



March 07, 2008

**Re: Union Gas Limited Binding Peak Storage Open Season**

Union Gas Limited ("Union") hereby invites your company to submit a binding bid for Union Gas storage at Dawn for a term of 1 to 5 years with injections starting April 1, 2008. All bids are due on or before 11:30 am Eastern Time / 10:30 am Central Time on March 19, 2008. Union expects to award capacity on or before by 5:00 pm Eastern Time / 4:00 pm Central Time on March 19, 2008. The "Service Parameters" are provided for information purposes only. Reference should be made to the definitive agreements (as posted on [www.uniongas.com/openseason](http://www.uniongas.com/openseason)) to determine the actual legally binding obligations and liabilities of the parties.

**Service Parameters – Peak Storage**

- All bids are 100% take-or-pay and billed monthly, prorated over the term of the contract.
- The first storage cycle is complete when the cumulative quantity of all injections and all withdrawals exceeds the contracted Maximum Storage Balance ("MSB") times two (2). "Maximum Storage Balance" shall mean the maximum quantity of storage space available for Shipper's utilization.
- After the first storage cycle each year, injections into storage by Shipper and withdrawals from storage to Shipper will each be at a rate of \$0.05 CDN/GJ. Injections and withdrawals after the first storage cycle will be scheduled at a lower priority of service.
- 0% fuel on receipts and deliveries and no commodity charges, with the exception of the cycling charge described above.
- Delivery and receipt points shall be Dawn.
- Injections:
  - 5% of MSB daily on an interruptible basis.
- Withdrawals:
  - Firm withdrawal period will commence May 1 through February 28 (29) at the rate of 1.2% of MSB daily, regardless of balance level at or above zero, plus 3.8% of MSB daily on an interruptible basis.
  - Interruptible withdrawal period will commence March 1 through April 30 at the rate of 5% of MSB daily.
- Firm Injections and Withdrawals in excess of the above limits may be requested.
- In the event that bid quantities exceed available capacity, quantities will be allocated according to price and term.
- This open season is in accordance with Union's Market Price Service Schedule ("MPSS"). Please visit <http://uniongas.com/aboutus/regulatory/rates/ratesindex.asp> (then scroll to bottom of page).
- All terms and conditions set out in Union's Peak Storage Contract, including payment options will be applicable and can be viewed at [www.uniongas.com/openseason](http://www.uniongas.com/openseason).

**Submitting Bids and Awarding of Service**

All bids are due on or before 11:30 am Eastern Time / 10:30 am Central Time on March 19, 2008. Union expects to award capacity on or before 5:00 pm Eastern Time / 4:00 pm Central Time on March 19, 2008.

Please provide your binding bid under the above terms and conditions by signing and returning the enclosed Peak Storage Bid Form indicating the Price (\$U.S/MMBtu/year of MSB) and Maximum Storage Balance (MSB) desired.

Union reserves the right to make its acceptance of your bid conditional upon satisfaction or waiver of conditions precedent set out in Section 3.01 of the standard Peak Storage Contract.

Union reserves the right to reject any and all bids at its sole discretion. Without limiting the foregoing, Union may, but is not required to, reject any bids which do not conform to the Open Season, are incomplete with the terms and conditions outlined in this Open Season, contain additional or modified terms, or are otherwise deficient in any respect.

If you have any questions regarding this Open Season, please feel free to contact your Account Manager:

*Union Gas Limited, A Spectra Energy Company, Storage & Transportation Sales*

Jacquie Montgomery	(519) 436-5452
Paolo Mastronardi	(519) 436-5264
Leah Moss	(713) 627-5054
Steven Tramonte	(713) 627-4411
Anne Moore	(713) 627-4555



## Peak Storage Bid Form

If you wish to participate in this Open Season, please complete, sign and return this Bid Form on or before 11:30 am Eastern Time / 10:30 am Central Time on March 19, 2008.

Fax: (519) 436-4643

Attention: **MARKETER SERVICES, Union Gas Limited, A Spectra Energy Company**

### All bids must be made in U.S. Dollars.

Price (\$USD/MMBtu/per year of MSB) \_\_\_\_\_

MSB (MMBtu) \_\_\_\_\_

Start Date: April 1, 2008

Term \_\_\_\_\_ (Min. 1 year to Max. 5 year)

\_\_\_\_\_  
Shipper's Corporate Name

\_\_\_\_\_  
Phone

\_\_\_\_\_  
per

\_\_\_\_\_  
Fax

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

**This is a binding bid.** By participating in this Open Season, subject to Union's acceptance and notification of quantities allocated to Shipper, Shipper hereby irrevocably commits to enter into Union's Peak Storage Contract with Union (modified as applicable by Union's notification of the quantities allocated to the Shipper). If the above event does not occur within 10 days of delivery by Union of written notice to Shipper, Union may, in its sole discretion, elect by written notice to Shipper within 15 days thereafter, to either terminate the Shipper's participation in this Open Season, or treat Shipper's signature and return of the Peak Storage Bid Form together with Union's Peak Storage contract as the legally binding agreement.