



Texas-Louisiana Markets Open Season

Binding Open Season Notice: February 15, 2017 – March 3, 2017

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Open Season

Texas Eastern Transmission, LP (“Texas Eastern”), a leading provider of natural gas transportation service to many of the largest natural gas markets in the United States, is conducting an open season (“Open Season”) for one or more projects in its Texas-Louisiana Markets Open Season (“Project(s”). The Project(s) will provide shippers with an opportunity to obtain firm transportation service from receipt points in Texas Eastern’s Zone ELA and Zone WLA near its existing Opelousas compressor station, and Zone WLA at its existing interconnection with Egan Hub Storage to markets in Zones WLA and STX near its existing Vidor compressor station.



The anticipated Project(s) in-service date is as early as September 1, 2019. The total volume available in the Open Season is up to 365,000 Dth/d, with up to 47,000 Dth/d from ELA receipts just east of Texas Eastern’s existing Opelousas compressor station in Zone ELA, a total of 200,000 Dth/d just west of its existing Opelousas compressor station in Zone WLA, and a total of 365,000 Dth/d from its interconnection with Egan Hub Storage in Zone WLA. The delivery points available are on Texas Eastern’s 30-inch mainline pipeline with up to 365,000 Dth/d in Zone WLA and up to 165,000 Dth/d just south of its existing Vidor compressor station in Zone STX. The transportation service is designed to offer shippers the flexibility to customize their receipt and delivery points.

Texas Eastern’s marketing activities to date have led to the commitment from an anchor shipper for capacity in the portion of the Project(s) with deliveries in Zone STX. Any bidder who submits a valid bid for 82,500 Dth/d or more, delivery in STX, a term of 20 years or more, and no less than \$0.17/Dth/d for receipts in Zone WLA or at the applicable maximum recourse rate for receipts in Zone ELA shall be considered an anchor shipper on the project with deliveries in Zone STX (“Anchor Shipper”), and the capacity it requests

in its Anchor Shipper bid shall only be pro-rated with other Anchor Shipper bids. Anchor Shippers may receive certain rate and rate-related benefits which may not be offered to other potential Project(s) shippers. Texas Eastern is not proposing to have anchor shipper status for service on a project with only WLA deliveries.

Nomination Process

During the binding Open Season bidding period (12:00 p.m., CST, February 15, 2017 to 4:00 p.m., CST, March 3, 2017) parties interested in obtaining capacity must submit a Service Request Form, which specifies the party’s requested Maximum Daily Quantity (MDQ), contract term (15 years year minimum required), reservation rate, primary receipt point(s), and primary delivery point(s). Bidders may request new receipt point(s) provided they are paid for by the bidder and do not add scope or cost to the Project(s), or existing receipt points (Texas Eastern’s ability to honor such receipt point(s) requests is subject to reservation of capacity in accordance with the terms and conditions of Texas Eastern’s FERC Gas Tariff), and in either case (new or existing) provided that the receipt point(s) is located within the area previously described. Bidders may request multiple receipt points provided that the sum of the Maximum Daily Receipt Obligations among all such points does not exceed the MDQ bid. Bidders may request new delivery points provided they are paid for by the bidder and do not add scope or cost to the Project(s), or existing delivery points (Texas Eastern’s ability to honor such delivery point(s) requests is subject to reservation of capacity in accordance with the terms and conditions of Texas Eastern’s FERC Gas Tariff), and in either case (new or existing) provided that the delivery point(s) is located within the area previously described. Bidders may request multiple delivery points provided that the sum of the Maximum Daily Delivery Obligations among all such points does not exceed the MDQ bid. The Service Request Form is included in this Open Season package. The completed Service Request Form must be executed by a duly authorized representative and mailed, faxed, or emailed in pdf format to Texas Eastern’s offices at:

5400 Westheimer Court, Houston, TX 77056
Attn: Mrs. Kim Stroup
Business Development
kbstroup@spectraenergy.com
Fax No. (713) 627-4654

Texas Eastern reserves the right to reject any Service Request Form that is not received by the end of the Open Season period.

Contracting for Service

After the Open Season concludes, Texas Eastern representatives will contact all bidders who submit valid Service Request Forms and are awarded capacity for the Project(s) in order to finalize the terms upon which service will be provided.

Project(s) Rates

Texas Eastern expects to use its system recourse rates for service on the project with deliveries in Zone STX and incremental recourse rates as high as \$0.15/Dth/d for service on a project with WLA deliveries, if any. Final rates will be determined at the conclusion of the 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. In addition to the transportation rates, any shipper who transports gas will be subject to all other applicable tariff charges including applicable fuel retainage, usage charges, electric power cost rates, the ASA surcharge and all other applicable charges and surcharges.

Parties bidding in this Open Season can choose to pay the applicable cost-based recourse rate for service on the Project(s) or a discount or negotiated rate to which the bidder and Texas Eastern have mutually agreed.

