

WESTCOAST ENERGY INC.
ZONE 3 RELINQUISHMENT OPEN SEASON
NOVEMBER 9, 2018

BINDING RELINQUISHMENT OPEN SEASON – SUMMARY

Note: Unless otherwise defined herein, capitalized terms used herein have the meanings ascribed to them in Westcoast's Pipeline Tariff.

On August 27, 2018, by Notice #50653 (revised on August 31, 2018), Westcoast Energy Inc., doing business as Spectra Energy Transmission ("Westcoast") commenced an open season for additional firm transportation service on its Transportation Service - Northern (Zone 3) facilities (the "Expansion Open Season"). Westcoast received requests totalling 14,447 10³m³ (510 MMcf) per day for additional firm transportation service from Zone 3 Receipt Points on the Fort Nelson Mainline to Sunset Creek, with requested in-service dates ranging from September 1, 2023 to June 1, 2024.

The Expansion Open Season also set out Westcoast's plan to hold another open season to provide an opportunity for any Shipper holding existing Zone 3 firm service to request permanent relinquishment of its service in whole or in part effective the in-service date of the required expansion capacity (the "Relinquishment Open Season").

Relinquishment Open Season Process

This Relinquishment Open Season document describes how Shippers may submit a request to relinquish existing Zone 3 firm service and the process Westcoast will follow to evaluate the requests for relinquishment and accept existing firm service for relinquishment. The volume and location of any existing Zone 3 firm service relinquished in this Relinquishment Open Season may affect the need for, or the nature, size, configuration or timing of, any proposed Zone 3 expansion facilities.

As outlined below, the submission of a request to relinquish service (a "Relinquishment Request") by a Shipper who holds existing Zone 3 service will constitute a binding offer to relinquish any Zone 3 service that may be accepted by Westcoast from that Shipper in accordance with this Relinquishment Open Season. Accordingly, any Shipper which submits a Relinquishment Request that is accepted by Westcoast in accordance with this Relinquishment Open Season will be obligated to execute any required amendments to its existing Zone 3 firm service agreements to reflect the relinquished volumes and any term swaps applied in accordance with section 3(c) below (the "Amending Agreement(s)").

In the event that the expansion firm service agreements resulting from the Expansion Open Season are terminated for any reason prior to the commencement of service under such agreements, including as a result of (i) Westcoast not satisfying or waiving the conditions precedent set out in such expansion firm service agreements, or (ii) any Shipper terminating an expansion firm service agreement in accordance with the early termination right set out therein, then Westcoast may terminate the Amending Agreement(s), in which case any existing service accepted for relinquishment in this Relinquishment Open Season would continue to be subject to the same contract terms and conditions in effect prior to its acceptance by Westcoast for relinquishment and any term swaps (as described in section 3(c) below) will be cancelled. Should the Amending

Agreement(s) be so terminated by Westcoast and the 13 month renewal period has passed (based on the original term of the existing firm service agreement), Shipper will have 30 days from the termination date of the Amending Agreement(s) to elect to renew.

BINDING RELINQUISHMENT OPEN SEASON - DETAILS

1. Effective Date for the Relinquishment

The Expansion Open Season resulted in bids for expansion capacity with requested in-service dates ranging between September 1, 2023 and June 1, 2024. The effective date(s) of the relinquishment (the "Relinquishment Date(s)") will be determined by Westcoast in its sole discretion based on the actual in-service date(s) of the expansion service (which may be later than the requested in-service date(s)).

Relinquishment may occur in stages to match the expansion service volume requirements. Where that occurs, Westcoast may set the Relinquishment Date(s) for any particular tranche of relinquished service in a manner best suited to meet the physical requirements of the particular expansion service then coming into service.

2. Submission of Relinquishment Requests

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

weicapacity@enbridge.com

- (b) Relinquishment Requests must be received by Westcoast at the e-mail address specified above prior to 3:00 p.m. (Mountain Time) on November 30, 2018 (the "Closing Time"). Relinquishment Requests which are not received by the Closing Time will not be considered. Westcoast reserves the right, in its sole discretion, to reject any Relinquishment Requests 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 Relinquishment Request, either confirm receipt of the Relinquishment Request and assign an identification number to the Relinquishment Request, or advise the Shipper that the Relinquishment Request fails to conform with the requirements of this open season document and will not be considered.
- (d) Shippers must specify in the Relinquishment Request the contract number, line number and the requested volume of existing firm service Contract Demand that such a Shipper wishes to relinquish (the "Relinquished Contract Demand").
- (e) Shippers must also specify in the Relinquishment Request the minimum Relinquished Contract Demand that would be acceptable for relinquishment. Shippers may indicate a minimum Relinquished Contract Demand of any volume equal to or less than the total Relinquished Contract Demand requested for relinquishment, including zero (i.e., no minimum).

