

**Westcoast Energy Inc., doing business as Spectra Energy Transmission (Westcoast)
Wyndwood Pipeline Expansion Project (Project)
Application under Section 58 of the National Energy Board Act,
dated 21 October 2016 (Application)
File No.: OF-Fac-Gas-W102-2016-12 01
Order: GH-001-2017**

Response to NOVA Gas Transmission Ltd. Information Request No. 1

1.1 NGTL-Westcoast

- Reference:**
- i. Wyndwood Pipeline Expansion Project Application, Page 2, Lines 8-12
 - ii. Wyndwood Pipeline Expansion Project Application, Page 1
 - iii. Westcoast Response to NEB Information Request No. 1, IR 1.1, Page 1

Preamble: In reference (i) Westcoast states that in “response to a binding open season conducted July 20, 2015 to August 12, 2015, Westcoast received bids from, and subsequently entered into expansion service agreements with, shippers for 1,416.6 103m³/d (50 MMcf/d) of incremental firm service. The weighted average term of the expansion service agreements is approximately 12 years.”

In reference (ii) Westcoast estimates the cost of the Wyndwood Pipeline Expansion project at \$170,300,000.

In reference (iii) Westcoast states: “Shippers awarded expansion service who held existing firm service in Zone 3 were required under the terms of the open season to extend the term of such existing service, up to an amount equal to the volume of expansion service awarded, to match the minimum 10-year open season term requirement for expansion service. This resulted in a term extension being applied to 566.6 103m³/d (20 MMcf/d) of existing firm service.”

- Request:**
- a) For the Wyndwood Pipeline Expansion Project please provide the contract details as per the table below:

Customer	Receipt Point	Delivery Point	Volume (MMcf/d)	Contract Start Date	Contract End Date
Shipper 1					
Shipper 2					

- b) Using the following table, please provide a list of all existing T-North firm service contracts associated with the Wyndwood Pipeline Expansion Project that were extended as a result of Westcoast’s 10-year term extension policy.

Customer	Receipt Point	Delivery Point	Volume (MMcf/d)	Original Contract Expiry Date	New Contract Expiry Date
Shipper 1					
Shipper 2					

- c) Please provide a list of plant names supplying the Wyndwood Expansion Project contracts and the plant owner/operator.
- i) Are any of the described plants owned or operated by affiliates?
- d) Is the cost estimate provided in the Application the latest cost estimate available for the Project? If not, please provide the latest cost estimate.
- e) Regarding the estimated cost provided in the Application, in reference (ii), indicate the expected accuracy range for the capital expenditure estimate based on the cost estimate classification system of the Association for the Advancement of Cost Engineering International or a similar system for the classification of capital cost estimates.
- f) Provide a sensitivity analysis in the form of tables showing tolling impacts based on the cost estimate classification system applied in answer e) above. If applicable, also provide the information sought for the latest cost estimate provided in d).

Response:

a)

Customer	Receipt Point	Delivery Point	Volume (MMcf/d)	Contract Start Date*	Contract End Date*
Shipper 1	McMahon Plant Outlet	CS 2	20	01/02/2018	01/01/2030
Shipper 2	McMahon Plant Outlet	CS 2	15	01/02/2018	01/01/2030
	McMahon Plant Outlet	CS 16 (Sunset)	15	01/02/2018	01/01/2030

* Contract start and end dates are estimated. The actual start and end dates will be determined based on the in-service date of the Project.

b)

Customer	Receipt Point	Delivery Point	Volume (MMcf/d)	Original Contract Expiry Date	New Contract Expiry Date
Shipper 1	Station N4 Area*	CS 16 (Sunset)	20	31/10/2026	30/06/2027

* The exact receipt point has not been provided to preserve confidentiality

- c) The plant supplying the Project contracts is the McMahon Plant which is owned and operated by Westcoast.

- d) Yes.
- e) The cost estimate provided in the Application is a Class III cost estimate based on the cost estimate classification of the Association for the Advancement of Cost Engineering International, with an expected accuracy range of -10% to +15%.

f)

Cost Estimate	Estimated TNLH Toll Impact ¢/mcf (2019 Toll – Based on 2017 Final Toll*)
\$170.3 MM	1.03
-10%	0.91
+15%	1.22

* See response to NGTL 1.3 a)

1.2 NGTL-Westcoast

- Reference:**
- i. Wyndwood Pipeline Expansion Project Application, Page 6, Lines 5-8
 - ii. Westcoast Response to NEB Information Request No. 1, IR 1.1, Page 2, Sections EC3, EC6 & EC7

Preamble: In reference (i) Westcoast states: “While Westcoast has not made arrangements with operators of upstream and downstream facilities, all of the shippers whose contracts underpin the Project have confirmed to Westcoast that they will make downstream arrangements and all have planned production with associated land positions, drilling activities, etc.

In reference (ii) Westcoast submits that the project will provide 50 MMcf/d of incremental firm transportation service from receipt points along the Fort St. John Mainline, “for gas deliveries of 991.5 103m³/d (35 MMcf/d) to the Westcoast T-South system at Compressor Station No. 2 and 424.9 103m³/d (15 MMcf/d) to the NGTL system at Compressor Station 16 (Sunset).”

In reference (ii) Westcoast states: “The public open season and TTTF processes allowed shippers and commercial third parties to be notified and apprised of the Project. No party has indicated they have outstanding concerns.”

- Request:**
- a) Please describe the consultations undertaken by Westcoast with interconnecting operators whose systems are expected to receive gas as a result of the Wyndwood Pipeline Expansion Project?
 - b) Has Westcoast received confirmation from NGTL with respect to NGTL’s ability to receive gas for the proposed in-service date?
 - c) Please provide Westcoast’s design criteria and/or philosophy for facilities interconnecting with downstream pipelines.
 - d) If the answer to c) is that Westcoast does not have such a criteria:
 - i) Does Westcoast do any evaluation of downstream contracts

for shippers requesting service at downstream interconnects? If so, describe the evaluation process.

- ii) Does Westcoast do any evaluation of downstream interconnecting pipeline facilities required to receive the gas contracted for by Westcoast shippers? If so, describe the evaluation process.

Response:

- a) Westcoast has not undertaken consultations with interconnecting operators.
- b) Westcoast has not received such confirmation from NGTL. However, Westcoast understands from discussions with the shipper with expansion service to CS 16 (Sunset) that firm service has been contracted on the NGTL system in a like amount.
- c) and d) Westcoast's design criteria for facilities interconnecting with downstream pipelines is to size such facilities to match the amount of firm service contracted for delivery on its system to the downstream delivery points. Westcoast relies upon the parties contracting for firm service on its system to make any necessary commercial or contracting arrangements with downstream parties or interconnecting pipeline systems.

1.3 NGTL-Westcoast

- Reference:**
- i. Westcoast Response to NEB Information Request No. 1, IR 1.4 b) and c), Page 7
 - ii. Westcoast Energy Inc. 2017 Interim Tolls for Transmission (Zones 3 and 4), filed on November 24, 2016, Page 3
 - iii. Westcoast Energy Inc. Zone 3 Expansion Open Season Document, dated September 23, 2016, Section 2 Transportation Tolls part (a)

Preamble: In reference (i) Westcoast provides a table reporting the expected toll impact and the expected change in Zone 3's cost of service, based on the final 2016 Zone 3 tolls, for the first five years of contracted service should the Wyndwood Pipeline Expansion project be approved.

In reference (ii) Westcoast filed its final 2016 Zone 3 tolls, the T-North Long Haul Toll was $\$12.27/\text{mcf}$ and the T-North Short Haul Toll was $\$0.85/\text{mcf}$.

In reference (iii) Westcoast states that it will "apply to the NEB to toll proposed expansion facilities on a rolled-in basis using Westcoast's approved toll methodology."

- Request:**
- a) Please provide the following:
 - i) An estimate of the tolls for Zone 3 for the first full year following the addition of the Wyndwood Pipeline Expansion project.
 - ii) An estimate of the tolls for Zone 3 for the same period for which tolls are estimated in response to i), but assuming the

Wyndwood Pipeline Expansion project is not constructed.

