



Spectra Energy: *BC Field Services Division*

Updated October 2015



Welcome to Spectra Energy!



We value your business and look forward to working with you for years to come. We work proactively to focus on customer service and excel at customer responsiveness. This presentation has been developed to introduce you to our BC Field Services Division.

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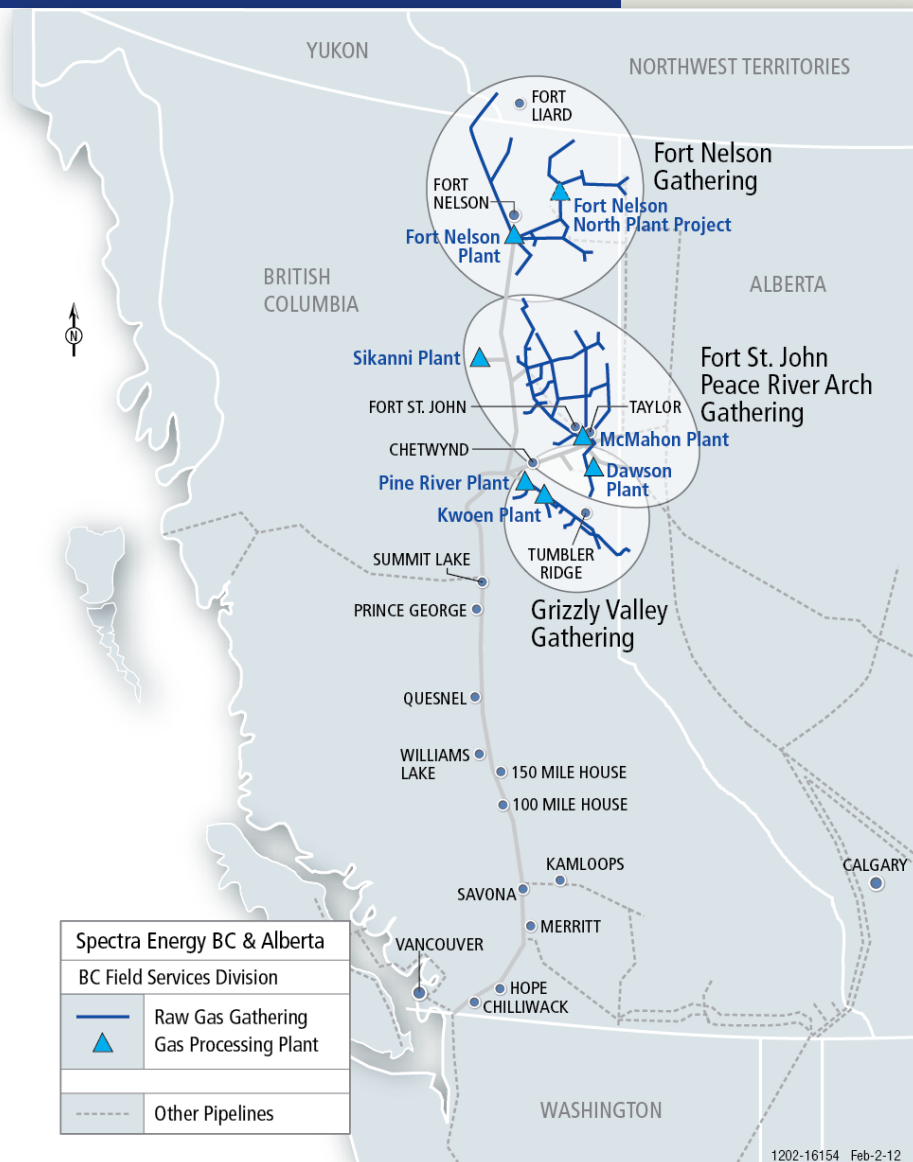
Spectra Energy Transmission West: Who We Are

