

# Dawn Gateway Pipeline Open Season



November 15, 2010

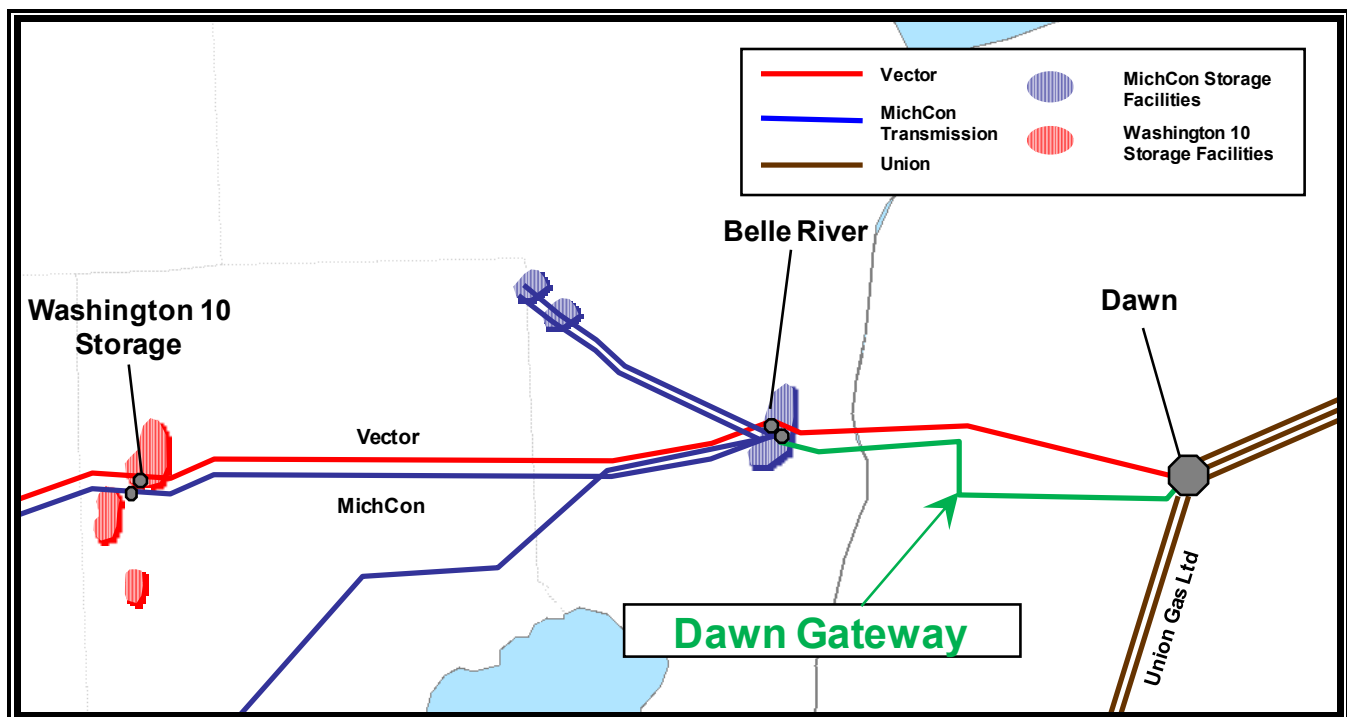
Dawn Gateway Pipeline Limited Partnership and Dawn Gateway Pipeline, LLC (collectively "Dawn Gateway") is conducting a binding open season for firm transportation between MichCon's Belle River facility and Union Gas' Dawn Hub ("Dawn"). At least 80,000 Dth/d is available for a minimum term of 7 years.

Dawn Gateway is an international pipeline joint venture between subsidiaries of Spectra Energy Corp. ([www.spectraenergy.com](http://www.spectraenergy.com)) and DTE Energy Company ([www.dteenergy.com](http://www.dteenergy.com)). The proposed Dawn Gateway pipeline will have initial firm transportation capacity of 360,000 Dth/d, will utilize a combination of new and existing pipelines and may be available for service starting in November 2011 or November 2012, as the market dictates.

Interested participants must submit **binding** bids by email no later than 3pm Eastern Time on December 7, 2010. All responding parties will be notified as to the acceptance of their bid by December 20, 2010 and participants must sign the attached Precedent Agreement by January 11, 2011.