- iii) A calculation of the percentage increase in Zone 3 tolls as a result of the Wyndwood Pipeline Expansion project.
- b) Please calculate the incremental cost of service associated with the Wyndwood Pipeline Expansion project for the first full year of service.
- c) Under the proposed toll methodology, what will be the aggregate of the annual T-North toll paid by expansion shippers (shippers underpinning the expansion project i.e., the 50 MMcf/d) for the first full year of service?
- d) Please provide the cost vs. revenue ratio for the Wyndwood Expansion Project.
- e) Considering the proposed tolling methodology for the Project, please provide the percentage of the Project's cost that will be recovered from new contracts from expansion shippers compared to the percentage of the Project's cost that will be recovered from existing shippers.
 - i) Please comment on the Project's consistency with the cost-based/user-pay principle in light of the response to e).
- f) Please provide an estimate of the toll surcharge (in ¢/mcf, for the period 2018-2022) that would apply assuming the cost of the Wyndwood Pipeline Expansion project was recovered entirely through a surcharge applied only to the following:
 - i) the contracts underpinning the project (i.e., the 50 MMcf/d),
 - ii) the contracts underpinning gas deliveries to the Westcoast T-South system at Compressor Station No. 2 only (i.e., the 35 MMcf/d).
- g) Would Westcoast proceed with the Wyndwood Expansion Project if the Board required the cost of the Project to be recovered through a surcharge, as contemplated in f).
- h) Would expansion shippers who requested new service for delivery at Compressor Station No. 2 maintain their service requests if the Board required the cost of the Wyndwood Expansion Project to be recovered through a surcharge, as contemplated in f). Please quantify how many new contracts would remain.
- i) Would expansion shippers who requested new service for delivery at Sunset Creek (Compressor Station No. 16) maintain their service requests if the Board required the cost of the Wyndwood Expansion Project to be recovered through a surcharge, as contemplated in f). Please quantify how many new contracts would remain.

Response:

- a) The following estimated tolls are based on Westcoast's 2017 final tolls as applied for on March 16, 2017. The estimated tolls account only for changes due to the

Project and do not account for other factors which may influence toll levels.

- i) The estimate TNLH toll for 2019, the first full year following the addition of the Project, is 19.34 ¢/mcf.
- ii) The estimate TNLH toll for 2019 assuming the Project is not constructed, is 18.31 ¢/mcf.
- iii) The TNLH toll increase resulting from the Project is estimated to be 5.6%

b) to e)

Please see response to NEB IR 2.2.

f)

Estimated Toll Surcharge ¢/mcf	2018	2019	2020	2021	2022
Project costs recovered from 50 MMcf/d contracts	73.79	58.53	58.90	59.01	59.01
Project costs recovered from 35 MMcf/d contracts	113.74	91.91	92.44	92.64	92.65

g) to i)

As noted in the Project Application, Westcoast's Toll and Tariff Task Force (TTTF) unanimously supports the applied for tolling of the Wyndwood expansion project. If a different tolling methodology was directed by the Board it would be necessary for Westcoast, the TTTF and the expansion shippers to assess the consequences of that decision.

1.4 NGTL-Westcoast

- Reference:**
- i. Westcoast Response to NEB Information Request No. 1, IR 1.3 a) and b), Page 4
 - ii. Westcoast Energy Inc. Annual Information Form for the year ended December 31, 2016, filed on February 27, 2017, Page 16, Retrieved from:
<http://www.sedar.com/DisplayCompanyDocuments.do?lang=EN&issuerNo=00001034>

Preamble: In reference (i) Westcoast states that “from a long term planning perspective, using the same size pipeline loop would enable the entire Ft. St John mainline to be looped with a contiguous 914 mm (NPS 36) pipeline if warranted by future demand.”

In reference (ii) Westcoast expressed that it is “pursuing an additional expansion project on the Fort Nelson and Fort St. John Mainlines with its Spruce Ridge project. Spruce Ridge includes pipeline loop alongside the existing northern system and compressor additions at existing stations to

accommodate 402 MMcf/d of additional capacity. The expansion service agreements were executed in 2016 and project scoping is underway, with a targeted in-service date in the second half of 2018.”

- Request:**
- a) If the Wyndwood Expansion Project is not constructed, would Westcoast be able to accommodate the 402 MMcf/d of new contracts associated with the Spruce Ridge Project? If not, what quantity would Westcoast be able to accommodate?
 - b) Please provide the information requested in NGTL-Westcoast 1.1 a) and b) but in relation to the Spruce Ridge Project.
 - c) Please provide a detailed list of the facilities contemplated by Westcoast as part of the Spruce Ridge Project.
 - d) Please provide the estimated capital cost of the Spruce Ridge Project.
 - e) Please provide the estimated toll impact associated with the Spruce Ridge Project.
 - f) Is Westcoast contemplating any other projects or has Westcoast initiated or plans to initiate any other open season with respect to another expansion of Zone 3 facilities beyond those associated with the Wyndwood Expansion Project or the Spruce Ridge Project? If so, please identify each applicable project and provide the information requested in a) through e) above.

Response:

a) to f)

Westcoast declines to provide the requested information as it is not relevant to the Board's consideration of the Project.

1.5 NGTL-Westcoast

- Reference:**
- i. Westcoast Response to NEB Information Request No. 1, IR 1.1 EC 6 and EC7, Page 2
 - ii. Westcoast Response to NEB Information Request No. 1, IR 1.3 a) and b), Page 4
 - iii. Westcoast Energy Inc. Annual Information Form for the year ended December 31, 2016, filed on February 27, 2017, Page 16, Retrieved from:
<http://www.sedar.com/DisplayCompanyDocuments.do?lang=EN&issuerNo=00001034>

Preamble: In reference (i) Westcoast states that it “conducted a public open season process for the Project to provide all potential shippers with an opportunity to contract for service on the Project. The open season documents were posted

as a critical notice on Westcoast's public Customer Interface website, which is available to anyone, a notice of the open season was sent to Westcoast's Toll and Tariff Task Force (TTTF), and Westcoast's Customer Interface automatically sends email notifications to parties interested in receiving critical notices. On completion of the open season information about the project, including project scope, contractual commitments, expected capital cost and toll impacts, was shared at various TTTF meetings."

In reference (ii) Westcoast states that "from a long term planning perspective, using the same size pipeline loop would enable the entire Ft. St John mainline to be looped with a contiguous 914 mm (NPS 36) pipeline if warranted by future demand."

In reference (iii) Westcoast expressed that it is "pursuing an additional expansion project on the Fort Nelson and Fort St. John Mainlines with its Spruce Ridge project. Spruce Ridge includes pipeline loop alongside the existing northern system and compressor additions at existing stations to accommodate 402 MMcf/d of additional capacity. The expansion service agreements were executed in 2016 and project scoping is underway, with a targeted in-service date in the second half of 2018."

Request:

- a) Please provide all open season documents related to the Wyndwood Expansion Project.
- b) Please provide all open season documents related to the High Pine Expansion Project, the Jackfish Expansion Project, the Spruce Ridge Expansion Project and any other subsequent open seasons that Westcoast conducted.
 - i) Are there any projects in which Westcoast has run open seasons for expansions or extensions that have not been filed with the Board to date? If yes, please provide the following:
 - Scope
 - Volume
 - Average contract term
 - Volume turned back
 - Volume termed up, along with length of term up
 - Supply locations
 - Delivery locations
 - Proposed in-service date
 - Estimated cost of the project
 - Type of NEB facilities application (i.e. Section 58, Section 52) required for approval
 - Estimated date to file the application with the Board
- c) Please explain how Westcoast determined the amount of new capacity that was offered as part of the Wyndwood Expansion Project open

season.

- d) Please explain how Westcoast determined the amount of new capacity that was offered as part of the High Pine Expansion Project open season.
- e) Please explain how Westcoast determined the amount of new capacity that was offered as part of the Jackfish Expansion Project open season.
- f) Please explain how Westcoast determined the amount of new capacity that was offered as part of the Spruce Ridge Expansion Project open season.
- g) Please provide the following open season information, as per the table below:

Project	Date of Open Season	In-service Date	Capacity Offered (MMcf/d)	Number of Bidding Parties	Bid Volume Received (MMcf/d)	Bid Volume Allocated (MMcf/d)	Bid Volume Unsatisfied (MMcf/d)
Jackfish Expansion							
High Pine Expansion							
Wyndwood Expansion							
Spruce Ridge Expansion							
Any other Open Season in Zone 3 after the Wyndwood Open Season							

- h) Please provide all current and future, contracts and capacity at Sunset (Compressor Station No. 16).
 - i) Please provide the renewal profile and indicate if contracts have evergreened.
- i) Please provide all current and future, contracts and capacity at Compressor Station No. 2.
 - i) Please provide the renewal profile and indicate if contracts have evergreened.