- One of the largest natural gas midstream businesses in Canada
- Unsurpassed footprint connecting natural gas plays to premium markets – and perfectly poised to serve growing demands
- 55-year track record in safely, reliably and responsibly constructing and operating natural gas gathering, processing and transportation facilities
- Comprised of four complementary, but very distinct, commercial business divisions:
 - BC Pipeline
 - **BC Field Services**
 - Midstream
 - Natural Gas Liquids (NGL)



BC Field Services: Largest of its kind in Canada

- Uniquely positioned to access both the conventional supply of the WCSB and the growing unconventional sources of the Horn River, Montney/Doig, Liard and Cordova plays, the business is regulated by the National Energy Board (NEB)
- **Length:** 2,500 kilometres of expandable raw gas gathering pipelines capable of inlet raw gas deliveries of 2.4 billion cubic feet per day
- **Processing Capacity:** Six world scale natural gas processing facilities, with a 2.2 billion cubic feet of natural gas per day capacity
- 17 field booster stations



BC Field Services

- Connected to over 5,500 producer wells that have the potential to flow at any time
- Over 392 raw gas receipt points that have the potential to flow at any given time
- 3 elemental sulphur recovery plants with a capacity of 3,000 tonnes/day



BC Field Services Processing Plants

In-Service

- Fort Nelson Plant
- Fort Nelson North Processing Facility
- McMahon Plant
- Pine River Plant
- Dawson Processing Plant
- Aitken Creek Gas Plant

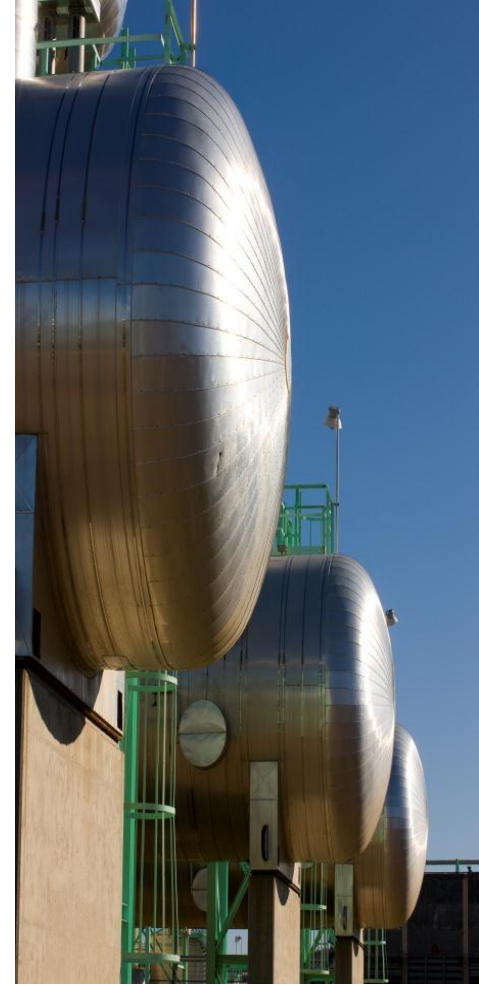


Fort Nelson Gas Plant

- The northern-most operating region in North America for gathering and processing natural gas
- **Processing Capacity:** 1.035 billion cubic feet per day (bcf/d); removing over 95% of sulphur from incoming raw gas. Largest of its kind in North America
- **Source of Gas Supply:** Connected to both conventional and shale gas reserves through more than 1,000 kms of pipelines that extend from the Northwest Territories to northeastern British Columbia to Northwestern Alberta

McMahon Plant

- The first natural gas facility constructed in B.C.
- Complex operations- two phase gathering system of liquids and gas
- Processing Capacity: 810 MMcf/d
- 98 % recovery rate of sulphur from incoming sour gas
- Recovers up to 6,000 barrels of propane and heavier hydrocarbons per day
- Able to process and stabilize up to 16,000 barrels per day of pipeline condensate



Dawson Processing Plant

- Part of the Fort St. John gathering area, Dawson is an extension of the McMahan Plant
- Phase 1 Processing Capacity: 100 MMcf/d of raw natural gas
- Following strict ground disturbances policies, neighbours are able to farm right up to the edge of the plant's property



