

## Texas Eastern Transmission, LP

# Greater Philadelphia Expansion Project (the “Project”)

**Binding Open Season Notice: March 5, 2018 – March 29, 2018**

## Greater Philadelphia Expansion Project

Texas Eastern Transmission, LP (“Texas Eastern”) is proposing to expand its interstate natural gas pipeline system to provide a solution to the Greater Philadelphia Region’s need for new natural gas transmission infrastructure, and to continue to transport reliable and diverse natural gas supplies to delivery points along or near its existing Philadelphia Lateral, potentially including points across the Delaware River in southern New Jersey. Parties interested in requesting firm capacity in this Open Season must submit a Service Request Form during this Open Season period, which will extend from March 5, 2018 to March 29, 2018. The target service commencement date for the Project may be as early as April 1, 2021.

### Project Background

Texas Eastern’s existing Philadelphia Lateral currently serves the area to the southwest of Philadelphia, Pennsylvania. Expanding along the existing Philadelphia Lateral corridors will minimize impacts to the environment, landowners, and other stakeholders. Current end users of natural gas on Texas Eastern’s Philadelphia Lateral include power generators, refineries, steam generators, and natural gas utilities. Demand for natural gas from these end users has increased significantly in recent years, creating the need for additional long-term incremental capacity on the Philadelphia Lateral. In addition, growing energy demand has developed in southern New Jersey connecting the region to the reliable, clean, affordable natural gas produced in Pennsylvania. Tremendous efforts have been made by local stakeholders to attract new industry into the Greater Philadelphia region, and expansion of the region’s natural gas infrastructure will be critical to meet the increased energy demand. Upstream of the Philadelphia Lateral, Texas Eastern has broad access to multiple supply sources including access to Marcellus Shale and other Appalachian basin supplies. Additionally, Texas Eastern has interconnects with numerous pipelines which currently access this supply basin.

The Project will allow nominating shippers to subscribe for new firm transportation on the existing Philadelphia Lateral from a receipt point within the Texas Eastern mainline system at the head of the lateral near the Eagle Compressor Station, and/or from a new receipt point on the lateral, the terminus of the proposed Adelpia Gateway Pipeline, to designated points of delivery at existing or proposed downstream points along the lateral in Pennsylvania or to new delivery points to be established in close proximity to the lateral in New Jersey. The target service commencement date for the Project may be as early as April 1, 2021, and the target transportation volume is

scalable depending upon nominations received during this Open Season and the final scope of the Project. Texas Eastern will finalize the timing and scope of the Project based on the nominations received during this Open Season.

### Project Rates

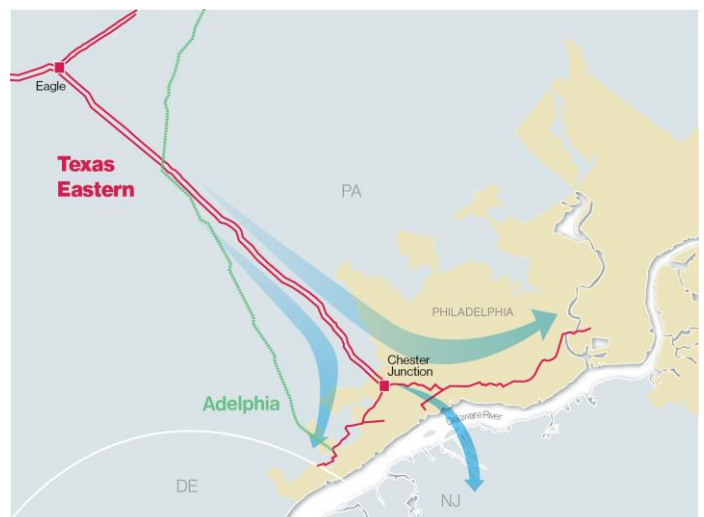
Rates will be determined at the conclusion of this Open Season and are dependent upon the scope and final facilities required to satisfy the firm service requests for shippers who are awarded capacity and who have executed binding precedent agreements. Shippers will have the ability to choose to pay Texas Eastern’s applicable recourse rates for service on the Project facilities or to pay a mutually agreeable negotiated rate for such service. Texas Eastern may consider favorable rate or rate-related incentives for Anchor Shippers who are willing to provide a long-term commitment to the Project as part of this Open Season to provide the commercial foundation for the Project. For the purposes of this project, a requesting party can qualify for “Anchor Shipper” status by entering into a binding commitment for at least 150,000 Dth/d of firm transportation service for a primary contract term of at least fifteen (15) years.

