

TransCanada's Firm Transportation New Capacity Open Season



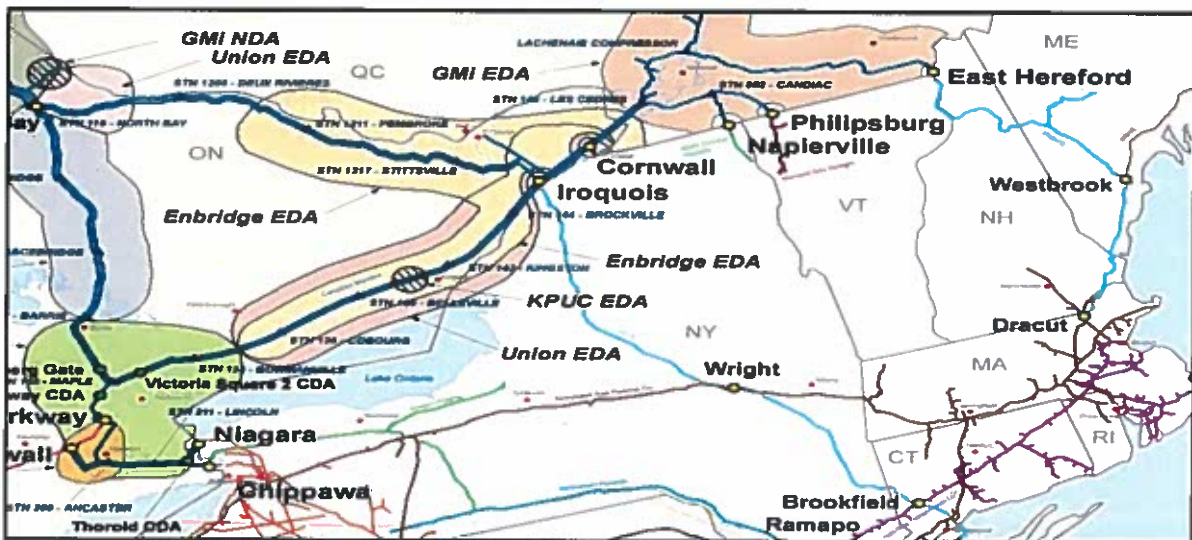
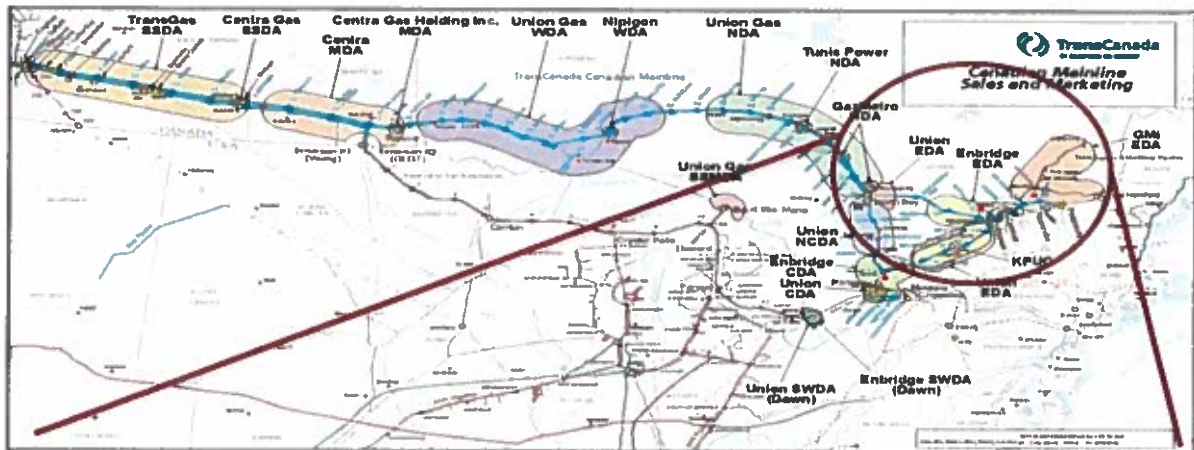
November 30, 2015 to January 22, 2016

In response to requests from shippers, TransCanada PipeLines Limited ("TransCanada") is pleased to announce that it is holding a new capacity open season for new firm transportation service ("NCOS") on the Canadian Mainline System (Figure 1) with a targeted in-service date of November 1, 2018 (the "2018 NCOS"). Earlier start dates may be available on certain paths.