Pine River Gas Plant

- One of the most technologically advanced processing facilities of its kind in Canada
- Removes 99% of the sulphur from raw gas
- Processing Capacity: raw processing capacity at the plant is 603 MMcf/d



Commercial Operations Overview

- Where to Start
- New Well / Tap
- Production Source Setup
- Request for New Services – Contract
- Tolls
- Outage Information
- Measurement
- Receipt Point Operators
- Daily Estimate Allocations
- Month End Allocations
- Invoicing
- Key Contacts



Where to Start

You have found gas and now you want to tie into our system:

- Three distinct processes to complete:
 - Tie-in of new well at a receipt point
 - Set up a production source
 - Apply for service at location
- Contact either the Tap Technical Specialist or your Field Contact Person
 - Email: mts@spectraenergy.com

New Well / Tap

- Completion of the “Tap Application Form” is required for all new physical tie-ins. The form is available online at our Web site at:
[Tap Application Form – New Tie-ins](#)
- The Tap Technical Specialist (TTS) will coordinate all the required internal processes and forward a package to you with all associated documentation and the estimated cost
- Once the tie-in is approved, construction is completed and the tap is in place, the Producer’s meter station will be inspected
- After the tie-in inspection is complete and passes the necessary requirements, the Technician will inform the TTS to proceed
- A “Start Up Notice” will be authorized by the TTS and gas can start flowing
- Once this is complete, final costs will be billed out

Production Source Setup

- The Receipt Point Operator (RPO) will send a “Request for New or Split Production Form” to Volume Accounting to set up a new production source. Go to:

[Request for New or Split Production](#)

- Production sources are created based on similar well gas compositions and take-in-kind ownership
- Gas well analysis is also required to calculate an initial conversion factor for daily allocation estimates
- Once this is complete, a “Start-Up Notice” is emailed to the RPO

