



OPEN SEASON

2018-2020 Expansion Project

Multi-Year System Expansion

May 16, 2017

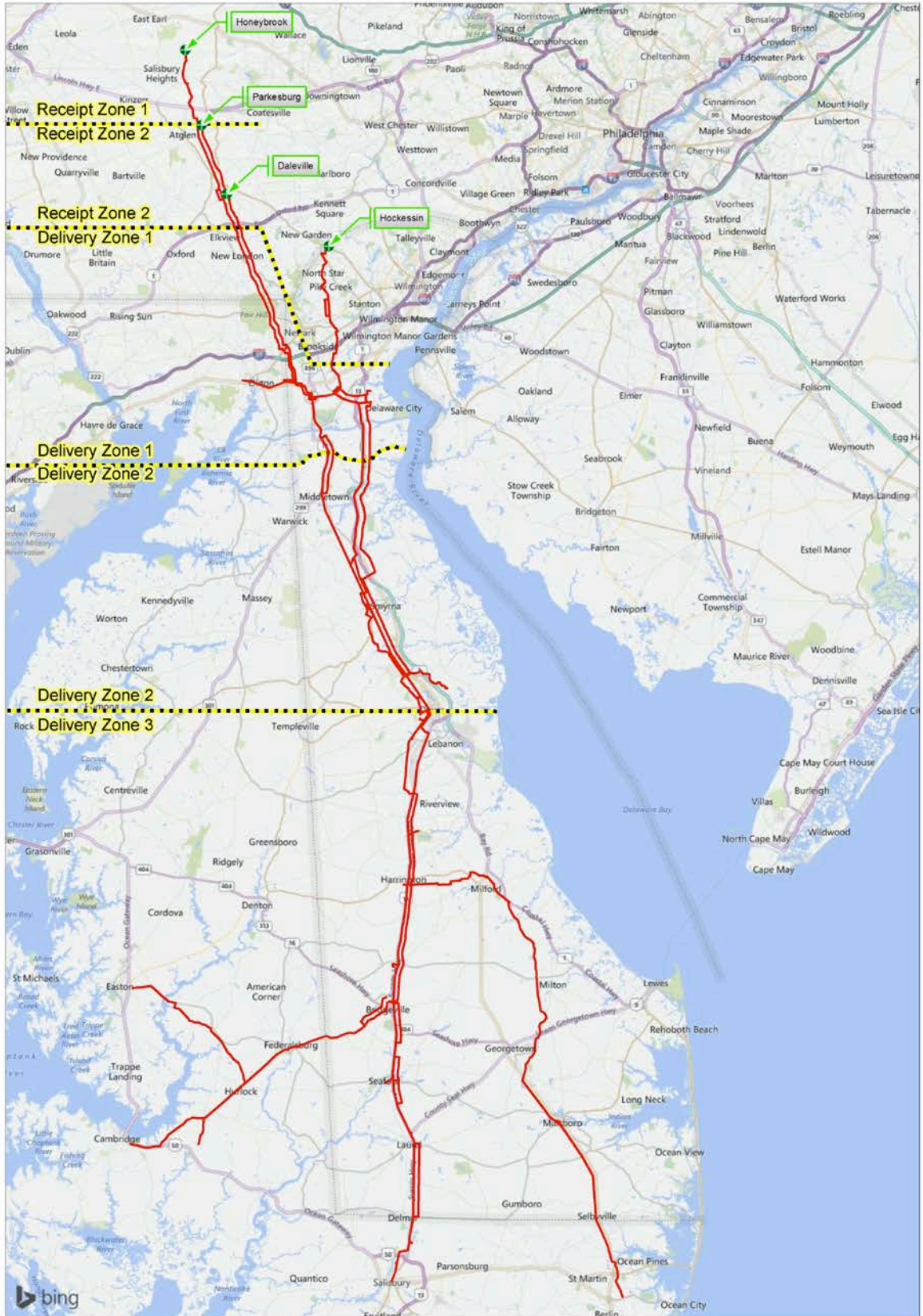
Overview

Project: Eastern Shore Natural Gas Company (“Eastern Shore”) is pleased to announce a non-binding Open Season for its 2018-2020 Expansion Project (“Project”). Eastern Shore is proposing a multi-year system expansion that permits firm service capacity additions to be phased in, with proposed in-service dates of November 1, 2018, November 1, 2019 and November 1, 2020. Eastern Shore has received customer requests for capacity additions and has determined that new facilities will be required to meet these requests.

