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 Pipeline Division.

**Contents**

- Spectra Energy Transmission West: *An Introduction*
- BC Pipeline Division: *Our Business*
- Commercial Operations: *Services and Information*
- Contact Us: *We’re Here to Help*
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 Pipeline: Covering 2,900 kilometres of ground

- Transmission system stretches from Fort Nelson, in northeast British Columbia and from Gordondale at the B.C./Alberta border, southwards to the BC/U.S. border at Huntington/Sumas
- **Length**: 2,900 kilometres of transmission pipeline
- **Transportation Capacity**: 2.4 billion cubic feet of natural gas per day
- **Compression Horsepower**: 19 mainline compressor stations with a compression horsepower of 685,000
- **Interconnects**: Eight major 3rd party pipelines
BC Pipeline

• Transporting 60 per cent of the gas produced in B.C., with significant growth underway, our pipeline business is the backbone of B.C.’s natural gas industry.

• Supplies all of the natural gas needs for B.C., 50% of the natural gas demand in the U.S. Pacific Northwest, and interconnected with the North American pipeline grid.

• Fully regulated by Canada’s National Energy Board (NEB)

• Comprised of two transportation service zones:
  
  Transmission North (“T-North”)
  Transmission South (“T-South”)
The northern section of BC Pipeline is designed to transport production from

- **Various Receipt locations**
  - Spectra Energy-owned BC Field Services processing plants
    - Fort Nelson Gas Plant
    - Pine River Gas Plant
    - McMahon Plant
    - Aitken Creek
  - 3rd party receipt locations

- **Bidirectional locations**
  - Chevron Aiken Creek storage
  - TCPL Nova Gordondale

- **Primary Delivery Interconnects**
  - Station 2 to T-South
  - Alliance TCPL Nova
BC Pipeline: Transmission South

The southern section of BC Pipeline is designed to deliver supply aggregated on the T-North system transport production from:

- **Various Receipt locations**
  - Station 2
  - NWP Huntington backhaul

- **To Bidirectional locations**
  - FortisBC Kingsvale

- **Delivery locations**
  - PNG Summit Lake
  - FortisBC Kingsgate *Transportation by Other
  - FortisBC BC Gas Interior
  - FortisBC Lower Mainland
  - Huntingdon
Huntington / Sumas Export Delivery

- Major delivery point to BC Lower Mainland and export into the United States
- Capacity flow of 1.7 bcf/d
- Delivery connections to:
  - Arco / BP
  - Cascade
  - Enco (PSE)
  - FortisBC Lower Mainland
  - Northwest Pipelines
Commercial Operations Overview

- Request for New Service – Contract
- Tolls
- Nominations / Gas Scheduling
- Station 2 Accounts
- Outage Information
- Measurement
- Daily Estimate Allocations
- Month End Allocations
- Invoicing
- Customer Interface
- Key Contacts
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)

- Check for available capacity for that specific location on web site

- Apply for service by sending in a bid request

- Service awarded, contract signed and service begins
Request for New Service
*Transportation Services Offered*

- TNLH - Transportation Service Northern Long Haul
- TNSH - Transportation Service Northern Short Haul
- TSEXP - Transportation Service Southern Export Delivery
- TSLM - Transportation Service Southern Lower Mainland
- TSPNG - Transportation Service Southern Pacific Northern Gas
- TSIND - Transportation Service Southern BC Interior
- TSKV - Transportation Service Southern Kingsvale
- TSKG - Transportation Service Southern Kingsgate
Tolls are calculated based on Gas Service Zones

- Zone 3 – Transportation Northern (T-North)
  - Two types of toll: long haul or short haul
  - Determined based on distance (+/- 75 km)
- Zone 4 – Transportation Southern (T-South)
  - Tolls are calculated based on volume, distance and term

For more information go to:
Transportation Service – Northern Long Haul and Short Haul, and Temporary Firm Service
Transportation Service - Southern
Nominations / Gas Scheduling

- BC Pipeline is deemed a ‘scheduled’ pipeline and follows the NAESB rules
- Gas Day is 9:00 a.m. to 9:00 a.m. Central Clock Time (CCT)