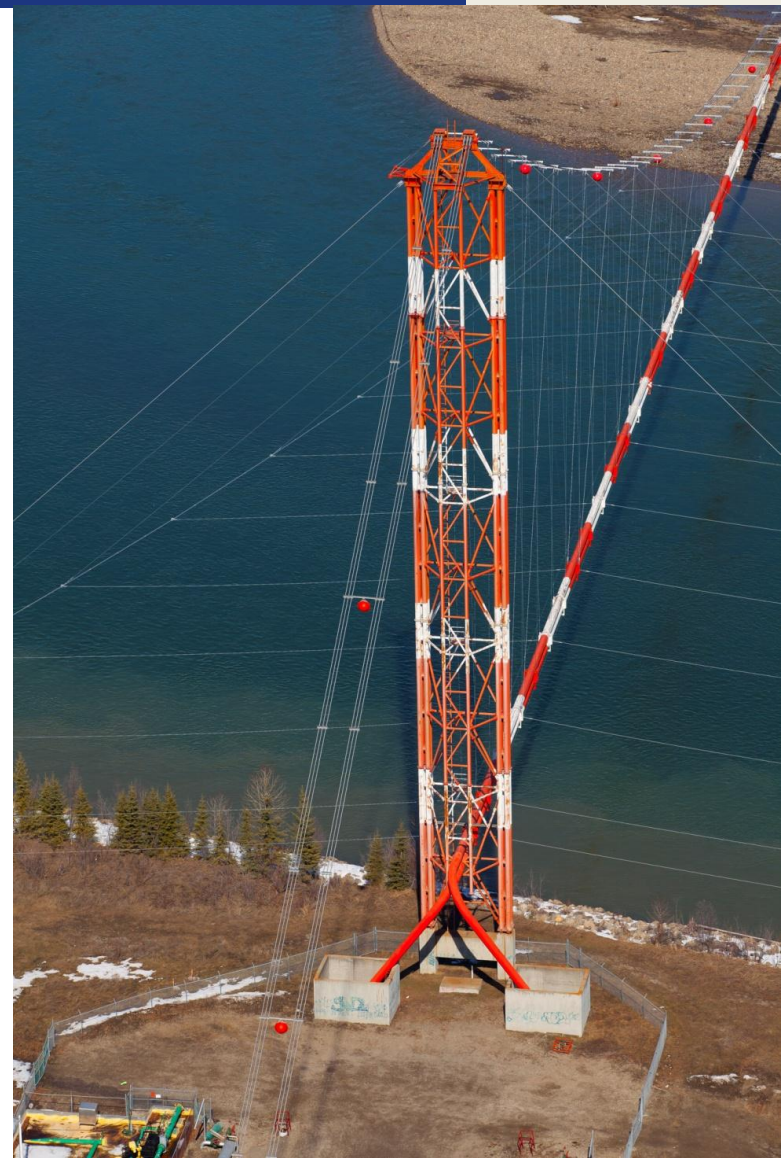


Production Source Setup

- The RPO is responsible for installing, maintaining and operating the:
 - Receipt point
 - Hydrocarbon liquids metering, monitoring and sampling
 - Pressure control equipment
 - Electronic flow measurement
- Lack of compliance by the RPO to SET instructions will be considered to be a lack of compliance by the Shipper(s)

For more information go to:

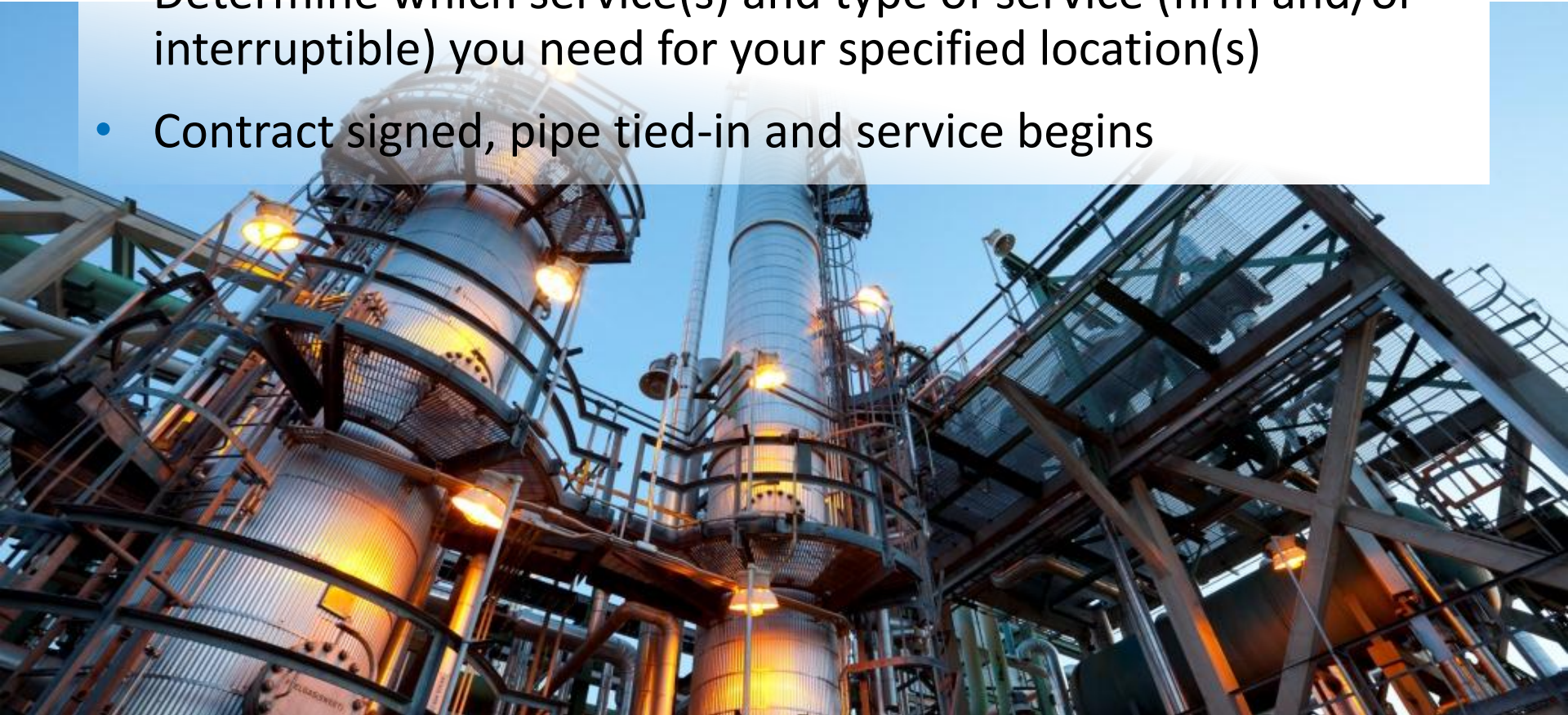
[Receipt Point Operator \(RPO\) Roles & Responsibilities](#)



