



**uniongas**

A Spectra Energy Company

January 13, 2009

**Re: Union Gas Limited Binding Open Season – Peak Storage and Additional Firm Injections and Withdrawals – Invitation to Bid**

Union Gas Limited (“**Union**”), a Spectra Energy Company hereby invites all existing and potential Shippers to submit binding bids for Dawn storage for a term of 1 to 5 years starting April 1, 2009. All bids are due on or before 11:30 am Eastern Standard Time / 10:30 am Central Standard Time on January 16, 2009.

**Service Parameters – Peak Storage**

- All contracts awarded will be 100% “take-or-pay” and will be billed monthly prorated over the term of the contract.
- Injections:
  - 5% of MSB daily on an interruptible basis.
- Withdrawals:
  - Firm withdrawals in all months except March and April 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 from March 1 through April 30 at the rate of 5% of MSB daily.
- Receipt and Delivery points shall be Dawn.
- The first storage cycle is complete when the cumulative quantity of all injections and all withdrawals equals two (2) times the contracted Maximum Storage Balance (also referred to as MSB). “**Maximum Storage Balance**” shall mean the maximum quantity of storage space available for Shipper’s utilization.
- After the first storage cycle each year, (to be reset on April 1) injections into storage by Shipper and withdrawals from storage to Shipper will each be at a rate of \$0.05 CDN/GJ.
- No commodity charge and 0% fuel on receipts and deliveries, with the exception of the cycling charge described above.
- All terms and conditions set out in Union’s Peak Storage Contract, including payment options, will be applicable and can be viewed on the Union website at [www.uniongas.com/openseason](http://www.uniongas.com/openseason).

**Additional Firm Injections and/or Withdrawals (the “Additional Firm Service”)**

In addition to the above, Union invites all existing and potential Shippers to submit binding bids for firm injections and withdrawals in excess of the parameters outlined above, starting April 1, 2009. All bids for the Additional Firm Service shall be expressed as \$US/MMBtu/year of storage space. This additional firm quantity may be awarded to Shippers who are awarded storage space in this open season or existing Peak Storage Contract holders.

## **Submitting Bids and Awarding of Service**

All bids are due on or before 11:30 am Eastern Standard Time / 10:30 am Central Standard Time on January 16, 2009. Union expects to award capacity on or before 3:00 pm Eastern Standard Time / 2:00 pm Central Standard Time on January 16, 2009.

Please provide Shipper's binding bid under the above terms and conditions by signing and returning the enclosed Peak Storage Bid Form indicating the Price (\$US/MMBtu/year of MSB), Maximum Storage Balance (MSB) desired and Term (1 to 5 years).

Union reserves the right to make acceptance of any binding bid conditional upon receiving reasonable financial assurances for the obligations pursuant to this Open Season, if deemed necessary.

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

Each bid will be evaluated separately. If two or more successful bids have an equivalent value, and insufficient capacity exists to satisfy all such bids with an equivalent value, the capacity allocated to such bids will be prorated.

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, Account Managers*

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



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**Peak Storage Bid Form**

Please complete, sign and return this Peak Storage Bid Form on or before 11:30 am Eastern Standard Time / 10:30 am Central Standard Time on January 16, 2009.

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/ year of MSB) \_\_\_\_\_

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

Start Date: 01-Apr-09

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

**(Please complete the section below if Shipper is interested in additional firm injections and withdrawal rights to the Bid above or existing Peak Storage Contract.)**

**Additional Firm Service - (Incremental bid to above)**

Price (\$USD/MMBtu/year of MSB) \_\_\_\_\_ Existing Peak Storage Contract #  
(if applicable) \_\_\_\_\_

Firm Withdrawal Quantity (MMBtu/day) \_\_\_\_\_

Please specify month(s) of firm withdrawals \_\_\_\_\_

Firm Injection Quantity (MMBtu/day) \_\_\_\_\_

Please specify month(s) of firm injections \_\_\_\_\_

\_\_\_\_\_  
Shipper's Full Legal Name

\_\_\_\_\_  
Phone

\_\_\_\_\_  
Signed:

\_\_\_\_\_  
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 execute the Peak Storage Contract (found at [www.uniongas.com/openseason](http://www.uniongas.com/openseason)) with Union on the price, term and capacity as outlined above. If the above event does not occur within 30 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 Shipper's participation in this Open Season, or treat Shipper's signature and return of this Peak Storage Bid Form together with the Peak Storage Contract as the legally binding agreement (modified as applicable by Union's notification of the quantities allocated to Shipper) between Shipper and Union. Shipper acknowledges and agrees that any storage service provided by Union prior to execution by Shipper of the Peak Storage Contract shall be subject to the terms and conditions set forth in this Peak Storage Bid Form and the Peak Storage Contract. In the event of any inconsistency or conflict between the terms and conditions of this Peak Storage Bid Form and the Peak Storage Contract, this Peak Storage Bid Form shall prevail to the extent of any inconsistency.