Shippers that are interested in any of the following services are encouraged to participate in this 2018 NCOS:

- Short haul firm transportation service ("SH Contracts");
- Long haul firm transportation service ("LH Contracts"); and
- Conversion of LH Contracts to SH Contracts ("LH to SH Conversion").

Figure 1 – Mainline System



DOSSIER R. 3955-2015
 DÉPOSÉE EN AUDIENCE
 Date: 7 JANV. 2016
 Pièces n°: A-0009

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New Services Offered:

Service is offered in this 2018 NCOS under the following toll schedules:

- Firm Transportation (FT),
- Short Notice Balancing (SNB),
- Firm Transportation-Short Notice (FT-SN), and
- Enhanced Market Balancing (EMB)

Receipt and Delivery Points:

TransCanada is soliciting service requests from Empress, Niagara Falls, Chippawa, Parkway and Iroquois receipt points to any valid delivery point on the Mainline System.

Bidding Process:

Bids will be due January 22, 2016 by 1 pm Eastern Standard time. Requests for new firm transportation service are to be submitted using TransCanada's [new capacity open season bid form](#).

Conversions:

Service Applicants can submit requests to convert LH Contracts to SH Contracts using the following link to the [LH to SH Conversion bid form](#).

Minimum Term:

The minimum term for service requests is 15 years.

Transportation Tolls:

Current Tolls for TransCanada's transportation service, including the Abandonment Surcharge and Delivery Pressure Charges where applicable, can be found [here](#) and are based on the recent National Energy Board RH-001-2014 Decision.

Coordinated Open Seasons:

The following interconnecting pipeline companies will also be offering capacity to align with this 2018 NCOS:

- [Portland Natural Gas Transmission System](#)
- [Union Gas Limited](#)

TransCanada does not anticipate acquiring transportation service on the Union Gas system on behalf of Service Applicants in the 2018 NCOS and therefore, Service Applicants requiring Union Gas transportation service should contract with Union Gas directly. TransCanada may consider taking assignment of the transportation contracts after facilities are in service. Service Applicants should indicate their interest in an assignment at the time of bidding.

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Commercial Terms of the 2018 NCOS:**



This 2018 NCOS and the provision of service hereunder, are subject to the following terms and conditions:

NEB Approval of 2018 NCOS Facilities & Service	TransCanada will require internal and external approvals, including any regulatory approvals that it determines necessary to construct facilities and provide the service as a result of this 2018 NCOS, all on terms and conditions satisfactory to TransCanada in its sole discretion.
Transportation by Other (TBO) Capacity	TransCanada obtaining, prior to the New Service Start Date of the requested service, transportation service on other pipeline systems that it determines necessary ("TBO Capacity") on terms and conditions acceptable to TransCanada in its sole discretion.
Conditional Bidding	Bids may be conditioned on TransCanada's acceptance of another TransCanada bid submitted in this 2018 NCOS.
Minimum Acceptable Quantity	Service Applicants may specify a minimum acceptable quantity in the event that TransCanada needs to prorate the New Capacity.
Notification to Service Applicants and Allocation of Capacity	TransCanada will notify all Successful Bidders within fifteen (15) Banking Days of the close of the 2018 NCOS. All bids received will be evaluated pursuant to the Transportation Access Procedures ("TAPs") in place at the close of this open season.
Rejection of Bids	TransCanada reserves the right to reject a bid if TransCanada determines that the quantity bid on a path does not meet minimum requirements to justify the construction of new facilities.
LH to SH Conversion bids	<p>LH to SH Conversion bids are subject to the following additional terms and conditions:</p> <ul style="list-style-type: none"> • LH Contracts must be for FT service; • LH Contracts can be converted to SH Contracts for FT, FT-SN or EMB service; • The term of the SH Contract will be for a minimum term of 15 years; • The date of commencement will be the New Service Start Date; • Delivery point for the SH Contract and the LH Contract must be the same; • The SH Contract receipt point must be located in the Eastern Triangle and the delivery point can be anywhere on the Mainline System; • Service Applicant may convert all or a portion of their LH Contract; and