Request for New Service

How To Contract

- Contact your Strategic Account Manager (SAM) for assistance in requesting new service and/or renewing existing contracts
- Determine which service(s) and type of service (firm and/or interruptible) you need for your specified location(s)
- Contract signed, pipe tied-in and service begins

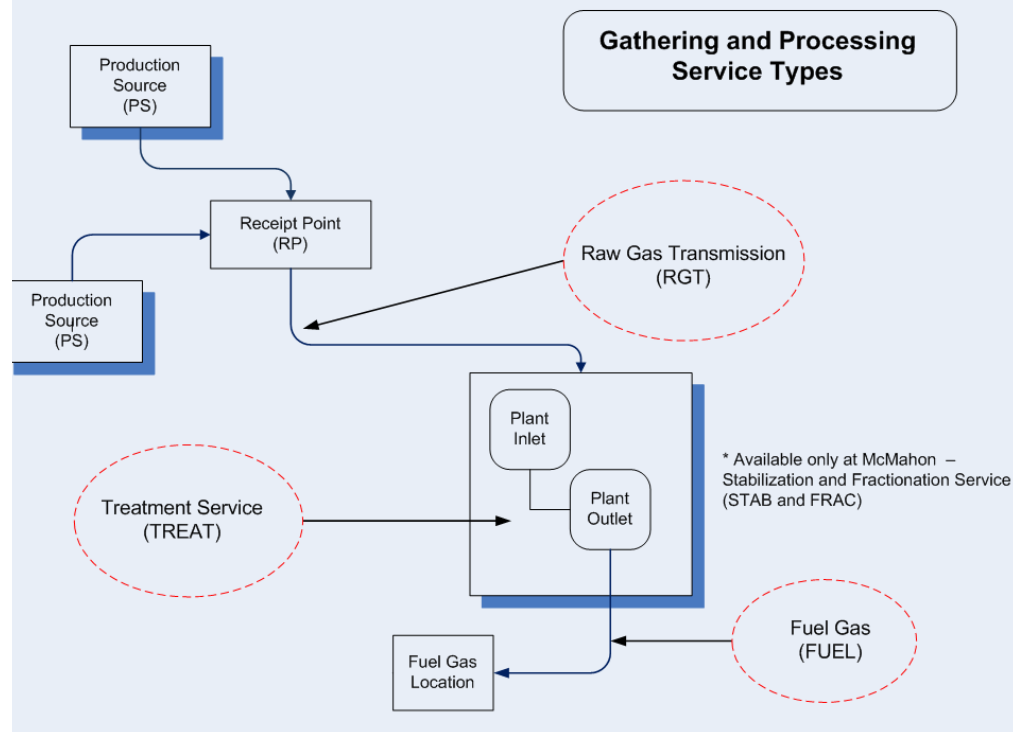


Request for New Service

BC Field Services Offered



- RGT — Raw Gas Transmission
- TREAT — Treatment
- Fuel - Fuel Gas at the plant outlet
- LiqRec - Liquids Recovery at McMahon Plant
- STAB — Stabilization of liquids at McMahon Plant
- FRAC — Separation of liquids into component parts at McMahon Plant
- Field Services contracts have negotiable terms which can be customized to meet individual requirements
 - Service parameters for negotiation may include:
 - *Term*
 - *Price*
 - *Renewal rights*
 - *Resourcing rights (receipt point relocation)*



