

WESTCOAST ENERGY INC.
ZONE 3 EXPANSION
OPEN SEASON SEPTEMBER 23, 2016

BINDING OPEN SEASON – SUMMARY

Note: Capitalized terms herein have the definitions set out in Westcoast’s Pipeline Tariff.

Scope of Expansion

In response to expressions of interest from customers for additional capacity, Westcoast Energy Inc., doing business as Spectra Energy Transmission (“Westcoast”), is conducting this open season for additional firm transportation service on its Transportation Service - Northern (Zone 3) facilities between (a) any Zone 3 Receipt Points on the Fort Nelson Mainline (“FNML”), Aitken Creek Pipeline, Fort St. John Mainline (“FSJML”) and Alberta Mainline, and (b) the Zone 3 Delivery Points located at Compressor Station No. 2 (“CS2”) and Westcoast’s interconnect with the NOVA Gas Transmission Ltd. (“NGTL”) 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 potential looping along the FNML, Aitken Creek Pipeline, FSJML and/or Alberta Mainline and potential expansions at compressor stations along those pipelines to provide (i) approximately 6374 10^3m^3 (225 MMcf) per day of new capacity from Zone 3 Receipt Points on the FNML and Aitken Creek Pipeline (“Fort Nelson Area”) to the Zone 3 Delivery Points at CS2 and Sunset CS, and (ii) approximately 2833 10^3m^3 (100 MMcf) per day of new capacity from Zone 3 Receipt Points on the FSJML and Alberta Mainline (“Fort St. John Area”) to the Zone 3 Delivery Points at CS2 and Sunset CS. It is anticipated that the new capacity would be placed into service on December 1, 2018. The ultimate configuration and timing of the facilities, if any, to be constructed will depend in part on the requests for service and requests to relinquish service, if any, in response to this open season.

Turn-Back Option for Existing Firm Service

In conjunction with this open season and in accordance with the rules of this open season document, Westcoast is also providing the opportunity for Shippers holding existing Zone 3 firm service to request permanent relinquishment in whole or in part effective the in-service date of the required 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 and binding 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.

Notwithstanding any other term herein, the decision to provide any expansion service pursuant to this open season, the volume of any expansion service and the nature, size, configuration and timing of any required expansion facilities, will be determined by Westcoast in its sole discretion based in part on the requests for service and requests to relinquish service, if any, in response to this open season. Further, any expansion shall be subject to the receipt of all required approvals from the National Energy Board (the "NEB") and to the other conditions set out in the attached form of Firm Service Agreement.

BINDING OPEN SEASON - DETAILS

1. Description of Service

- (a) Approximately 6374 10³m³ (225 MMcf) per day of Firm Transportation Service - Northern between (i) Zone 3 Receipt Points on the FNML and Aitken Creek Pipeline, and (ii) Zone 3 Delivery Points at CS2 and Sunset CS.
- (b) Approximately 2833 10³m³ (100 MMcf) per day of Firm Transportation Service - Northern between (i) Zone 3 Receipt Points on the FSJML and Alberta Mainline, and (ii) Zone 3 Delivery Points at CS2 and Sunset CS.
- (c) Although the new capacity is planned to be placed into service on December 1, 2018, 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 any proposed expansion facilities.
- (d) All Zone 3 expansion service will commence on the later of (i) December 1, 2018 and (ii) the actual date that Westcoast is able to commence providing such service, whether through completion of required expansion facilities, service relinquishment or otherwise. Should a portion of the required expansion capacity become available in advance of the total capacity being made available under the expansion, Westcoast may elect to bring available capacity into effect in stages with multiple in-service dates, provided that the first such date shall be no earlier than December 1, 2018. Where Westcoast is able to provide only a portion of the requested expansion service in respect of a particular path in advance of the total capacity being made available for that path, such partial capacity shall be allocated to expansion shippers in that path on a pro rata basis.
- (e) 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 proposed expansion facilities on a rolled-in basis using Westcoast's approved 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) \$0.009 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, Zone 3 firm demand allocation units, Westcoast's cost of service parameters and an assumption that the proposed expansion facilities will be rolled-in to the existing Zone 3 system for tolling purposes. Notwithstanding such estimate, prospective shippers which are awarded firm service in this open season will be obligated to pay the actual NEB-approved tolls for that service, 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 October 14, 2016 (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 practicable 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.
- (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(e) 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) Westcoast may in its sole discretion elect to evaluate and allocate expansion service to Requests for Service in the Fort Nelson Area separately from Requests for Service in the Fort St. John Area. In such case, all of the provisions of this section 4 and sections 5 and 6 below shall apply to both such processes.
- (b) 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.
- (c) 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.
- (d) 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(e) below, within 5 business days of receipt of the Firm Service Agreement from Westcoast.
- (e) 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.
- (f) 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(e) 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 10^3m^3 (3.5 MMcf) per day of expansion service will be required to term up no more than 100 10^3m^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 requesting service between a receipt point on the FNML and Sunset CS will be required to first term up capacity held between Receipt Points on the FNML with delivery to 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 anticipated service start date for the expansion service is December 1, 2018, the current service expiry date for the matching existing service would be extended to November 30, 2028.
 - 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 within the 13 month notice period 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 term 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 or portion thereof effective on the later of (i) December 1, 2018 and (ii) the actual date Westcoast requires such relinquished service in order to commence providing expansion service to expansion shippers pursuant to this open season. 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) Notwithstanding paragraph 6(a), Westcoast may elect to require relinquished service which is accepted by Westcoast to be relinquished in stages with multiple relinquishment dates, provided that the first such date shall be no earlier than December 1, 2018.
- (c) Westcoast reserves the right to reject, in its sole discretion, any and all Requests to Relinquish Service submitted in response to this open season. Further, Westcoast may accept for relinquishment a volume of service which is less than the volume requested to be relinquished in a Request to Relinquish Service and Shipper shall, in that case, be deemed conclusively to have agreed to such lesser volume of service to be relinquished.
- (d) 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, any proposed Zone 3 expansion facilities.
- (e) 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 proposed expansion facilities without undue loss of system allocation units and contract term.
 - ii. 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, any Requests to Relinquish Service will be