Response:

- a) The Project open season document is attached as Appendix 1.5 a).
- b) Westcoast declines to provide the requested information as it is not relevant to the Board's consideration of the Project.
- c) Westcoast determined the amount of new capacity that was offered as part of the Project open season through discussions with shippers to assess both the potential aggregate volume of demand requests as well as the desired timing for the

expansion service.

d) to f)

Westcoast declines to provide the requested information as it is not relevant to the Board's consideration of the Project.

g) The requested open season information for the Project is detailed below:

Project	Date of Open Season	In-service Date	Capacity Offered (MMcf/d)	Number of Bidding Parties	Bid Volume Received (MMcf/d)	Bid Volume Allocated (MMcf/d)	Bid Volume Unsatisfied (MMcf/d)
Wyndwood Expansion	July 20, 2015 to August 12, 2015	Q1 2018 (target)	100	2	50	50	0

h) and i)

Please see Appendix 1.5 h) and i). The contracts provided include all contracts for expansions which have been approved by the Board as well as contracts for the Project.

1.6 NGTL-Westcoast

- Reference:**
- i. Westcoast Response to NEB Information Request No. 1, IR 1.4 b) and c), Page 7
 - ii. Westcoast Energy Inc. 2017 Interim Tolls for Transmission (Zones 3 and 4), filed on November 24, 2016, Page 3
 - iii. Westcoast Energy Inc. Annual Information Form for the year ended December 31, 2016, filed on February 27, 2017, Page 16, Retrieved from:
<http://www.sedar.com/DisplayCompanyDocuments.do?lang=EN&issuerNo=00001034>

Preamble: In reference (i) Westcoast provides a table reporting the expected toll impact and the expected change in Zone 3's cost of service, based on the final 2016 Zone 3 tolls, for the first five years of contracted service should the Wyndwood Pipeline Expansion project be approved.

In reference (ii) Westcoast filed its final 2016 Zone 3 tolls, the T-North Long Haul Toll was ¢12.27/mcf and the T-North Short Haul Toll was ¢0.85/mcf.

In reference (iii) Westcoast states:

- The Jackfish Lake Project is expected to cost \$235 million and is projected to be placed into service in 2017.
- The High Pine Project is expected to cost \$425 million and is

projected to be placed into service by the end of 2017.

- The Wyndwood Project is expected to cost \$170 million and is projected to be placed into service in the first half of 2018.
- The Spruce Ridge Project had its expansion service agreements executed in 2016 and is projected to be placed into service in the second half of 2018.

Request:

- a) Please provide the expected revenue requirement and tolling information as per the table below:

Scenario	Revenue Requirement	Toll Impact (¢/mcf)
Base Case (assuming none of the referenced expansion projects are built)		
Base Case and only the Jackfish Expansion Project proceeds		
Base Case and only the High Pine Expansion Project proceeds		
Base Case and only the Wyndwood Expansion Project proceeds		
Base Case and only the Spruce Ridge Expansion Project proceeds		
Total (base case and assuming all of the referenced expansion projects proceed)		

Response:

- a) Westcoast provided estimated toll impact information for the Jackfish and High Pine expansion projects in the applications filed with the Board for those projects. Westcoast's estimated toll impact for the Project is based on applied-for 2017 final tolls. Both the Jackfish project and the High Pine expansion project are in construction and expected to be in service in 2017. For estimated revenue requirement and toll impacts for the Project please see response to IR 1.3 a) above and response to NEB IR 2.2 a). The Spruce Ridge Expansion Project is still in the development phase.

1.7 NGTL-Westcoast

Reference:

- i. Westcoast Response to NEB Information Request No. 1, IR 1.1, Page 2

Preamble:

In reference (i) Westcoast states that the project will provide gas deliveries of 991.5 103m³/d (35 MMcf/d) to the Westcoast T-south system at Compressor Station No. 2 and 424.9 103m³/d (15 MMcf/d) to the NGTL system at Compressor Station No. 16 (Sunset). NGTL requires additional information to understand the need for the project and its impact on the capacity of the Westcoast system and the NGTL system.

Request:

- a) Please provide the design day capacity of the Fort St. John Mainline to transport gas from the Northeast to the Southwest

with and without the Wyndwood Pipeline Expansion Project.

- b) Please provide the design day capacity of the Fort St. John line to transport gas from the Southwest to the Northeast with and without the Wyndwood Pipeline Expansion Project.
- c) Please provide a flow schematic diagram detailing the assumptions used to determine the design day capacities provided in the four scenarios listed in a) and b) above, including:
 - i) The receipt contract distribution on the T-North system
 - ii) The delivery contract distribution on the T-North system including Compressor Station No. 2
 - iii) Ground temperature assumptions
 - iv) Air temperature assumptions
 - v) Pipe friction factor
 - vi) Unknown flow points (if unknown flow points are not used to determine system and area capacities please describe the methodology Westcoast utilizes)
 - vii) Receipt and delivery pressure assumptions and requirements
- d) Please describe the contract utilization assumptions Westcoast uses when determining system capacity.
- e) Please provide a schematic of a capacity simulation of the T-North system to deliver gas to Compressor Station No. 2. Detail the T-North delivery and receipt contract distribution and unknown flow assumptions when determining this capacity.
- f) Please provide a schematic of a capacity simulation of the T-North system to deliver gas at Compressor Station No. 16. Detail the T-North delivery and receipt contract distribution and unknown flow assumptions when determining this capacity.
- g) For the following sections of pipeline:
 - Fort Nelson Plant to CS-2
 - CS-2 to CS-7
 - CS-2 to CS-4A
 - CS-2 to Huntingdon
 - Gordondale to McMahon Plant
 - CS-2 to Sunset Creek
 - McMahon Plant to Sunset Creek

- McMahon Plant to CS-2

Please provide:

- i) physical design capacity
 - ii) physical contracted capacity on firm basis
 - iii) current available firm capacity
 - iv) bottlenecks or constraints on increased firm capacity
 - v) planned or proposed expansions, including timing, and facilities required to remove bottlenecks or constraints
- h) What new facilities, if any, does Westcoast require to accommodate the proposed 15 MMcf/d of contracts to Sunset Creek (Compressor Station No. 16), assuming that there are no new contracts to Compressor Station No. 2?
- i) What new facilities, if any, does Westcoast require to accommodate the proposed 35 MMcf/d of contracts to Compressor Station No. 2, assuming that there are no new contracts to Sunset Creek (Compressor Station No. 16)?

Response:

- a) The design day capacity of the Fort St. John Mainline to transport gas from Compressor Station No. 1 (Northeast) to Compressor Station No. 2 (Southwest) without and with the Project are 822 and 857 MMcf/d, respectively. The Project also adds design day capacity of 15 MMcf/d for delivery from Compressor Station No. 1 to Compressor Station No. 16 (Sunset).
- b) The design day capacity of the Fort St. John Mainline to transport gas from Compressor Station No. 2 (Southwest) to Compressor Station No. 1 (Northeast) both with and without the Project is 242 MMcf/d.
- c) i) and ii)

Westcoast provides point to point transportation service on its pipeline system. Each individual contract and its associated receipt points and delivery points are included in the hydraulic analysis of the system to determine capacities. All contracts on the Westcoast system are updated monthly and made available on the Westcoast website. The report for T-North for the month of March 2017 can be found at the following link:

https://noms.wei-pipeline.com/CustomerContent/s_and_t_firm/tnorth_mar_2017.pdf.

iii) to v)

Based on its system knowledge and long operating history, Westcoast makes use of a number of assumptions in its hydraulic modeling. For example, temperature assumptions vary by season and region, are impacted by system usage, and are informed by an analysis of Environment Canada local weather stations' data. Pipe friction factors are continually updated based on actual pipeline performance.

vi)

Westcoast does not use “unknown flow points” in its hydraulic analysis.

vii)