### Nomination Process

During the Open Season, any party interested in firm transportation service must submit a valid request for service. Parties must specify the desired quantity, receipt point(s), delivery point(s), and contract term (minimum 15 years). The Service Request Form is included in this package. Texas Eastern reserves the right to reject any Service Request Form that is not received on or before 5:00 p.m. EST, on March 29, 2018.

### Contracting for Service

Upon the close of this Open Season, a Texas Eastern



representative will contact parties that submitted a valid Service Request Form to discuss their service requirements. Requesting parties will then be required to commence good faith negotiations and execute binding Precedent Agreements by April 30, 2018, and Texas Eastern reserves the right to reject any request for service that does not result in an executed definitive agreement by that date. All definitive transactions will be subject to the receipt of all necessary governmental approvals and permits and other customary and negotiated conditions precedent in order to render the proposed service and to construct the proposed facilities.

Texas Eastern reserves the right to reject any and all bids that do not satisfy the requirements set forth in this Open Season Notice. Without limiting the foregoing, Texas Eastern may, but is not required to, reject any request for service in which the Service Request Form is incomplete, is inconsistent with the terms and conditions outlined in this Open Season Notice, contains additional or modified terms, or is otherwise deficient in any respect. No request for service shall be binding on Texas Eastern unless and until duly authorized representatives of both a requesting party and Texas Eastern have executed a binding precedent agreement.

### **Allocation of Capacity**

Project capacity will be made available first to those parties submitting valid requests for service who meet the minimum requirements for Anchor Shipper status as specified above and who have executed a binding Precedent Agreement. In the event Texas Eastern receives valid requests for service from one or more parties who meet the Anchor Shipper minimum requirements, Texas Eastern will allocate Project capacity first to qualifying Anchor Shippers. If nominations from Anchor Shippers exceed capacity that Texas Eastern is willing to propose for the Project, Texas Eastern will allocate Project capacity among Anchor Shippers on a not unduly discriminatory basis. A party's status as an Anchor Shipper, and the Anchor Shipper's attendant rights, will continue to apply even if the pro-rated amount of capacity awarded to such party is less than 150,000 Dth/d. Texas Eastern will allocate any remaining capacity next to parties that do not qualify as Anchor Shippers. If nominations from such parties exceed remaining available Project capacity, Texas Eastern will allocate such capacity on a not unduly discriminatory basis. Notwithstanding the foregoing, any allocation of capacity will be done in a manner designed to achieve the greatest level of subscribed capacity for the Project under firm service agreements with terms of 15 years or more, and if Texas Eastern chooses to allocate capacity on a Net Present Value (NPV) basis, Texas Eastern reserves the right to award capacity to any combination of bids that yields the greatest value taking into account the final timing for the Project.

To the extent capacity remains in the Project following completion of negotiations with all qualifying parties in this Open Season, Texas Eastern reserves the right to negotiate mutually acceptable Precedent Agreements (including the

minimum acceptable reservation rate) with any potential shipper for the remaining unsubscribed capacity upon request irrespective of deadlines herein for execution of Precedent Agreements.

### **Limitations and Reservations**

Texas Eastern reserves the right to decline to proceed with the Project or any portion of the Project, including all or any portion of the Project for which Texas Eastern has requested bids as part of this Open Season. Texas Eastern reserves the right to proceed with one or more projects that will be defined through the contracting process and to develop alternative projects from the requests received during this Open Season that may be more representative of the timing requested and markets served. Texas Eastern reserves the right to negotiate with only those parties that submit valid Service Request Forms as part of this Open Season. Texas Eastern reserves the right to request that a party modify its proposed receipt or delivery point(s), to the extent that Texas Eastern determines that the nominated point(s) will unduly increase the cost of the overall Project or otherwise adversely affect the scope of the Project in light of the other nominations received as part of this Open Season. Texas Eastern also reserves the right to reject Service Request Forms in the event requesting parties are unable to meet applicable creditworthiness requirements.

