

## Union Gas Limited Binding Open Season – Invitation to Bid *Peak Storage Service*

**May 11, 2017**

Union Gas Limited (“**Union**”), an Enbridge Company, hereby invites all existing and potential shippers to submit binding bids for Peak Storage Service at Dawn. Storage service may start June 1, 2017 and must end by March 31, 2018.

All bids are due on or before 2:00 PM Eastern Time / 1:00 PM Central Time, May 24, 2017.

Union expects to award capacity on or before 4:00 PM Eastern Time / 3:00 PM Central Time, May 24, 2017. Union reserves the right to reject any and all bids at its sole discretion.

Union’s Dawn Hub is the largest integrated natural gas storage facility in Canada and one of the largest in North America. It offers customers such as power generators, distribution pipeline companies and energy marketers an important link in the movement of natural gas from key supply basins to markets in Ontario, Quebec and the U.S. Northeast.

- ▶ Working capacity of 162 Bcf
- ▶ Bi-directional service
- ▶ Takeaway capacity of 7.5 Bcf
- ▶ Daily demand at Dawn from markets in Ontario, Quebec, the U.S. Midwest and the U.S. Northeast
- ▶ Market coverage for approximately 10 million customers in Canada and the U.S. Northeast
- ▶ Direct interconnects with 8 key pipelines including TransCanada, Great Lakes, MichCon, Panhandle, Vector and Enbridge
- ▶ Additional interconnects with ANR, National Fuel, Empire, Dominion and Tennessee



If you have any questions regarding this Open Season, please feel free to contact your Storage and Transportation account manager:

Jacque Montgomery	(519) 436-5452
Matt Thomas	(519) 436-4553
Andrew Massicotte	(519) 436-5257

## Service Parameters

- ▶ All contracts awarded will be 100% “take-or-pay” and will be billed monthly, prorated over the term of the contract.
- ▶ Injections:
  - 100% of Maximum Storage Balance (“MSB”) daily on an interruptible basis.
- ▶ Withdrawals:
  - Firm withdrawals at the rate of 1.2% of MSB daily, regardless of balance (no ratchets) in all months except March and April of each year; 98.8% of MSB daily on an interruptible basis in all months except March and April of each year.
  - Interruptible withdrawals available March 1 through April 30 of each year at the rate of 100% of MSB daily.
- ▶ Receipt and delivery points shall be Dawn (Facilities).
- ▶ All interruptible quantities will be scheduled in accordance with the Priority of Service Guidelines which can be found on the Union Gas website at [www.uniongas.com/storage-and-transportation/informational-postings/priority-of-service-guidelines](http://www.uniongas.com/storage-and-transportation/informational-postings/priority-of-service-guidelines)
- ▶ The first storage cycle is complete when the cumulative quantity of all injections and all withdrawals equals two (2) times the contracted MSB. “Maximum Storage Balance” means the maximum quantity of storage space available for shipper’s utilization.
- ▶ Cycling charge:
  - After the first storage cycle each year (to be reset annually one year following the contract start date), injections into storage and withdrawals from storage will each be at a rate of \$0.025 USD/MMBtu.
- ▶ 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 the Enhanced Storage Agreement will apply and can be viewed on the Union Gas website at [www.uniongas.com/storage-and-transportation/resources/standard-contracts](http://www.uniongas.com/storage-and-transportation/resources/standard-contracts)

## Submitting a Bid for Service

All bids are due on or before 2:00 PM Eastern Time / 1:00 PM Central Time on May 24, 2017. Union expects to award capacity on or before 4:00 PM Eastern Time / 3:00 PM Central Time on May 24, 2017.

Please provide your binding bid under the above terms and conditions by submitting the on-line Peak Storage Service Bid Form or the attached Peak Storage Service Bid Form indicating the price (\$USD/MMBtu/year of MSB), Maximum Storage Balance, and Term.

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 6.01 of the Enhanced Storage Agreement.

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.



An Enbridge Company

### Peak Storage Service Bid Form

Please complete and email this bid form to [marketer.services@uniongas.com](mailto:marketer.services@uniongas.com) on or before 2:00 PM Eastern Time / 1:00 PM Central Time on May 24, 2017.

<b>Contact Information</b>
<b>Corporate Name:</b>
<b>Contact Person:</b>
<b>Title:</b>
<b>Telephone:</b>
<b>Email Address:</b>
<b>Peak Storage Bid (all bids must be made in U.S. dollars)</b>
<b>Start Date:</b> June 1, 2017
<b>End Date:</b> March 31, 2018
<b>Price (\$USD/MMBtu/year of Maximum Storage Balance):</b>
<b>Maximum Storage Balance (MMBtu):</b>

This is a binding bid. By participating in this open season, subject to Union Gas' acceptance and notification of quantities allocated to shipper, shipper hereby irrevocably commits to execute the Enhanced Storage Agreement with Union Gas on the price, term and capacity as outlined above. If the above event does not occur within 30 days of delivery by Union Gas of written notice to shipper, Union Gas 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 Service Bid Form together with the Enhanced Storage Agreement as the legally binding agreement (modified as applicable by Union Gas' notification of the quantities allocated to shipper) between shipper and Union Gas. Shipper acknowledges and agrees that any storage service provided by Union Gas prior to execution by shipper of the Enhanced Storage Agreement shall be subject to the terms and conditions set forth in this Peak Storage Service Bid Form and the Enhanced Storage Agreement. In the event of any inconsistency or conflict between the terms and conditions of this Peak Storage Service Bid Form and the Enhanced Storage Agreement, this Peak Storage Bid Form shall prevail to the extent of any inconsistency.

I acknowledge and agree to the terms and conditions as outlined above.

Name (print): \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_