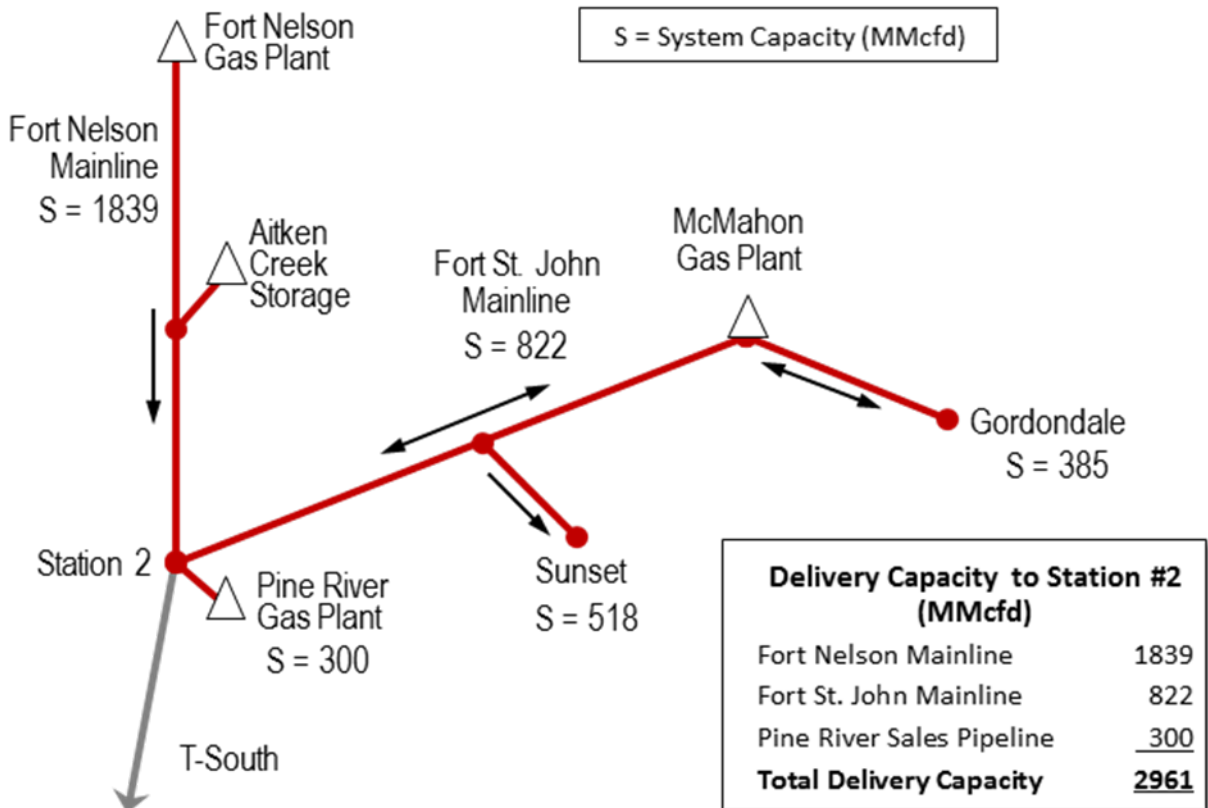
Receipt and delivery pressure assumptions and requirements are set out in Article 11 of Westcoast’s GT&C. For example, Westcoast’s Fort St. John Mainline operates at 6453 kpag (936 psig) and hydraulic modeling assumes that third parties are able to deliver at pressures up to that operating pressure in determining system contract capability.

d) Westcoast assumes 100% firm contract utilization in determining system capacity.

e) and f)

The contract capacity schematic of the T-North system for deliveries to Compressor Station No. 2 and to Compressor Station No. 16 (Sunset) is shown below (as of April 1, 2017 when the Jackfish expansion project is expected to be in service). As indicated in c) i) and ii) above, the firm contract receipt and delivery points are included in the hydraulic modeling. As indicated in c) vi) above, Westcoast does not include “unknown flow points” in its analysis.

Transmission North System



g) See the following table:

Segment	Capacity (MMcf/d)*			Constraints	Planned Expansions
	Physical Design Capacity	Contracted Capacity	Available Long Term Firm Capacity		
Ft Nelson Plant to CS-2	1839	1741	0	Pipeline and compression	High Pine Expansion
CS-2 to Inland Delivery Area	224	224	0	Pipeline and compression	N/A
CS-2 to PNG (CS-4A)	110	110	0	Pipeline and compression	N/A
CS-2 to Huntingdon	1597	1345	0	Pipeline and compression	N/A
CS-8A (Kingsvale) to Huntingdon	105	105	0	Pipeline and compression	N/A
Gordondale to CS-2	277	275	0	NGTL capability	N/A
CS-2 to Sunset Creek	518	471	0	Pipeline and compression	High Pine Expansion
McMahon Plant to Sunset Creek	518	0	0	Pipeline and compression	Wyndwood Expansion
McMahon Gas Plant to CS-2	822	822	0	Pipeline and compression	Wyndwood Expansion

* Capacity information including contracted capacity is as of April 1, 2017 when the Jackfish expansion project is expected to be in service.

h) and i)

Westcoast did not examine these cases for the Project as the expansion contracts include deliveries to both Compressor Station No. 2 and Sunset.

1.8 NGTL-Westcoast

- Reference:**
- i. Westcoast Energy Inc. Zone 3 Expansion Open Season Document, dated July 20, 2015, Scope of Expansion, Page 1
 - ii. Westcoast Wyndwood Pipeline Expansion Project Application, Page 2
 - iii. Westcoast Response to NEB Information Request No. 1, IR 1.2,

Page 3

Preamble: Reference (i) is the open season document for the Wyndwood Pipeline Expansion Project, in which Westcoast offered up to 100 MMcf/d of new capacity.

In reference (ii) Westcoast states that in “response to a binding open season conducted July 20, 2015 to August 12, 2015, Westcoast received bids from, and subsequently entered into expansion service agreements with, shippers for 1,416.6 103m³/d (50 MMcf/d) of incremental firm service.”

In reference (iii), with respect to the Wyndwood Pipeline Expansion Project, Westcoast indicated that “the increase in the design capacity of the system along the corridor of the applied-for loop once the loop is integrated with the existing facilities will be 1,416.4 103m³ (50 MMcf/d).”

- Request:**
- a) Please describe the facilities that were contemplated by Westcoast when it offered 100 MMcf/d of capacity through the open season referenced in (i).
 - b) Are the facilities proposed in the Wyndwood Pipeline Expansion Application the same as those that were contemplated by Westcoast when it launched the open season in reference (i)?
 - i) If so, please explain the discrepancy between the 100 MMcf/d of capacity referenced in (i) and the statement that the Wyndwood Pipeline Expansion Project will only provide 50 MMcf/d of additional capacity, as claimed in reference (iii).
 - ii) If not, please describe the additional facilities that were contemplated by Westcoast when it launched the open season referenced in (i), but that are not part of the facilities proposed in the Wyndwood Pipeline Expansion Project Application.
 - c) Did Westcoast award capacity associated with the facilities that were contemplated by Westcoast when it launched the open season referenced in (i) as part of any subsequent open season? If so, please identify the applicable open season(s) and specific contracts, in the same format as the table in NGTL-Westcoast 1.1 a).
 - d) Please provide all of the factual evidence available to Westcoast in support of the claim contained in reference (iii) that the Wyndwood Pipeline Expansion Project would only add 50 MMcf/d of new capacity.

Response:

- a) When it offered up to 100 MMcf/d of capacity through the Wyndwood open season, Westcoast’s hydraulic analysis indicated that the project facilities could include up to approximately 44 km of pipeline loop alongside the existing Fort St. John Mainline, depending on receipt and delivery locations requested and design parameters.

- b) No, see response to (a) above.
- c) No, the applied-for Project facilities are designed to accommodate existing contracts and 50 MMcf/d of incremental capacity.
- d) See response to NGTL 1.7.

1.9 **NGTL-Westcoast**

- Reference:**
- i. Westcoast Energy Inc. Zone 3 Expansion Open Season Document, dated September 23, 2016, Scope of Expansion, Page 1
 - ii. Westcoast Energy Inc. Annual Information Form for the year ended December 31, 2016, filed on February 27, 2017, Page 16, Retrieved from:
<http://www.sedar.com/DisplayCompanyDocuments.do?lang=EN&issuerNo=00001034>

Preamble: Reference (i) is the open season document for the Spruce Ridge Expansion Project, in which Westcoast offered up to 325 MMcf/d of new capacity (225 MMcf/d from FNML and Aitken Creek Pipeline to CS2 and Sunset CS and 100 MMcf/d from FSJML and Alberta Mainline to CS2 and Sunset CS).