- (f) Westcoast reserves the right to reject, in its sole discretion, any and all Relinquishment Requests 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 Relinquishment Request and Shipper shall, in that case, be deemed conclusively to have agreed to such lesser volume of service to be relinquished so long as such lesser volume is greater than the Shipper's stated minimum Relinquished Contract Demand.
- (g) Until the Relinquishment Date(s), firm service accepted for relinquishment will continue to be subject to the terms and conditions (including credit requirements) of the Shipper's applicable existing firm service agreement(s) with Westcoast.
- (h) Shippers may submit one or more Relinquishment Requests. A Shipper which has submitted one or more Relinquishment Requests may withdraw any or all of those Relinquishment Requests at any time prior to the Closing Time by giving notice of withdrawal to Westcoast, specifying the applicable identification number(s).
- (i) In order to ensure that the process for the evaluation of Relinquishment Requests is fair to all participants, Westcoast will not consider Relinquishment Requests which are contingent or conditional.
- (j) Westcoast will, as soon as reasonably practicable, notify each successful Shipper of the existing Zone 3 firm service accepted for relinquishment from it and forward to such Shipper any Amending Agreement(s) necessary to effect such relinquishment. While Westcoast plans to complete the process for accepting relinquished service within 8 business days of the Closing Time, Westcoast reserves the right to extend that time should circumstances require.
- (k) The submission of a Relinquishment Request constitutes a binding offer by the Shipper to relinquish existing Zone 3 service to Westcoast in accordance with this Relinquishment Open Season, for a volume not exceeding the Relinquished Contract Demand volume specified in the Relinquishment Request and not less than the minimum Relinquished Contract Demand, if any, specified in the Relinquishment Request. Any Shipper that submits a Relinquishment Request which is accepted by Westcoast is obligated to execute and deliver to Westcoast any Amending Agreement(s) required to reflect such relinquishment and resulting term swaps, if any (as detailed below) in the form provided by Westcoast, without amendment or modification, within 5 business days of receipt of such Amending Agreement(s) from Westcoast.
- (l) Westcoast reserves the right to extend the term of this Relinquishment Open Season or withdraw this Relinquishment Open Season, in its sole discretion, at any time prior to the Closing Time.

3. Evaluation of Relinquishment Requests for Existing Zone 3 Firm Service

- (a) Westcoast will only accept relinquishment of service if such relinquishment will, in Westcoast's sole opinion, result in a net material benefit to the T-North system through reduction of costs associated with proposed expansion facilities without undue loss of system allocation units and contract term. Westcoast's assessment of net material benefit to the T-North system may include, without limitation, factors such as minimization of expansion capital, maximization of contract terms and system allocation units, the use of contracted service at contracted locations, and matching the timing of relinquished service with expansion capacity requirements.
- (b) Westcoast will give first priority in this Relinquishment Open Season to successful bidders in the Expansion Open Season, provided that the amount of relinquished service by any such bidder will be limited to the amount of expansion capacity awarded to such bidder. Relinquishment Requests will be further prioritized by Westcoast based on an assessment, in its sole discretion, of the degree of net material benefit to the T-North system. If the net material benefit for two or more Relinquishment Requests are equivalent and the sum volume of such Relinquishment Requests exceed the total volume Westcoast decides to accept, Westcoast will accept relinquished service as follows:
 - i. Subject to any minimum Relinquished Contract Demand specified in a Shipper's Relinquishment Request, Westcoast will accept for relinquishment existing Zone 3 service from the Shippers *pro rata* on the basis of the Relinquished Contract Demands specified in their Relinquishment Requests; and
 - ii. any remaining existing Zone 3 service which has not been accepted in accordance with the foregoing will be accepted, up to the amount required for the expansion service awarded in the Expansion Open Season, in descending order of net material benefit to the T-North system.
- (c) Shippers who wish to relinquish existing Zone 3 firm service and hold multiple tranches of such service between different or like Receipt Points and Delivery Points will be subject to term swaps from the firm service they wish to relinquish to the firm service they wish to retain. Specifically, if the firm service accepted for relinquishment has a greater term than other Zone 3 firm service held by such Shipper, Westcoast will require the transfer of the term from the relinquished service to the firm service that is retained by the Shipper. 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. Credit requirements will also be transferred from the relinquished service to the retained service if the credit requirements are greater for the relinquished service, such as in the case of expansion service.
- (d) A Shipper who was awarded expansion service in the Expansion Open Season on a service path and also relinquishes service in this Relinquishment Open Season on a portion of the same service path and with the same flow direction will, in respect of an amount of awarded expansion service equal to the amount of service relinquished, be required to accept a service term equal to the greater of: (i) the