  Note: CCT is one hour ahead of Mountain Time (MT); two hours ahead of Pacific Time (PT)

- Five Nomination Cycles

### Two nomination cycles available one day prior to Gas Day

<table>
<thead>
<tr>
<th></th>
<th>Deadline</th>
<th>Effective For</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timely</td>
<td>13:00 CCT</td>
<td>09:00 CCT (next day)</td>
</tr>
<tr>
<td>Evening</td>
<td>18:00 CCT</td>
<td>09:00 CCT (next day)</td>
</tr>
</tbody>
</table>

### Three nomination cycles available on the Gas Day

<table>
<thead>
<tr>
<th></th>
<th>Deadline</th>
<th>Effective For</th>
</tr>
</thead>
<tbody>
<tr>
<td>ID1 – Intraday 1</td>
<td>10:00 CCT</td>
<td>14:00 CCT</td>
</tr>
<tr>
<td>ID 2 – Intraday 2</td>
<td>14:30 CCT</td>
<td>18:00 CCT</td>
</tr>
<tr>
<td>ID 3 – Intraday 3</td>
<td>19:00 CCT</td>
<td>20:00 CCT</td>
</tr>
</tbody>
</table>
Transportation North
- TNLH - Long Haul > 75 km
- TNSH - Short Haul < 75 km
- FG – Fuel Gas

Transportation South
- TSEXP – Export Delivery
- TSIND - BC Interior
- TSLM – Lower Mainland
- TSPNG - Pacific Northern Gas
- TSKV - Kingsvale
- TSKG – Kingsgate
- FG – Fuel Gas
Nominations / Gas Scheduling

• The process followed to schedule the pipeline is:
  – Confirm Contract Entitlements
  – Match Demand
  – Match Supply
  – Allocate Capacity
  – Schedule the Pipeline
  – Flow the Gas
Station 2 Accounts

- A shipper with an upstream balancing account and/or transportation service at Station #2 will be set up with a Station #2 account.

- With this, a Shipper can trade gas in and out of their account using a Shipper Inventory Transfer (SITs).

- The transfers do not follow the regular gas scheduling process, the deadline is 10:00 a.m. Mountain Time for the next calendar day.

- Transactions at NGX may be facilitated by using the ICE/NGX trading platform. Data is uploaded twice a day to NGX for account balancing.
Outage Information

• Annual and Weekly Planned Outage Schedules are initially posted as Notices and made available on the web site under Informational Postings
• For more information, go to: Informational Postings
Measurement

- Pipeline measurement data is finalized on or before the 5th of each month
- Types of measurement and recording devices used at SET-West:
  - Orifice meters
  - Gas turbine meters
  - Ultrasonic meters
  - EFM – electronic flow measurement

More information can be found in the Shipper Handbook - Residue Pipeline System Measurement Policy
Daily Estimate Allocations

- After nominations are confirmed by SET, Shipper will get what is scheduled as the daily estimate allocation.
- The difference between what is scheduled and what is measured is managed through an **Operational Balancing Agreement (OBA)** and/or supply imbalance processes.
Month End Allocations

- Month end deadlines are located here:
  
  Fort Nelson & Dawson Month End Deadlines
  McMahon & Pine River Month End Deadlines
Invoicing

• Service invoice for:
  – Transmission
  – Shipper Inventory Transfer (SITs) – information only

• Pipeline invoice is generated and sent out monthly based on the previous month’s actual allocations

• 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
- It is based on the amount of fuel used to operate compressors on 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

**Motor Fuel Tax (MFT)**
- B.C. Government tax applied to ‘marketable gas’
- Tax is based on the amount of fuel used to operate compressors on 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]

Locations: Calgary
   Suite 2600
   425 1st Street S.W.
   Calgary, AB
   T2P 3L8
   Switchboard: 403-699-1999

   Vancouver
   Suite 1100
   1055 West Georgia Street
   Vancouver, BC
   V6E 3P3
   Switchboard: 604-691-5500

If you have received only a hard copy of this document, please find the links on: [https://noms.wei-pipeline.com](https://noms.wei-pipeline.com)