prioritized by Westcoast based on an assessment, in its sole discretion, of net material benefit to the overall system including, without limitation, the remaining service term of such service, with priority in the case of that factor being given to shortest remaining term progressing to longer remaining terms.

- iii. Shippers who wish to relinquish service and hold multiple tranches of firm service between different or like Receipt Points and Delivery Points in Zone 3 will 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 will, in the instance that such service is accepted for relinquishment, require the transfer of the term from the relinquished service to the firm service that is retained. The maximum volume of service subject to a term swap will be equal to the volume of service accepted for relinquishment. Term swaps will be prioritized by expiry date of the firm service to be retained, with the term swap being first applied to the earliest expiry date and progressing to the latest expiry date.
- (f) 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.
- (g) 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.
- (h) 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.
- (i) 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

- (a) Shippers submitting a Request for Service are responsible for securing any necessary upstream arrangements for supply, if applicable, and for securing any necessary downstream capacity or marketing arrangements on other portions of the Westcoast system or other pipelines connecting to the Westcoast system.

- (b) 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

September 23, 2016	Open season commences.
September 23 to October 14, 2016	Shippers will have an opportunity to consult with Strategic Account Managers.
October 14, 2016	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).
October 21, 2016	Anticipated date for notifying prospective shippers of Zone 3 expansion service awarded and, if any, Requests to Relinquish Service accepted.
October 21, 2016	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 and, if applicable, for sending amending agreements to Shippers permitted to relinquish service.
October 28, 2016*	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 (Fort Nelson Mainline, Aitken Creek Pipeline, Alberta
Mainline or Fort St. John Mainline): _____

Delivery Point (Compressor Station 2 or Sunset Compressor Station): _____

Contract Demand Volume ($10^3\text{m}^3/\text{d}$): _____

Minimum Contract Demand Volume ($10^3\text{m}^3/\text{d}$): _____

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 September 23, 2016, without amendment or modification, in respect of that expansion service.

Dated this _____ day of _____, 2016

Name of Prospective Shipper

Authorized Signature

Name

Title

Notes

- This Request for Service is governed by Westcoast's Open Season document dated September 23, 2016.
- 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 ●, 2016
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:
- (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 Parts III and IV 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 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: _____

Contract No. ●

SCHEDULE A

This Schedule A is attached to and forms part of the Firm Service Agreement dated as of ●, 2016 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) December 1, 2018 and (ii) the date upon which Westcoast is able to commence providing all or a portion of the Expansion Service under this Agreement, as 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 relinquishment date* 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 Requesting to Relinquish</u>

*Relinquishment date means the later of (i) December 1, 2018 and (ii) the actual date Westcoast requires the relinquished service in order to commence providing expansion service to expansion shippers pursuant to the Open Season document dated September 23, 2016.

Dated this _____ day of _____, 2016

Name of Shipper

Authorized Signature

Name

Title

Notes

- This Request to Relinquish Service is governed by Westcoast's Open Season document dated September 23, 2016. 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.