In reference (ii) Westcoast expressed that it is “pursuing an additional expansion project on the Fort Nelson and Fort St. John Mainlines with its Spruce Ridge project. Spruce Ridge includes pipeline loop alongside the existing northern system and compressor additions at existing stations to accommodate 402 MMcf/d of additional capacity. The expansion service agreements were executed in 2016 and project scoping is underway, with a targeted in-service date in the second half of 2018.”

- Request:**
- a) Please describe the facilities that were contemplated by Westcoast when it offered 325 MMcf/d of capacity through the open season referenced in (i).
 - b) Are the planned facilities accommodating the 402 MMcf/d of additional capacity referenced in (ii), the same planned facilities that were contemplated by Westcoast when it launched the open season referenced in (i)?
 - c) If so, please explain the discrepancy between the 325 MMcf/d of capacity referenced in (i) and the statement that the Spruce Ridge Project will accommodate 402 MMcf/d of additional capacity, as claimed in reference (ii).
 - d) If not, please describe the facilities that were contemplated by Westcoast when it launched the open season referenced in (i), but that are not consistent with the facilities accommodating 402 MMcf/d of additional capacity, as claimed in reference (ii).

Response:

Westcoast declines to provide the requested information as it is not relevant to the Board's consideration of the Project.

APPENDIX 1.5 a)

WESTCOAST ENERGY INC.
ZONE 3 EXPANSION
OPEN SEASON JULY 20, 2015

To: Current and Prospective Shippers

Scope of Expansion

Capitalized terms herein have the definitions set out in Westcoast's Pipeline Tariff. In response to expressions of interest from customers for additional capacity, Westcoast Energy Inc., carrying on business as Spectra Energy Transmission ("Westcoast"), is conducting this open season for additional firm transportation service on its Transportation Service - Northern (Zone 3) facilities for capacity between any Zone 3 Receipt Points on the Alberta Mainline and on the Fort St. John Mainline ("FSJML") and the Zone 3 Delivery Point located at either Compressor Station No. 2 ("CS2") or Westcoast's interconnect with the NOVA Gas Transmission Ltd. system at the Sunset Creek compressor station ("Sunset CS"). This open season is intended to provide interested parties with the opportunity to make a firm commitment to allow an expansion to proceed and will also provide a methodology for allocating the available volume amongst the interested parties should the sum of requests exceed the volumes made available by the proposed expansion project.

The additional firm transportation service would be made available through additional looping of the FSJML and potential expansions at CS2 and Compressor Station No. 1 to provide up to approximately 2833 10³m³ (100 MMcf) per day of new capacity. Westcoast may limit the portion of total expansion capacity made available for delivery at CS2. It is anticipated that the new capacity will be placed into service on July 1, 2017. The ultimate configuration and timing of the facilities to be constructed will depend in part on the service requested in this open season.

Turn-Back Option for Existing Firm Service

In conjunction with this open season, Westcoast is also providing the opportunity for Shippers holding existing Zone 3 firm service to request to permanently relinquish that service effective the in-service date of the required expansion facilities, provided that such relinquishment would enable Westcoast to reduce the required amount of Zone 3 expansion capacity. Any relinquished service accepted by Westcoast would be allocated to prospective shippers requesting Zone 3 expansion service in this open season.

Open Season Process

This open season document describes how prospective shippers may submit a request for Zone 3 expansion service and the process Westcoast will follow to evaluate the requests for service and award service. As outlined below, the submission of a request for expansion service (a "Request for Service") by a prospective shipper will constitute a formal offer to take up any Zone 3 expansion service that is awarded by Westcoast to that prospective shipper in accordance with this open season. Accordingly, any prospective shipper which submits a Request for Service and is awarded Zone 3 expansion service in accordance with this open season will be obligated to execute and deliver a Firm Service Agreement in the form attached to this open season document (Attachment 2) in respect of the service so awarded.

The decision to proceed with, and the nature, size, configuration and timing of, any expansion facilities will be determined by Westcoast in its sole discretion and is subject to the receipt of required approvals by the National Energy Board (the “NEB”) and to the other conditions set out in the attached form of Firm Service Agreement.

BINDING OPEN SEASON

1. Description of Service

- (a) Up to approximately 2833 10³m³ (100 MMcf) per day of Firm Transportation Service - Northern between any Zone 3 Receipt Points on the Alberta Mainline and the FSJML with delivery to CS2 or the Sunset CS. A portion of the total expansion capacity may be made available for delivery at CS2.
- (b) The new capacity is planned to be placed into service on July 1, 2017. Westcoast does not guarantee any in-service date and will have no liability for any delay or change to any in-service date or for any cancellation or change in scope of the proposed expansion facilities.
- (c) All Zone 3 expansion service will commence on the later of (i) July 1, 2017 and (ii) the actual in service date of the required expansion facilities. Should a portion of the capacity become available in advance of the total capacity made available under the expansion, Westcoast may elect to bring available capacity into effect in stages with multiple in-service dates with the first such date being no earlier than July 1, 2017.
- (d) The minimum term for the Zone 3 expansion service under this open season is 10 years. The expansion service will be awarded to prospective shippers in accordance with the procedures outlined below.

2. Transportation Tolls

- (a) Westcoast will apply to the NEB to toll the proposed expansion facilities on a rolled-in basis using Westcoast’s authorized toll methodology.
- (b) Depending on the expansion facilities required, Westcoast estimates that the increase in the Zone 3 long haul toll as a result of the proposed expansion will range from a nominal amount to approximately (Cdn) \$0.01 per Mcf.
- (c) The foregoing is an estimate for informational purposes only and is based on Westcoast’s preliminary capital cost estimate for the proposed expansion facilities that may be required, the existing Zone 3 firm demand allocation units and Westcoast’s existing cost of service parameters. Prospective shippers which are awarded firm service in this open season will be obligated to pay the actual NEB-approved tolls for that service which tolls will be established after the completion of the expansion facilities, together with System Gas and such other charges as may apply from time to time in accordance with Westcoast’s Pipeline Tariff.

3. Submission of Requests for Service

- (a) In order to participate in this open season, prospective shippers must complete and submit to Westcoast by e-mail, a Request for Service, in the form attached to this open season document (Attachment 1), at the following address:

weicapacity@spectraenergy.com

- (b) Requests for Service must be received by Westcoast at the e-mail address specified above prior to 3:00 p.m. (Mountain Daylight Time) on August 12, 2015 (the "Closing Time"). Requests for Service which are not received by the Closing Time will not be considered. Westcoast reserves the right, in its sole discretion, to reject any Requests for Service that are incomplete, modified or otherwise fail to comply with the requirements of this open season document.
- (c) Westcoast will, via e-mail and as soon as reasonably practical following receipt of a Request for Service, either confirm receipt of the Request for Service and assign an identification number to the Request for Service, or advise the prospective shipper that the Request for Service fails to conform with the requirements of this open season document and will not be considered.
- (d) Prospective shippers must specify in the Request for Service the requested Receipt Point and Delivery Point, as well as the Contract Demand for the requested expansion service.
- (e) Prospective shippers must also specify in the Request for Service the minimum Contract Demand that would be acceptable in the event that pro-rationing of expansion service is required. Prospective shippers may indicate a minimum Contract Demand of any volume equal to or less than the maximum Contract Demand requested, including zero (i.e., no minimum).
- (f) Prospective shippers may submit one or more Requests for Service. A prospective shipper which has submitted one or more Requests for Service may withdraw any or all of those Requests for Service at any time prior to the Closing Time by giving notice of withdrawal to Westcoast, specifying the applicable identification number(s).
- (g) In order to ensure that the process for the evaluation of Requests for Service is fair to all participants, Westcoast will not consider Requests for Service made by prospective shippers in this open season which are contingent or conditional, including Requests for Service that are conditional upon obtaining service on connecting pipeline systems.
- (h) The submission of a Request for Service constitutes a formal offer by the prospective shipper to take up any Zone 3 expansion service that is awarded to such prospective shipper by Westcoast in accordance with this open season, for a Contract Demand volume not exceeding the Contract Demand volume specified in the Request for Service and not less than the minimum Contract Demand, if any, specified in the Request for Service. Any prospective shipper which submits a Request for Service and is awarded Zone 3 expansion service by Westcoast will be obligated to execute and deliver to Westcoast a Firm Service Agreement in the form attached (Attachment 2), without amendment or modification, and provide any

financial security required by Westcoast in respect of that service as outlined in paragraph 4(d) below.