### **Reverse Open Season**

A reverse open season will also be held prior to the submission of a FERC pre-filing request whereby existing shippers will be afforded an opportunity to turn back contracted capacity that will reduce the scope of the planned Project facilities, in accordance with the terms set forth in the reverse open season notice.

### **Communications**

At any time during the Open Season, interested parties are encouraged to contact their account manager or Rob Hansen at (617) 560-1549 or Mike Dirrane at (617) 560-1530 to discuss any questions or to seek additional information.

*Enbridge Inc. is North America's premier energy infrastructure company with strategic business platforms that include an extensive network of crude oil, liquids and natural gas pipelines, regulated natural gas distribution utilities and renewable power generation. The Company safely delivers an average of 2.8 million barrels of crude oil each day through its Mainline and Express Pipeline, accounting for nearly 68% of U.S.-bound Canadian crude oil production, and moves approximately 20% of all natural gas consumed in the U.S. serving key supply basins and demand markets. The Company's regulated utilities serve approximately 3.5 million retail customers in Ontario, Quebec, New Brunswick and New York State. Enbridge also has a growing involvement in electricity infrastructure with interests in more than 2,500 MW of net renewable generating capacity, and an expanding offshore wind portfolio in Europe. The Company has ranked on the Global 100 Most Sustainable Corporations index for the past eight years; its common shares trade on the Toronto and New York stock exchanges under the symbol ENB.*

*For more information, visit [www.enbridge.com](http://www.enbridge.com)*

**Texas Eastern Transmission, LP**  
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*Service Request Form*

**Shipper Information**

Company \_\_\_\_\_  
 Contact \_\_\_\_\_  
 Title \_\_\_\_\_  
 Address \_\_\_\_\_  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_  
 E-mail \_\_\_\_\_

**Maximum Daily Quantity (dekatherms):** \_\_\_\_\_

Receipt Point(s) *	Quantity (Dth/d)	Delivery Point(s)*	Quantity (Dth/d)
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

*\* The sum of the Maximum Daily Receipt Obligations (MDRO) among all such receipt point(s) must not exceed the MDQ bid. The sum of the Maximum Daily Delivery Obligations (MDDO) among all such delivery point(s) must not exceed the MDQ bid.*

Requested In-service Date: \_\_\_\_\_ (Date must be April 1, 2021 or later). To the extent the proposed In-service date associated with a bid is inconsistent with the final targeted service commencement date for the Project, the bidder may elect to take service consistent with the final targeted service commencement date or withdraw its bid.

Contract Term: \_\_\_\_\_ (Minimum term of 15 years)

Signature of Authorized Representative: \_\_\_\_\_ Date: \_\_\_\_\_  
 Name:  
 Title:

By completing this Service Request Form, subject to Texas Eastern's acceptance of shipper's request for service and shipper's receipt of notification from Texas Eastern of quantities of capacity allocated to shipper, shipper hereby agrees to enter into negotiations with the objective to enter into a binding Precedent Agreement with Texas Eastern on or before April 30, 2018. If shipper does not enter into a binding Precedent Agreement on or before April 30, 2018 Texas Eastern reserves the right to reject shipper's request for service as set forth in this Service Request Form.

If you have any questions, please contact Rob Hansen at (617) 560-1549 or Mike Dirrane at (617) 560-1530. In addition, please send your completed Open Season Service Request Form to:

**Rob Hansen**  
**Business Development**  
**Texas Eastern Transmission, LP**  
**890 Winter St. Suite 300**  
**Waltham, MA 02451**

**(617) 560-1591 fax**  
**Robert.Hansen@enbridge.com e-mail**