Capacity Allocation Process

In the event Texas Eastern receives valid requests for service that exceed the Project(s) capacity that is the subject of this Open Season, then Texas Eastern will allocate such Project(s) capacity first to qualifying Anchor Shippers executing binding Precedent Agreements on or before the April 7, 2017 deadline and next to other (non-anchor) bidders that have executed binding Precedent Agreements on or before the April 7, 2017 deadline. With respect to Anchor Shippers, Texas Eastern will prorate capacity, to the extent necessary, taking into account the MDQ and the quantities at the primary points subscribed under each such binding Precedent Agreement, on a not unduly discriminatory basis. A bidder'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 bidder is less than 82,500 Dth/d. After capacity has been allocated to all qualifying Anchor Shippers Texas Eastern will then allocate remaining capacity to such other (non-anchor shipper) bidders on a net present value basis based on rate per Dth/d of MDQ and contract term nominated (maximum term of 25 years for the purpose of calculating net present value), with Texas Eastern having the discretion to award capacity to any bid or combination of bids that provides the highest net present value per Dth. If the negotiated rate bid exceeds the estimated recourse rate set forth above, Texas Eastern will assume the bid proposed the estimated recourse rate for net present value purposes.

To the extent capacity remains in the Project(s) following completion of negotiations with all qualifying bidders 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 any portion of the Project(s), including any portion of the Project(s) for which Texas Eastern has requested bids as part of this Open Season. Texas Eastern also reserves the right to proceed with one or more Project(s) 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 bids as part of this Open Season.

Without limiting the foregoing, Texas Eastern may, but is not required to, reject any submitted Service Request Form 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 a contingency, or is otherwise deficient in any respect. Texas Eastern reserves the right to request a bidder to 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 any of the overall Project(s) or otherwise adversely affect the scope of the Project(s) in light of the other nominations received prior to or as part of this Open Season. Texas Eastern reserves the right to reject any bid requesting an in service date that is later September 1, 2019. Texas Eastern also reserves the right to reject Service Request Forms in the event requesting parties are unable to meet applicable creditworthiness requirements. 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. Texas Eastern reserves the right to reject any party's valid Service Request Form, in the event a duly authorized representative of such party has not executed a binding Precedent Agreement on or before April 7, 2017.

Communications

At any time during the Open Season, interested parties are encouraged to contact their Texas Eastern account manager or Kim Stroup at (713) 627-4673 to discuss any questions or to seek additional information.

Spectra Energy Corp (NYSE: SE), a FORTUNE 500 company, is one of North America's premier pipeline and midstream companies. Based in Houston, Texas, the company's operations in the United States and Canada include more than 22,000 miles of natural gas, natural gas liquids, and crude oil pipelines, approximately 305 billion cubic feet (Bcf) of natural gas storage, as well as natural gas gathering and processing, and local distribution operations. The company also has a 50 percent ownership in DCP Midstream, the largest producer of natural gas liquids and one of the largest natural gas gatherers and processors in the United States. Spectra Energy has served North American customers and communities for more than a century. The company's longstanding values are recognized through its inclusion in the Dow Jones Sustainability World and North America Indexes and the Carbon Disclosure Project's Global 500 and S&P 500 Carbon Disclosure Leadership Indexes. For more information, visit www.spectraenergy.com.

Texas Eastern Texas-Louisiana Markets Open Season: Binding Service Request Form

Shipper Information

Company _____
Contact _____
Title _____
Address _____
Telephone _____ Fax _____
Email _____

Contract Requirements

Maximum Daily Transportation Quantity (dekatherms): _____

Receipt Point(s) ^[1]	MDRO (Dth/d)	Delivery Point(s) ^[2]	MDDO (Dth/d)
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Requested Reservation Rate (\$/Dth/d): _____

Service Commencement Date: _____ Contract Term (15 yr minimum): _____

Signature of Requester/Customer: _____ Date: _____

Please email, send or fax completed nomination forms to:

Kim Stroup
Director Project Development 713-627-4673 phone
Texas Eastern Transmission, LP 713-627-4654 fax
5400 Westheimer Court kbstroup@spectraenergy.com
Houston, TX 77056

Terms and conditions related to contracting for service as part of the Project(s) and the limitations and reservations that are applicable to the Open Season are set forth in the Open Season Notice and are incorporated herein as if copied and set forth herein.

^[1] Bidders may request new or existing receipt point(s) provided that the receipt point(s) is located in Texas Eastern's ELA Zone and WLA Zone near its existing Opelousas compressor station, and WLA Zone at its existing interconnection with Egan Hub Storage; provided that bidders may be required to reimburse Texas Eastern for the cost of installing any proposed new receipt points. The Maximum Daily Receipt Obligation (MDRO) among all such points must equal the MDQ bid.

^[2] Bidders may request new or existing delivery point(s) provided that the delivery point(s) is located on Texas Eastern's 30-inch mainline pipeline in Zone WLA and just south of its existing Vidor compressor station in Zone STX; provided that bidders may be required to reimburse Texas Eastern for the cost of installing any proposed new delivery points. The sum of the Maximum Daily Delivery Obligations (MDDO) among all such delivery point(s) must not exceed the MDQ bid.