- (i) Westcoast reserves the right to extend the term of this open season, in its sole discretion, at any time prior to the Closing Time.

4. Allocation and Award of Expansion Service

- (a) Subject to the qualifications below, Westcoast will allocate the expansion service to the Requests for Service having the highest unit economic value and to other Requests for Service in descending order of unit economic value until all the available capacity has been allocated or until all valid bids have been accepted by Westcoast. The unit economic value of each Request for Service will be calculated as the net present value of the current Zone 3 long haul toll at the 5 year rate, discounted using the Discount Rate taking into account the term specified in the Request for Service.
- (b) If the unit economic value for two or more Requests for Service are equivalent and there is insufficient Zone 3 expansion service to meet the aggregate Contract Demand requested, Westcoast will allocate service as follows:
 - i. Westcoast will award the available Zone 3 expansion service to the affected prospective shippers pro rata on the basis of the Contract Demands specified in their Requests for Service;
 - ii. should the volume of Zone 3 expansion service allocable to a prospective shipper be less than the minimum Contract Demand, if any, specified in its Request for Service, no expansion service will be awarded by Westcoast to that prospective shipper;
 - iii. should the volume of Zone 3 expansion service allocable to a prospective shipper be greater than the minimum Contract Demand, if any, specified in its Request for Service, the prospective shipper will be deemed conclusively to have accepted the expansion service awarded by Westcoast to that prospective shipper; and
 - iv. any remaining Zone 3 expansion service which has not been awarded in accordance with the foregoing will be allocated to other Requests for Service in descending order of unit economic value.
- (c) Westcoast will, as soon as reasonably practicable, notify each successful prospective shipper of the Zone 3 expansion service awarded to it and forward to such prospective shipper a Firm Service Agreement, in the form attached, for such expansion service. While Westcoast plans to complete the awarding of expansion service to successful participants within 5 business days of the Closing Time, Westcoast reserves the right to extend that time should circumstances require. A prospective shipper which is awarded Zone 3 expansion service is obligated to execute and deliver a Firm Service Agreement for the Zone 3 expansion service awarded to it in the form attached, without modification or

amendment, and provide any required financial security in respect of that service as outlined in paragraph 4(d) below, within 5 business days of receipt of the Firm Service Agreement from Westcoast.

- (d) Prospective shippers will be required, as a condition to the award of any Zone 3 expansion service, to:
- i. demonstrate to Westcoast a credit quality acceptable to Westcoast, in its sole discretion, through the provision of financial statements and such other information as Westcoast may require;
 - ii. if the prospective shipper is unable to meet the criteria in subparagraph (i) above, provide to Westcoast a guarantee of payment in form and substance satisfactory to Westcoast by another entity which meets the criteria in subparagraph (i) above; or
 - iii. if the prospective shipper is unable to comply with subparagraphs (i) or (ii) above, provide to Westcoast, and at all times maintain, an irrevocable letter of credit in an amount equal to the maximum amount payable by the prospective shipper under the Firm Service Agreement for the awarded expansion service for 12 months of service or such other alternative financial security acceptable to Westcoast, provided that Westcoast reserves the right to limit the Zone 3 expansion service available to such parties which provide letters of credit or other acceptable alternative security.
- (e) Westcoast reserves the right to reject, in its sole discretion, any and all Requests for Service submitted in accordance with this open season, including Requests for Service from prospective shippers which fail or are unable to meet the requirements prescribed in paragraph 4(d) above or which currently hold Zone 3 firm service under existing service agreements having renewal rights and are unwilling, subject to the award of additional service, to extend the term of such existing service agreements, and to cause the term of any such service agreements held by any of their affiliates to be extended, for a period reasonably acceptable to Westcoast as further detailed in section 5 (a) below.

5. Existing Service Agreement Term Extension

- (a) Prospective shippers who are awarded Zone 3 expansion service will also be required upon execution of the Firm Service Agreement for the expansion service to term up, and cause their affiliates to term up, existing firm service with renewal rights held by such prospective shippers and their affiliates in Zone 3. To effect the term up, Westcoast will use the following process:
- i. The maximum volume termed up will be equal to the volume of expansion service awarded. For example, a prospective shipper who is awarded $100 \times 10^3 \text{m}^3$ (3.5 MMcf) per day of expansion service will be required to term up no more than $100 \times 10^3 \text{m}^3$ (3.5 MMcf) per day of existing service.

- ii. Service term up will occur on a priority basis on the Zone 3 segment where expansion service is awarded. For example, a prospective shipper will be required to first term up capacity held between Receipt Points on the Alberta Mainline and on the FSJML with delivery to CS2 and the Sunset CS but, in the absence of sufficient service between those points held by such prospective shipper, will be required to term up capacity held elsewhere in Zone 3.
- iii. Service term up will apply in first priority to existing Zone 3 long haul service held by the prospective shipper prior to any term up of existing Zone 3 short haul service.
- iv. The term up period for existing service will be based on the minimum bid term of 10 years, such that the new expiry date for the matching existing Zone 3 service will be extended to the date which is 10 years from the service start date for the expansion service, regardless of the current expiry date of such existing service and regardless of whether the term bid for the expansion service is greater than 10 years. For example, since the service start date for the expansion service is July 1, 2017, the current service expiry date for the matching existing service will be extended to June 30, 2027.
- v. Term up will only occur on existing Zone 3 firm service that is eligible for renewal. Existing service that does not have renewal rights (i.e. 1 year service) or service that was not renewed during the 13 month renewal right will not be eligible for term up.
- vi. Term up will be prioritized by existing service expiry date, with term up being first applied to the earliest expiry date and progressing to the latest expiry date. For example, if a prospective shipper holds two tranches of existing service, one that expires on May 31, 2018 and one that expires on September 30, 2018, the term extension would be first applied to the May 31, 2018 service with the remainder (if any) applied to the September 30, 2018 service.
- vii. Term up may change the term differentiated rate attached to existing firm service. A prospective shipper will begin to be charged the reduced toll on the existing termed up service on the first day of the month following the execution of the Firm Service Agreement for the expansion service and the associated amending agreement extending the term of such existing service held by the prospective shipper under its existing Firm Service Agreement.

6. Requests to Relinquish Existing Zone 3 Firm Service

- (a) Westcoast will, in conjunction with this open season, consider requests to relinquish service (“Requests to Relinquish Service”) from Shippers holding existing Zone 3 firm service to permanently relinquish such service effective on the later of (i) July 1, 2017 and (ii) the actual in service date for the required Zone 3 expansion facilities, if such relinquishment would enable Westcoast to reduce the required amount of Zone 3 expansion capacity. Any relinquished service accepted by Westcoast will be

allocated to prospective shippers which submit Requests for Service for Zone 3 expansion service in this open season.

- (b) Westcoast reserves the right to reject, in its sole discretion, any and all Requests to Relinquish Service submitted in response to this open season.
- (c) The relinquishment of existing Zone 3 firm service may, depending on the volume of existing Zone 3 firm service that existing Shippers wish to relinquish and the requests for Zone 3 expansion service received by Westcoast in this open season, affect the need for, or the nature, size, configuration or timing of, the proposed Zone 3 expansion facilities.
- (d) Relinquishments of existing firm service would be accepted in such a fashion as to continue to maximize value to the overall system subject to the following process:
 - i. Westcoast will only accept relinquishment of service if the relinquishment of such service will, in Westcoast's sole opinion, result in a net material benefit to the overall system through reduction of costs associated with the proposed expansion facilities without undue loss of system allocation units and contract term.
 - ii. Any request to relinquish service will be prioritized by Westcoast based on the remaining service term of such service, with priority given to shortest remaining term progressing to longer terms. For example, service with a two year remaining term would be accepted prior to service with a five year remaining term.
 - iii. Shippers who wish to relinquish service and who hold multiple tranches of firm service between different or like Receipt Points and Delivery Points in Zone 3 may be subject to term swaps between the firm service they wish to relinquish and firm service they wish to retain. In instances where the firm service requested to be relinquished has a term in excess of other service held by a Shipper in Zone 3, Westcoast reserves the right, in the instance that the service requested to be relinquished is accepted for relinquishment, to require the transfer of the term from the relinquished service to the firm service that is retained.
- (e) Any Shipper wishing to relinquish existing Zone 3 firm service must do so on an unconditional basis. No conditions to the relinquishment will be considered or accepted.
- (f) Shippers wishing to relinquish existing Zone 3 firm service must complete a Request to Relinquish Service, in the form attached to this open season document (Attachment 3), and submit it to Westcoast via e-mail at the address noted above by the Closing Time. Requests to Relinquish Service which are not received by the Closing Time will not be considered. Any Shipper that submits a Request to Relinquish Service which is accepted by Westcoast is obligated to execute and deliver to Westcoast an amending agreement to the Shipper's existing Firm Service Agreement evidencing such relinquishment (and resulting term swaps, if any), in the form provided by Westcoast, without amendment or modification, within 5 business days of receipt of such amending agreement from Westcoast.

