



uniongas

A Spectra Energy Company

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Dawn to Parkway Firm Transportation Open Season

Accessing liquid, diverse, abundant supply sources

November 30, 2015

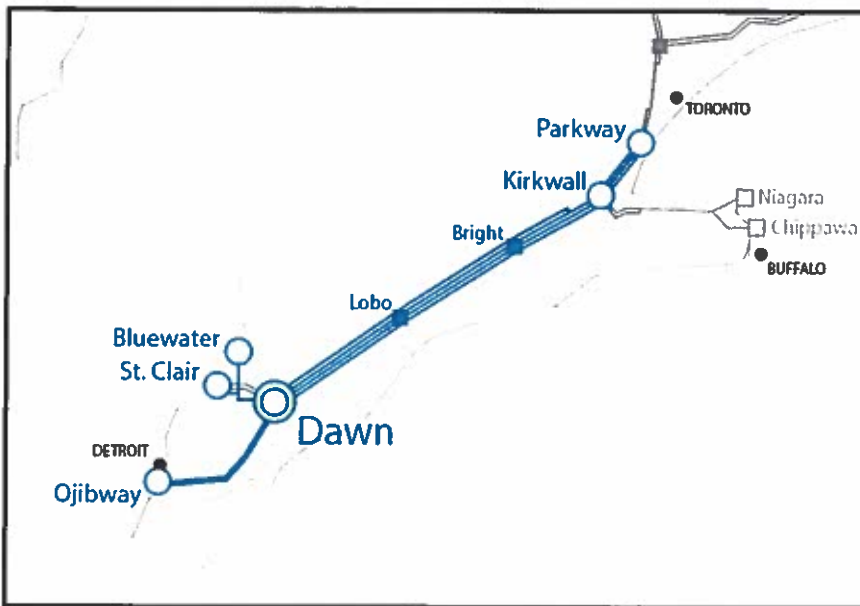
Union Gas is holding an open season for incremental firm M12 transportation capacity of up to 350,000 GJ/d beginning in 2018 and 600,000 GJ/d beginning in 2019 along the following transportation paths:

- (a) Dawn to Parkway;
- (b) Dawn to Kirkwall; and
- (c) Kirkwall to Parkway.

Union Gas is also offering a portion of this capacity through the flexible M12-X Firm Transportation Service between Dawn, Parkway and Kirkwall. This service provides shippers with the flexibility to transport gas between the three interconnects on the Union Gas Dawn Parkway System in any direction on a firm basis.

The open season closes and all bids are due on or before 1:00 PM Eastern Time, January 22, 2016. Union Gas will contact all responding parties on or before January 26, 2016. Union Gas expects to award capacity on or before February 12, 2016.

The open season offers firm access to not only the liquidity and diversity of the Dawn Hub, but also access to Appalachian supplies from Dawn, Niagara and Chippawa. Customers in eastern Canada and the U.S. Northeast can access these supply points by aligning Union Gas transportation service with capacity offered on TransCanada and interconnecting systems in the United States.



The Dawn Hub, one of the fastest growing market hubs in North America, is the largest integrated natural gas storage facility in Canada and one of the largest in North America. Storage and transmission facilities at the Dawn Hub are fully integrated into the North American supply and transportation system providing shippers with price stability, diversity and security of supply.

M12 Dawn to Parkway / Dawn to Kirkwall / Kirkwall to Parkway Firm Transportation Service
Total Capacity Available: up to 350,000 GJ/d starting in 2018, 600,000 GJ/d starting in 2019
Start Date(s): November 1, 2018 or November 1, 2019
Term: Minimum of 15 Years
Receipt Point(s): Dawn or Kirkwall
Delivery Point: Kirkwall or Parkway
Rate: Service is proposed to be in accordance with the Union Gas M12 Rate Schedule
Fuel: As per M12 tariff, subject to quarterly YCR Adjustment. M12 Rate Schedule
<ul style="list-style-type: none"> • Standard Contract • M12 Rate Schedule

M12-X Firm Transportation Service
Total Capacity Available: up to 350,000 GJ/d starting in 2018, 520,000 GJ/d starting in 2019
Start Date: November 1, 2018 or November 1, 2019
Term: Minimum of 15 Years
Receipt Point(s): Dawn, Parkway, Kirkwall
Delivery Point: Dawn (Facilities), Parkway, Kirkwall
Rate: Service is proposed to be in accordance with the Union Gas M12-X Rate Schedule
Fuel: As per M12 tariff, subject to quarterly YCR Adjustment. M12-X Rate Schedule
<ul style="list-style-type: none"> • Standard Contract • M12-X Rate Schedule

Submitting a Bid for Service

Union Gas, at its sole discretion, reserves the right to reject any and all proposals received, terminate the open season, or modify or extend the open season or related documents. All capacity requests that meet the respective service parameters during this open season will be awarded as per Union Gas' Allocation Procedures in Section XVI of the Union Gas M12 tariff [General Terms and Conditions](#), starting with those bids with the highest economic value. If the economic values of two or more independent bids are equal, then service shall be allocated on a pro-rata basis. The economic value shall be based on the net present value which shall be calculated based on the proposed per unit rate and the proposed term of the contract and without regard to the proposed contract demand.

Any suggested conditions precedent proposed by the shipper should be clearly articulated and attached to the bid form and will be considered during the capacity allocation process. Successful bidders will be expected to enter into a definitive [Precedent Agreement](#) with Union Gas within 30 days of awarding the open season capacity.

A [Financial Backstopping Agreement](#) may also be required. The need for such an agreement will be determined by the facilities required to provide the transportation service requested by the shipper. If costs are incurred prior to the shipper or Union Gas waiving their conditions precedent, the shipper will be required to backstop the lesser of the equivalent of 15 years of demand charges or their pro-rated costs until the conditions precedent are waived or satisfied. Contact your account manager to discuss the [Financial Backstopping Agreement](#) in more detail.

Any party wishing to submit a bid for M12/M12-X service should complete, sign and return the appropriate Firm Transportation Bid Form by email to Steve Dantzer:

Email: sdantzer@uniongas.com Phone: (519) 436-4647