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# Marketer Services Storage & Transportation “S&T” Optimization

*More S&T Transactional Business Being Conducted*

Paolo Mastronardi

Account Manager – Storage & Transportation



# Agenda Items

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- Enhancements
  - Unionline, E-Contracting, Paperless Invoicing
- Storage & M12 Transportation Portfolio
  - Customer Mix
- Transportation/Exchange Services
  - Firm Availability
  - Other Options
- Storage
  - Market Overview
  - Product Comparison



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# Unionline Update

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- 2007 Unionline Survey for Union Gas S&T users
- Issues Raised
  - Add more information and transaction functions
  - Improve System Performance
  - Better Navigation and ease of use
  - Better Training and Support



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# Unionline Enhancements

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- Actions for Improvements
  - Increased the number of S&T reports available with 12 months history
  - Electronic contracting (E-Contracting) allows customers to enter into contracts online
  - Customers can now see all their contracts electronically
  - Re-engineered the Nominations/Measurement section of Unionline to improve overall performance
  - Allow customers to create a “favourites” section on the navigation bar
  - Increased the number of classroom and one on one sessions with customers when we introduce new services. Had training sessions in Calgary/Toronto and individual sessions for those who were unable to attend the larger meeting in June.





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# Paperless Invoicing & Bill Payment

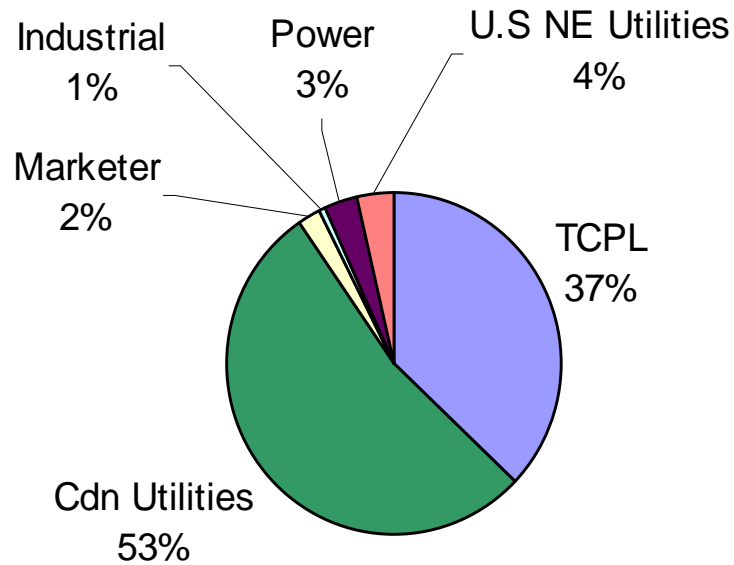
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- Union offers flexible invoicing options
- Customers can view their invoice online
  - They can also elect to stop receiving a paper invoice, reducing the impact to the environment
- For Canadian customers, online bill payment is available
- Please contact your account representative to learn more about these options.

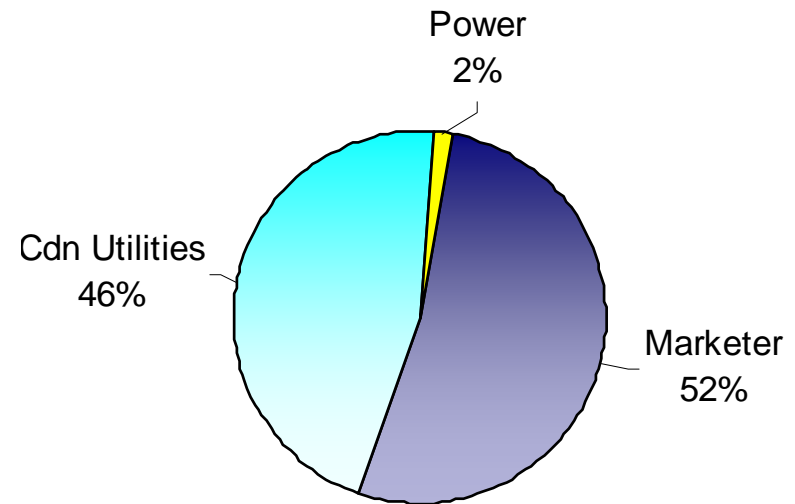


# Contracted Customer Mix at Dawn

**M12 Firm Transportation - Dawn to Parkway/Kirkwall  
Customer Profile - January 1, 2009**



**Union Gas Peak Storage  
Customer Profile - January 1, 2009**



# Approximate Firm Transportation Available



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Transportation Path	Quantity (GJ/d)	
	Summer 09	Winter 09/10
Bluewater to Dawn	110,000	72,000
St.Clair (Michcon) to Dawn		
Ojibway to Dawn	0 - 20,000	12,000
Dawn to Parkway/Kirkwall	200,000	0

- Actively marketing firm transportation quantities on all paths
  - Quantities identified are approximates may vary from month to month
  - Term extending greater than the Winter 09/10 is an option

**Transportation paths above are bi-directional - Exports out of Dawn are an option, please contact your account rep for availability**