- (g) Westcoast will, via e-mail and as soon as reasonably practicable following receipt of a Request to Relinquish Service, either confirm receipt of the Request to Relinquish Service and assign an identification number to it, or advise the Shipper that the Request to Relinquish Service fails to conform with the requirements of this open season document and consequently will not be considered.
- (h) Should the volume of service specified in the Requests to Relinquish Service received by Westcoast exceed the volume of Zone 3 expansion service requested in this open season, Westcoast would, subject to 6(d) above, consider those Requests to Relinquish Service on a pro rata basis.
- (i) A Shipper will not be relieved of any of its obligations with respect to any existing Zone 3 firm service prior to the later of (i) July 1, 2017 and (ii) the actual in-service date for the required Zone 3 expansion facilities.
- (j) A Shipper which has submitted a Request to Relinquish Service may withdraw that Request to Relinquish Service at any time prior to the Closing Time.

7. Additional Information

Should you have any questions or require additional information regarding this open season please contact your Strategic Account Manager or Mark Tomlinson, Director, Marketing & Business Development, at 403-699-1588.

8. Summary of Key Dates and Deadlines

July 20, 2015	Open season commences.
July 20 to August 12, 2015	Shippers will have an opportunity to consult with Strategic Account Managers.
August 12, 2015	Open season closes and Requests for Service and Requests to Relinquish Service must have been submitted prior to 3:00 p.m. (Mountain Daylight Time).
August 19, 2015	Anticipated date for notifying prospective shippers of Zone 3 expansion service awarded and, if any, Requests to Relinquish Service accepted.
August 19, 2015	Anticipated date for sending Firm Service Agreements (and any amending agreements for term up of existing Zone 3 service) to prospective shippers which are awarded expansion service. If applicable, amending agreements sent to Shippers permitted to relinquish service.
August 26, 2015*	Prospective shippers to return fully executed Firm Service Agreements for Zone 3 expansion service (and any amending agreements for term up of existing Zone 3 service) together with the required financial security. If applicable, fully executed amending agreements evidencing relinquishment of service to be returned to Westcoast.

*This date is an anticipated date only. Firm Service Agreements, together with required financial security, and amending agreements with respect to relinquished service, if any, must be returned within 5 business days of their receipt from Westcoast.

ATTACHMENT 1
WESTCOAST ENERGY INC.
REQUEST FOR SERVICE

To: Westcoast Energy Inc.
weicapacity@spectraenergy.com

1. Customer Information

Name of Prospective Shipper: _____

Address: _____

Contact Person: _____

Telephone: _____

Fax: _____

E-mail: _____

For contract preparation:

Exact Legal Name of Prospective Shipper:
(If different than above) _____

Address of Legal Entity:
(If different than above) _____

Names and Titles of Signatories of contract:
(To appear on contract) _____

2. Zone 3 Expansion Service Requested

Receipt Point (Alberta Mainline or FSJML): _____

Delivery Point (CS2 or Sunset CS): _____

Contract Demand Volume (10³m³/d): _____

Minimum Contract Demand Volume (10³m³/d): _____

Term (minimum 10 years): _____

3. Acknowledgement

The undersigned acknowledges and agrees that the submission of this Request for Service constitutes an offer to take-up any Zone 3 expansion service that is awarded by Westcoast to the undersigned and the undersigned will execute and deliver a Firm Service Agreement in the form attached to Westcoast's Open Season document dated July 20, 2015, without amendment or modification, in respect of that expansion service.

Dated this _____ day of _____, 2015

Name of Prospective Shipper

Authorized Signature

Name

Title

Notes

- This Request for Service is governed by Westcoast's Open Season document dated July 20, 2015.
- Conditional Requests for Service will NOT be considered.
- Prospective shippers may indicate a minimum Contract Demand of any amount equal to or less than the maximum Contract Demand requested, including zero (i.e., no minimum).
- Prospective shippers should note that:
 - (i) should the volume of Zone 3 expansion service allocable to a prospective shipper as a result of the allocation process specified in the Open Season document be less than the minimum Contract Demand specified in its Request for Service, no expansion service will be awarded by Westcoast to that prospective shipper; and
 - (ii) should the volume of Zone 3 expansion service allocable to a prospective shipper as a result of the allocation process contemplated by the Open Season document be greater than the minimum Contract Demand specified in its Request for Service, the prospective shipper will be deemed to have accepted the expansion service awarded by Westcoast to that prospective shipper.

ATTACHMENT 2
WESTCOAST ENERGY INC.
FORM OF FIRM SERVICE AGREEMENT

FIRM SERVICE AGREEMENT

THIS AGREEMENT made as of the ● day of ●, 2015
BETWEEN:

WESTCOAST ENERGY INC., carrying on business as Spectra Energy
Transmission, a corporation having an office in Calgary, Alberta

("Westcoast")

- and -

●, a corporation having an office in ●

("Shipper")

WHEREAS Shipper has requested Westcoast to provide it with the Firm Transportation Service described in this Agreement and Westcoast has agreed to provide Shipper with such service in accordance with and subject to the terms and conditions hereinafter set forth;

NOW THEREFORE in consideration of the mutual agreements hereinafter contained the parties hereto agree as follows:

ARTICLE 1
TOLL SCHEDULES AND GENERAL TERMS AND CONDITIONS

1.01 Westcoast's Toll Schedules for Service and General Terms and Conditions - Service, both as filed with the National Energy Board and in effect from time to time in accordance with Part IV of the *National Energy Board Act*, are incorporated herein by reference and constitute part of this Agreement. Unless otherwise defined herein, the terms and expressions used in this Agreement have the same meaning as the corresponding terms and expressions used in Westcoast's Toll Schedules for Service and the General Terms and Conditions.

1.02 In and for the purpose of this Agreement:

- (a) "Expansion Facilities" means those pipeline, compression and related facilities which Westcoast determines to be required to enable it to provide the Expansion Service and which will be more particularly described in Westcoast's application to the National Energy Board for approval to construct and operate such facilities;
- (b) "Expansion Service" means the Firm Transportation Service described in Schedule A;
- (c) "Schedule A" means Schedule A attached to this Agreement as the same may be amended and in effect from time to time; and

- (d) "this Agreement" means this Agreement as the same may be amended and in effect from time to time, and includes Westcoast's Toll Schedules for Service, the General Terms and Conditions and Schedule A.

ARTICLE 2
SERVICES

- 2.01 Subject to the provisions of this Agreement, Westcoast shall provide to Shipper the Expansion Service on each day during the period commencing and expiring on the days specified in Schedule A.

ARTICLE 3
TOLLS

- 3.01 Shipper shall pay Westcoast each month in respect of the Expansion Service the applicable tolls for such service approved by the National Energy Board and specified in Westcoast's Toll Schedules for Service in effect from time to time.

ARTICLE 4
RECEIPT AND DELIVERY POINTS

- 4.01 Shipper shall in respect of the Expansion Service deliver gas to Westcoast at the Receipt Point and in volumes not exceeding those specified in Schedule A.
- 4.02 Westcoast shall in respect of the Expansion Service deliver gas to Shipper at the Delivery Points specified in Schedule A.