expansion service bid term; or (ii) a 20 year term starting from the expiry date of the relinquished service. For example, if Westcoast accepts relinquishment of service in this Relinquishment Open Season from a Shipper who was awarded expansion service in the Expansion Open Season on a portion of the same service path and with the same flow direction and the expiry date of the relinquished service is October 31, 2025, then, for a like amount of the awarded expansion service, the shipper must accept an expiry date no earlier than October 31, 2045. However, if the Shipper's bid for expansion service had a term resulting in an expiry date later than October 31, 2045, then the expansion bid term would prevail. In determining the expiry date of the relinquished service for this purpose, any term extension of such relinquished service required pursuant to the Expansion Open Season will be disregarded.

4. Additional Information

Should you have any questions or require additional information regarding this open season please contact your Account Specialist or Mark Tomlinson, Senior Commercial Specialist, at 403-699-1588.

5. Summary of Key Dates and Deadlines

November 9, 2018	Relinquishment Open Season commences.
November 9 to November 30, 2018	Shippers will have opportunity to consult with Account Specialists.
November 30, 2018	Open season closes and Relinquishment Requests must have been submitted prior to 3:00 p.m. (Mountain Time).
December 12, 2018	Anticipated date for notifying Shippers of existing Zone 3 service accepted for relinquishment and for sending Amending Agreement(s) to Shippers from which relinquishment is accepted.
December 19, 2018*	Shippers to return fully executed Amending Agreement(s).

*This date is an anticipated date only. Any Amending Agreement(s) must be returned within 5 business days of receipt from Westcoast.

ATTACHMENT 1

RELINQUISHMENT REQUEST

To: Westcoast Energy Inc.
weicapacity@enbridge.com

1. Customer Information

Name of Shipper: _____

Address: _____

Contact Person: _____

Telephone: _____

Fax: _____

E-mail: _____

For contract preparation:

Exact Legal Name of 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. Existing Zone 3 Firm Service Proposed for Relinquishment

	Request 1	Request 2	Request 3	Request 4
Contract number				
Line number				
Receipt Point				
Delivery Point				
Relinquished Contract Demand volume (10 ³ m ³ /d)				
minimum Relinquished Contract Demand volume (103m ³ /d)				

3. Acknowledgement

The undersigned acknowledges and agrees that, subject to the terms and conditions of the Relinquishment Open Season, the submission of this Relinquishment Request constitutes a binding offer to relinquish any Zone 3 firm service that may be accepted by Westcoast, and if such Relinquishment Request is accepted by Westcoast the undersigned will execute and deliver Amending Agreement(s) without amendment or modification, in respect of any existing firm service that has been accepted by Westcoast for relinquishment. The undersigned further acknowledges and agrees that in the event that the expansion firm service agreements resulting from the Expansion Open Season are terminated for any reason prior to the commencement of service under such agreements, including as a result of (i) Westcoast not satisfying or waiving the conditions precedent set out in such expansion firm service agreements, or (ii) any Shipper terminating an expansion firm service agreement in accordance with the early termination right set out therein, then Westcoast may terminate the Amending Agreement(s), in which case any existing service accepted for relinquishment in this Relinquishment Open Season would continue to be subject to the same contract terms and conditions in effect prior to its acceptance by Westcoast for relinquishment and any term swaps (as described in section 3(c) of the Relinquishment Open Season document) will be cancelled. Should the Amending Agreement(s) be so terminated by Westcoast and the 13 month renewal period has passed (based on the original term of the existing firm service agreement), Shipper will have 30 days from the termination date of the Amending Agreement(s) to elect to renew.

Dated this _____ day of _____, 2018

Name of Shipper

Authorized Signature

Name

Title

Notes

- This Relinquishment Request is governed by Westcoast's binding Relinquishment Open Season document dated November 9, 2018.
- Conditional Relinquishment Requests will NOT be considered.
- Shippers may indicate a Relinquished Contract Demand volume for relinquishment of any amount equal to or less than the full Contract Demand of any individual contract line.
- Shippers may indicate a minimum Relinquished Contract Demand volume of any amount equal to or less than the Relinquished Contract Demand volume requested for relinquishment, including zero (i.e., no minimum).
- Westcoast may accept for relinquishment all or a portion of any individual request, provided the amount accepted is equal to or greater than the minimum Relinquished Contract Demand volume specified in the Shipper's Relinquishment Request.