# Options – If Firm Service is not Available



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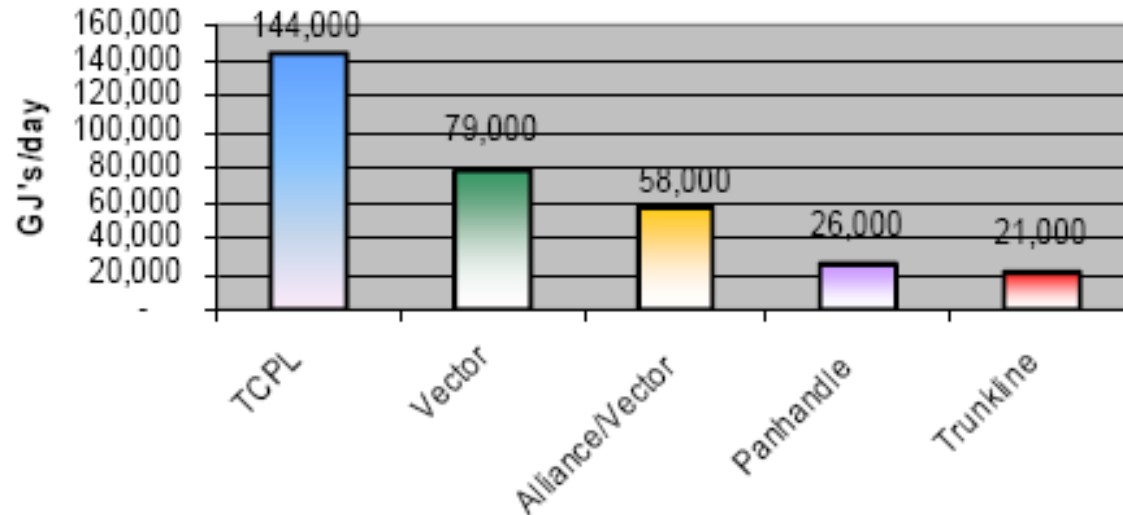
- **Option 1** - Utilize Union's HUB contract – provides basic interruptible ("IT") service (lower quality higher probability of interruption during peak period).
  - Transportation
  - Park / Loans
  - HUB pricing is posted monthly – Schedule B at [www.uniongas.com](http://www.uniongas.com)
  - Nominate and go, no sales contact required
- **Option 2** - Enhance your HUB Contract – give us a call and let's negotiate
  - Upgrade your IT priority/reliability via Price
    - Demand Charge (Take or Pay) – Highly Reliable
    - Commodity rate - Premium to posted HUB Price
  - Term – Daily, Wknd, Monthly, Seasonal, Annual

Priority of Service Policy identifies priority ranking for IT services – available at [www.uniongas.com](http://www.uniongas.com)



# Exchange Service

Union Sales Service Pipe Portfolio: Nov 1/08



Optimizing Union's  
Sales Service Pipe  
Portfolio

- Exchange Service - where Union will exchange receipt/delivery point with a Shipper, one point is on Union's system.
- Transacting – Daily, Monthly, Seasonal, Annual
- Contracted as an enhancement to the Interruptible HUB Agreement
- Reliability - Firm/Interruptible (firm subject to the Upstream pipeline scheduling) or Interruptible
- Pricing – Market Based (demand charge and/or commodity rate)



# Storage Market Overview at Dawn

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*How has the changing economy affected Dawn Storage?*

## Dawn Peak Storage Open Season – Closed January 16, 2009

- Demand for Dawn storage continues to be strong
  - 32 binding bids
  - 16 Counterparties
  - New Shippers continue to inquire and contract
- Dawn Storage Value – Extrinsic value (option premium) still exists, Union received values above intrinsic value (low summer /high winter spread)
  - Market Price - Intrinsic value on Jan 16 (low summer/high winter less time value of money)
  - Wide range of bids
  - Intrinsic Value has trended up since the close of the storage open season

# Storage Market Overview at Dawn

## Cont'd



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- We are bullish on storage
  - Storage asset growth is the evidence
    - Evaluating future opportunities
  - Continue to connect supply to Dawn (i.e. Spectra Energy – Dawn Gateway Project)
  - Grown takeaway capacity – further expansion planned
  - New Product Development
    - F24-S (Firm injection/withdrawal rights are firm all day, access to 13 nomination windows)
- Dawn storage demand and value continues
  - Spreads are healthy
  - Market continues to inquire about how they can they contract for Dawn storage services
- Evaluating timing and quantity for next peak storage open season
  - Will consider one-off negotiations

# Storage Product Comparison

## LST vs. LTP vs. HDS



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Market Price & Value to You Increases

### LST – Long Term Storage

- Seasonal Storage
  - 90 Day Storage
  - IT available
- Ratchets
- Firm Injections/Withdrawals
  - 10 Months per year
- Interruptible
  - Injections – Oct, Nov
  - Withdrawals – April, May
- Demand Charge, Commodity and Fuel

### LTP – Long Term Peak

- Seasonal / Peak Storage
  - 90 Day Storage
  - IT available – higher reliability
- No Ratchets
- Firm Withdrawals
  - 10 Months per year
- Interruptible
  - Injections – April to March
  - Withdrawals - March April
- Demand Charge, No commodity & fuel, Cycling Fee after 1<sup>st</sup> cycle

### HDS – High Deliverability

- Peak Storage
  - 5 day to 20 day Storage
  - IT available
- No Ratchets
- Firm Year Round – Injections and Withdrawals
- Demand Charge, Commodity and Fuel

**ABILITY TO *CUSTOMIZE* IF ABOVE PRODUCTS DO NOT MEET YOUR NEEDS.  
IS THERE A PRODUCT YOU WOULD LIKE TO SEE? FEEDBACK ENCOURAGED.**



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# Marketer Services Contacts

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**THANKS!**