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	<ul style="list-style-type: none"> • Service Applicant must sign a Precedent Agreement and a Financial Assurances Agreement within 30 days of receipt from TransCanada. <p>Service Applicants considering a LH to SH Conversion should contact their Customer Account Manager to discuss the requirements.</p>
<p>New Service Start Dates</p>	<p>New Service Start Dates are subject to a number of factors that may limit capacity or delay the New Service Start Date including without limitation:</p> <ol style="list-style-type: none"> 1) aggregate new requests for service being greater than expected; 2) requests requiring TBO Capacity; 3) delays in TransCanada receiving any required regulatory approvals; and/or 4) delays in construction.
<p>Requirement for Upstream and/or Downstream Capacity</p>	<p>Service Applicant shall, within five (5) business days of TransCanada's request, demonstrate to TransCanada's satisfaction that Service Applicant has an equivalent amount of upstream and/or downstream pipeline capacity.</p>
<p>Precedent Agreement and Financial Assurances</p>	<p>Successful Bidders will have thirty (30) days to execute a Precedent Agreement and a Financial Assurances Agreement once it is received from TransCanada.</p> <p>TransCanada requires acceptable financial assurances (where determined to be necessary) in support of the Precedent Agreement, five (5) Banking Days from a Successful Bidder receiving a Financial Assurances Request. If TransCanada has requested a Financial Assurances Request and the Successful Bidder does not comply with the request, they will be deemed to have withdrawn their Bid. By submitting a bid a Service Applicant acknowledges that it will comply with this request.</p>

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<p>Deposit Information and Procedure</p>	<p>A Bid Deposit is required for each individual Bid Form. Each Bid Deposit is equal to the lesser of:</p> <ul style="list-style-type: none">(a) Two (2) months of demand charges for the maximum capacity set out on the Bid Form, calculated based on the Amended Settlement tolls; or(b) \$50,000 CAD <p>However, multiple bids for service on the same path are required to pay a deposit equal to \$100,000 CAD for each Bid.</p> <p>Provision of the Bid Deposit:</p> <ul style="list-style-type: none">a) A New Service Applicant (who does not currently hold a contract with TransCanada) is required to provide the Bid Deposit within two (2) Banking Days of the close of the 2018 NCOS. If awarded the requested service and the New Service Applicant does not execute the Precedent Agreement and Financial Assurances Agreement the Bid Deposit will not be returned.b) A Service Applicant who currently holds a transportation service contract with TransCanada is not required to submit the Bid Deposit when bidding, however, if awarded the requested service and the Existing Service Applicant does not execute the Precedent Agreement and Financial Assurances Agreement the Bid Deposit will be charged to the Existing Service Applicants transportation account.
<p>Supporting Documentation for New Services</p>	<p>Successful Bidders must provide supporting documentation for their requested service as set out in the NEB Filing Manual in order to qualify as acceptable bids under the TAPs. This information must be provided to TransCanada within five (5) Banking Days from the date the Successful Bidder receives a Precedent Agreement from TransCanada. Successful Bidders are encouraged to contact their Customer Account Manager to discuss filing requirements. The information provided will provide justification and will form the basis of TransCanada's NEB application.</p> <p>Information provided by Successful Bidders will be held on a confidential basis up to the time of a regulatory application to the NEB. The Successful Bidder acknowledges and agrees that TransCanada may use any such information it determines necessary in its NEB application. Any specific requirements for confidentiality can be addressed on an individual basis.</p>

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Other Terms and Conditions of the Open Season	TransCanada may, in its sole discretion, require other terms and conditions which will be included in the Precedent Agreement provided to the Successful Bidder. For additional terms, conditions and information please refer to the TAPs . Any uppercase term not defined herein will have the meaning given to it in the TAPs or in the Settlement Agreement.
GST Procedures for FT, FT-SN, or SNB – For Export Points Only	TransCanada is required to charge the Goods and Services Tax (GST) or Harmonized Sales Tax (HST), whichever is applicable, on transportation of gas that is consumed in Canada. Shippers may zero-rate GST or HST on contracts intended to serve an export market by making a Declaration on the nomination line in NrG Highway. Shippers may also provide a monthly Declaration for any Unutilized Demand Charges (UDC). For more information, please see GST/HST Procedures .

Questions:

For inquiries regarding this 2018 NCOS please direct questions to your Mainline Customer Account Manager.

Calgary	
Gordon Betts	403.920.6834
Michael Mazier	403.920.2651
Toronto	
Amelia Cheung	416.869.2115
Lisa DeAbreu	416.869.2171
Reena Mistry	416.869.2159
Catherine Young	416.869.2101

This Open Season closes at 1 pm Eastern Standard Time on January 22, 2016.

Paper bid forms can be found at the following links:

[Paper Bid Form](#)

[Conversion Paper Bid Form](#)

Please fax completed bids to 403-920-2343