ARTICLE 5
CONDITIONS

- 5.01 The obligations of Westcoast to proceed with the Expansion Facilities and to provide Expansion Service to Shipper hereunder are subject to the following conditions precedent which are for the sole benefit of Westcoast and may be waived by Westcoast in whole or in part in the manner provided in this Agreement:
- (a) the execution by other prospective shippers of Firm Service Agreements providing for Firm Transportation Service in respect of Contract Demand volumes sufficient to support the construction and operation of the Expansion Facilities on an economic basis acceptable to Westcoast in its sole discretion;
 - (b) the determination by Westcoast's Board of Directors and by its senior management to commit to the construction of the Expansion Facilities;
 - (c) Westcoast obtaining all governmental and regulatory orders, certificates, approvals, authorizations, licenses and permits, in form and substance satisfactory to Westcoast, required to construct and operate the Expansion Facilities including, without limitation, orders and certificates of the National Energy Board pursuant to Part III of the *National Energy Board Act*;
 - (d) the satisfaction of all conditions contained in the orders, certificates, approvals, authorizations, licenses and permits referred to in subsection 5.01(c);

- (e) the completion of construction and placing into service of the Expansion Facilities; and
 - (f) the determination by Westcoast, in its sole discretion, that none of the Pipeline System, the Expansion Facilities or Westcoast have been or could be adversely affected by any prevailing or future economic, regulatory, financial or other circumstances (including, without limitation, Westcoast's tolls, toll design and cost recovery methodologies).
- 5.02 If by December 31, 2019 any one or more of the conditions specified in Section 5.01 have not been satisfied or waived by Westcoast, then either party hereto shall have the right to terminate this Agreement by giving written notice to such effect to the other party and upon the giving of such notice, this Agreement shall be of no further force and effect and each of Westcoast and Shipper shall be released from all further obligations under this Agreement.
- 5.03 The design and capacity of the Expansion Facilities and the form, substance and timing of Westcoast's applications for the orders, certificates, approvals, authorizations, licenses and permits referred to in subsection 5.01(c) shall be determined by Westcoast, in its sole discretion.

ARTICLE 6
GENERAL

- 6.01 Shipper shall at all times after the execution of this Agreement:
- (a) demonstrate to Westcoast that it has a credit quality acceptable to Westcoast, in its sole discretion, through the provision of financial statements and such other information as Westcoast may require;
 - (b) if Shipper is unable to meet the requirements in subsection 6.01 (a), provide to Westcoast a guarantee of payment in form and substance satisfactory to Westcoast by another entity who meets such requirements; or
 - (c) if Shipper is unable to meet the requirements of subsection 6.01 (a) or 6.01 (b), provide to Westcoast, and at all times maintain, an irrevocable letter of credit in favour of Westcoast issued by a financial institution and in form acceptable to Westcoast in an amount equal to the maximum amount payable by Shipper under this Agreement for 12 months of service or such other alternative financial security acceptable to Westcoast.

If at any time after the execution of this Agreement, Shipper fails to comply with the creditworthiness requirements set forth in this Section 6.01, Westcoast may at its option suspend the provision of service to Shipper under this Agreement or terminate this Agreement, provided however that any such suspension of service or termination shall not relieve Shipper from its obligation to pay all tolls, charges, or other amounts payable to Westcoast in respect of the Expansion Service for what would otherwise have been the balance of the term of this Agreement.

ARTICLE 7
ADDRESS FOR DELIVERY

7.01 The address of each of the parties hereto for the purpose of giving any notice hereunder or in accordance with the General Terms and Conditions is as follows:

WESTCOAST: Westcoast Energy Inc.
Suite 2600, 425 1st Street S.W.
Calgary, Alberta
T2P 3L8

Fax: ●
Attention: ●

SHIPPER:

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

WESTCOAST ENERGY INC.

per: _____

per: _____

[SHIPPER]

per: _____

per: _____

SCHEDULE A

This Schedule A is attached to and forms part of the Firm Service Agreement dated as of ●, 2015 between Westcoast Energy Inc. and [Shipper].

GMS No.:	●
Firm Service:	Firm Transportation Service - Northern
Receipt Point:	●
Delivery Points:	●
Contract Demand (10³M³):	●
Service Commencement Date:	The later of (i) July 1, 2017 and (ii) the date upon which Westcoast is able to commence providing all or a portion of the Expansion Service under this Agreement and which is specified by Westcoast in a written notice given to Shipper.
Service Expiry Date:	Minimum of 10 Years after the Service Commencement Date

ATTACHMENT 3

**WESTCOAST ENERGY INC.
REQUEST TO RELINQUISH SERVICE**

To: Westcoast Energy Inc.
weicapacity@spectraenergy.com

1. Customer Information

Name of Shipper: _____
Address: _____

Contact Person: _____
Telephone: _____
Fax: _____
E-mail: _____

2. Request to Relinquish Service

The undersigned hereby gives notice that it wishes to relinquish on a permanent basis effective _____* the following Zone 3 service held by the undersigned under the following Firm Service Agreement(s):

<u>Firm Service Contract or Amendment Number</u>	<u>GMS Reference No.</u>	<u>Receipt Point</u>	<u>Delivery Point</u>	<u>Contract Demand Volume Under the Firm Service Agreement</u>	<u>Contract Demand Volume Shipper is Interested in Relinquishing</u>

*Any relinquishment accepted by Westcoast will become effective on the later of (i) July 1, 2017 and (ii) the actual in service date for the required Zone 3 expansion facilities.

Dated this _____ day of _____, 2015

Name of Shipper

Authorized Signature

Name

Title

Notes

- This Request to Relinquish Service is governed by Westcoast's Open Season document dated July 20, 2015. Westcoast reserves the right to reject, in its sole discretion, any and all Requests to Relinquish Service.
- Conditional Requests to Relinquish Service will not be considered or accepted.

APPENDIX 1.5 h) and i)

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Deliveries to CS 16 (Sunset)

Date	Contract Volume (MMcf/d)	Capacity (MMcf/d)
1-Mar-17	471.1	518
1-Nov-17	711.1	711.1
1-Feb-18	726.1	726.1
1-Mar-21	701.4	726.1
1-Nov-25	657.9	726.1
1-Nov-28	637.9	726.1
1-Dec-28	551.7	726.1
1-Nov-29	535.0	726.1
1-Feb-30	520.0	726.1
1-Dec-32	220.0	726.1
1-Jul-36	200.0	726.1
1-Nov-42	0.0	726.1

Deliveries to CS 2

Date	Contract Volume (MMcf/d)	Capacity (MMcf/d)*
1-Mar-17	1845.9	2826.6
1-Apr-17	1983.4	2961.6
1-May-17	1980.4	2961.6
1-Jul-17	1978.0	2961.6
1-Nov-17	1911.0	3201.6
1-Feb-18	1946.0	3201.6
1-Aug-18	1936.2	3201.6
1-Oct-18	1886.2	3201.6
1-Nov-18	1569.7	3201.6
1-Jan-19	1562.4	3201.6
1-Feb-19	1551.0	3201.6
1-Mar-19	1544.3	3201.6
1-Apr-19	1517.6	3201.6
1-Jul-19	1417.6	3201.6
1-Sep-19	1412.1	3201.6
1-Nov-19	1291.1	3201.6
1-Dec-19	1281.1	3201.6
1-Jan-20	1276.9	3201.6
29-Feb-20	1272.3	3201.6
1-Apr-20	1191.7	3201.6
1-May-20	1186.7	3201.6
1-Nov-20	881.1	3201.6
1-Apr-21	862.5	3201.6
1-Nov-21	820.3	3201.6
1-Apr-22	784.7	3201.6
1-Aug-22	764.8	3201.6
1-Nov-22	737.8	3201.6
1-Jun-23	712.9	3201.6
1-Nov-23	678.1	3201.6
1-Nov-24	665.7	3201.6
1-Dec-24	545.7	3201.6
1-Feb-25	505.9	3201.6
1-Jul-26	371.3	3201.6
1-Apr-27	248.2	3201.6
1-May-27	233.2	3201.6
1-Sep-27	218.8	3201.6
1-Dec-28	107.8	3201.6
1-Nov-29	35.0	3201.6
1-Feb-30	0.0	3201.6

Notes

* Capacity to CS 2 is equal to the capacity of the Fort Nelson Mainline, the FSJ Mainline and the Pine River Mainline. The stated capacity is also utilized by contracts which flow through CS 2 for delivery to Sunset or Nova Gordondale.

With the exception of 3 mmcf/d, all of the contracts for delivery to CS 2 and CS 16 are renewable.