Concurrent with the Dawn Gateway open season, Michigan Consolidated Gas Company (MichCon) is conducting an open season for upstream services.

DTE Pipeline Company is acting as agent and coordinating the open seasons for both Dawn Gateway and MichCon. For additional information, participants should contact Mark Bering at (313) 235-6531 or [beringm@dteenergy.com](mailto:beringm@dteenergy.com).



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## Project Description

### **Benefits:**

The proposed Dawn Gateway pipeline adds much needed capacity between MichCon and Dawn. Supply declines from Western Canada to Dawn have caused price strengthening at Dawn and increases in the demand for transportation between Michigan and Dawn. MichCon can be a greater source of supply for the Dawn market via the proposed Dawn Gateway pipeline. MichCon is well connected to the North American pipeline grid and provides access to new supply basins such as Southeast shale gas (Barnett/Haynesville/Fayetteville), Rockies gas and the promising new Collingwood shale in Michigan.

The proposed Dawn Gateway pipeline offers Dawn customers access to multiple supply basins as well as over 600 Bcf of Michigan storage.

### **Facilities:**

The proposed Dawn Gateway pipeline consists of approximately 21 miles of 24" high pressure pipeline and related facilities. For the initial capacity of 360,000 Dth/d, no compression is required. Approximately 10.6 miles of pipeline exists, including the St. Clair River crossing, with the remaining 10.5 miles being new construction in Ontario.

### **History of the Project:**

Dawn Gateway first announced its international pipeline project in September 2008. The initial open season resulted in the sale of approximately 80% of the available capacity. In March 2010, Dawn Gateway received all required Ontario Energy Board ("OEB") approvals for the Canadian portion of the pipeline. Shortly thereafter, Dawn Gateway was approached by the anchor Shippers requesting a delay of the in-service date.

With the recent improvements in the value of transportation between Michigan and Dawn, Dawn Gateway is seeking additional market support in order to proceed with the project.

### **Regulatory Update:**

The Canadian portion of the pipeline has received all approvals from the OEB, including facilities, rates and tariff approvals. The US portion of the pipeline will be regulated by the Michigan Public Service Commission ("MPSC"). Once there is sufficient market support to continue with the project, filings will be made with the MPSC seeking approval to transfer the existing assets to Dawn Gateway and seeking approval of rates and a tariff. No new facility approvals are required for the US portion of the pipeline.

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## Open Season Parameters and Rates

### **Capacity & Term:**

Dawn Gateway has available at least 80,000 Dth/d of annual capacity for a minimum term of 7 years, starting in November 2011 or November 2012.

### **Rates:**

The bid rate for transportation will be converted to a Monthly Demand Charge over the term. There are no Commodity Charges for firm transportation. Authorized Overrun shall be charged the bid rate per Dth.

### **Fuel:**

Fuel will be based on actual fuel used and adjusted seasonally, as per Dawn Gateway's tariffs. For the initial capacity the estimated fuel rate is 0.2%, with the understanding that this fuel rate will change with future expansions.

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## Bid Process

**Interested parties must complete and submit a binding bid form by email no later than 3pm Eastern Time on December 7, 2010.** Participants may submit multiple bids using multiple bid forms.

Capacity shall be allocated to those with the highest economic value based on the Net Present Value ("NPV") of the bids received. If the economic values of separate bids are equal, then service shall be offered on a pro-rata basis. Based upon the bids received during the open season, Dawn Gateway may modify the project design being proposed. Only participants in the open season shall have the explicit right to participate in a modified project.

All responding parties will be notified as to the acceptance of their bid by December 20, 2010.  
All successful parties agree to sign the attached Precedent Agreement by January 11, 2011.

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## More Information

Dawn Gateway reserves the right to reject any and all bids, at its sole discretion. Bids will be evaluated objectively and in a non-discriminatory manner.

**Bid forms must be returned by email to Mark Bering at [beringm@dteenergy.com](mailto:beringm@dteenergy.com) no later than 3pm Eastern Time on December 7, 2010.**

For more information, participants should contact Mark Bering at (313) 235-6531 or [beringm@dteenergy.com](mailto:beringm@dteenergy.com).