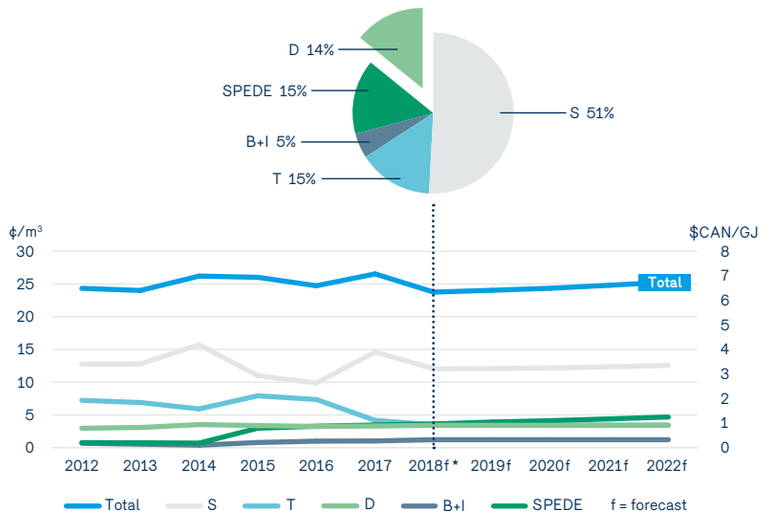
Cost of natural gas in Québec

The structure of the price applied by Énergir, shown below, is fair and transparent in order to fully support the competitivity of its industrial customers. Énergir's profit is based solely on the added value it brings – the distribution of natural gas.

Service	Description	Establishing the cost of service
Supply (S)	Natural gas (molecule)	Fluctuates depending on supply and demand (markets)*
Transport (T)	Transmission via pipelines upstream of Québec	Annual rate based on that of the carriers*
Distribution (D)	Delivery of natural gas by the Énergir distribution network	Annual rate according to the customer's contract terms and conditions; sliding-scale rate depending on consumption volume
Balancing (B)	Management of variations in consumption and storage	Annual rate established based on consumption profile*
Inventories (I)	Management of natural gas inventories	Monthly adjustment based on price fluctuations over time*
SPEDE	Cap and Trade System	Fluctuates depending on acquisition costs and emission rights*

* Resale at cost price – no profit for Énergir.



Stable prices over the long term

The vast reserves of natural gas available in North America, including several recently discovered, support the prediction of very stable prices for many years to come, helping industries plan energy costs better.

Evolution of natural gas prices calculated based on consumption of 15 million m³ at a subscribed volume of 40,000 m³/day. **Sources of provisional data:** Supply: TD Securities. — TEID: Rate in effect in April 2018. — SPEDE: Bloomberg New Energy Finance.

Conversion factors

1 Bcf	28,327,840	m^3	**1 BTU**	1,055.055	J	**1$/GJ**	3.789	¢/m^3	**1 m^3**	0.03789	GJ
1 Bcf	1.073342	PJ	**1 GJ**	26.392	m^3	**1 m^3**	37.89	MJ	**1 m^3**	35,913	BTU

Go to our website to consult our online brochure, as well as the fact sheets on Energy Efficiency, The Technical Properties of Natural Gas, Biomethane, and Liquefied Natural Gas.

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