Tolls

Tolls are calculated based on Gas Service Zones

- Zone 1 – Raw Gas Transmission (RGT)
- Zone 1b – Fuel Gas (FUEL)
- Zone 2 – Treatment – Gas Processing Plants (TREAT)



Outage Information

- The **Area Operating Committee** (AOC) is a group consisting of customers and Spectra Energy Transmission staff in these specific areas: Ft. St. John, Ft. Nelson, and Grizzly Valley
- The AOC negotiates an annual outage schedule for their respective facilities to mitigate the amount of down time at the plant and behind in the gathering system
- Annual and Weekly Planned Outage Schedules are posted initially as Notices and made available on the web site under Informational Postings
- The Outage Coordinator phone number is: 250-262-3460
- For more information, go to: [Informational Postings](#)



Measurement

- BC Field Services measurement data is finalized on or before the 15th of each month
- Types of measurement and recording devices used at SET-West:
 - Orifice meters
 - Gas turbine meters
 - Ultrasonic meters
 - EFM – electronic flow measurement
 - Charts



Receipt Point Operators

- RPO's submit Raw Gas Transmission (RGT) receipt point daily estimates for each producer so Shippers are aware of the expected volumes of raw gas or quantity of residue gas to be allocated to their supply account each gas day
- Provide daily estimated volumes from each production source
- RPO's provide the actual volumes of raw gas and hydrocarbon liquids produced from each production source on or before the 15th of the month for the previous month
- Provide actual quantity of residue gas in gigajoules (GJs) supplied by each Shipper Upstream Supplier (SUS)
- Well gas analysis is required at least once a year to create a fixed analysis at the production source. This data is used on a go-forward basis

Daily Estimate Allocations

- Raw gas from the gathering system is processed at the plant and the resulting products are allocated back to the production sources using the raw splits provided by the RPO
- Daily allocations are deemed estimates until measurement is finalized. After the flow month is completed, the Receipt Point Operators will provide SET with the final splits at the receipt points
- Daily estimates are used for:
 - operational balancing of the pipeline
 - month-end invoicing (estimate invoices)
- Measurement & Allocation Month End Deadlines can be found at:

[Measurement and Allocation Deadlines](#)



Month End Allocations

- The “component recovery efficiency methodology” is used to calculate the amount of liquids in the gas stream
- Plant fuel gas is allocated based on the quality/quantity of:
 - Acid gas
 - raw volume
 - propane/butane
 - condensate



Invoicing

- General service invoice is generated for:
 - RGT
 - Treatment
 - Liquids
 - Transmission
 - Stab – stabilization
 - Frac - fractionation
 - Overproduction charges / credits
- Field Services invoices are generated for the previous month's estimate and then a 'trued up' actual invoice is generated from data two month's previous
- Invoices are published on the SET Web site on or before the 20th of the month
- Payment is due on or before the 25th day of the current month or five business days after receiving the invoice



Invoicing - Taxation

Carbon Tax (CBT)

- B.C. Government tax applied to all emissions from combustion of fossil fuels in B.C.
- Tax rate is derived from the amount of greenhouse gas emissions (GHG) generated from burning fossil fuels
- Applied to both RGT and TREAT service and calculated monthly. It is pro-rated to each producer based on the total amount of fuel used at the plant and any compression in the gathering system

Motor Fuel Tax (MFT)

- B.C. Government tax applied to 'marketable gas'
- Tax is based on the amount of fuel used to operate compressors and the pipeline. It is pro-rated based on the total amount of fuel used divided by the amount of gas transported for each shipper for the month
- Applied to transportation services only

Contact Us:



Website Contact Us page: [Contact Us](#)

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<https://noms.wei-pipeline.com>



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