Benefits: By providing an opportunity for existing and potential shippers to request new or additional firm transportation service within Eastern Shore’s existing geographic footprint, this Project allows safe, reliable, efficient and economic natural gas to be transported within the Delmarva Peninsula.

Facilities: A phased-in approach for new firm transportation service will better serve Eastern Shore’s shippers by allowing more economical and efficient planning and construction of pipeline facilities in order to meet individual and aggregate shipper requirements. Additionally, this phased-in approach provides Eastern Shore’s shippers the ability to phase in transportation service as it is needed, rather than in a single year.

Location: Following is a map of Eastern Shore’s current system, consisting of 448 miles of pipeline:



RECIPIENT / DELIVERY ZONES
ESNG

- Legend**
- Interconnect
 - ESNG Pipeline
 - Receipt / Delivery Boundary

EASTERN SHORE
NATURAL GAS

PRODUCED BY PHILIPLANCETTE EASTERN SHORE NATURAL GAS
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DATE CREATED: 1/15/2017

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NOT TO SCALE



Participation: If you are interested in participating in this non-binding Open Season, please review the information herein and then complete the online Open Season Shipper Nomination Form and submit it to Eastern Shore by **Tuesday, June 6, 2017**.

Project Design: Upon the close of the Open Season, Eastern Shore will reevaluate the Project’s preliminary design. Eastern Shore will then develop a Project design that is capable of accommodating the level of customer commitments received in a manner that would allow Eastern Shore to achieve the most economical project consistent with safety, operational, and environmental considerations. Eastern Shore reserves the right to structure the Project as single-year, multi-year, or a combination of both, as Eastern Shore determines necessary in its sole discretion. Eastern Shore also reserves the right to conduct additional open seasons in the future as necessary to support the Project or future projects.

Binding Precedent Agreements: If Eastern Shore decides to move forward with the Project, participants in the non-binding Open Season will be notified and will be expected to enter into binding Precedent Agreements on or before **July 15, 2017**. The Precedent Agreement becomes binding when it is fully executed by both Eastern Shore and the Open Season participant. Eastern Shore will revise the overall scope of the Project as necessary to reflect only those requests for new firm transportation service supported by properly executed Precedent Agreements.

Project Information At-a-Glance

Targeted in-service dates:

In-Service Targets
November 1, 2018
November 1, 2019
November 1, 2020

The actual in-service dates are, however, subject to the timely issuance of all necessary regulatory authorizations, approvals and permits and the acceptance of them by Eastern Shore. Construction delays beyond Eastern Shore’s control may also affect the actual in-service date.

Non-Binding Open Season Subscription Period: Tuesday, May 16, 2017 through Tuesday, June 6, 2017.

Service: Firm transportation service from Eastern Shore’s existing Receipt Point(s) to Shippers’ requested Delivery Point(s).

Term: The requested contract term for firm transportation service hereunder shall be a minimum of fifteen (15) years. If a different term is desired, such term should be indicated on the Open Season Nomination Form. Eastern Shore will evaluate alternative terms on a case-by-case basis, and may, in its sole discretion exercised on a not unduly discriminatory basis, accept other terms proposed by shippers participating in this Open Season.

Rate: Preliminary rates will be developed based on the estimated cost of facilities required to serve the aggregate firm transportation service requests submitted during this Open Season process. Initial rates will be calculated based on the level of binding customer commitments received (as evidenced by executed Precedent Agreements) and the cost of the facilities required to serve the aggregate firm transportation service requests of all shippers executing Precedent Agreements.



Open Season Process

The Subscription Period for this Open Season will **commence on May 16, 2017 and close at 5:00 p.m. EST on June 6, 2017**. Eastern Shore may, in its sole discretion exercised on a not unduly discriminatory basis, consider requests received after the close of the Subscription Period only if such requests are determined to enhance the Project and can be accommodated without adversely affecting the filing process and/or anticipated in-service dates.

The Subscription Period is necessitated by the target in-service dates. Parties interested in obtaining firm transportation service must submit an Open Season Shipper Nomination Form, Capacity Turn-Back Form (if applicable) and necessary financial information (if a new Shipper) **no later than 5:00 pm EST on June 6, 2017**.

Submit by:

- Online Forms “Open Season Shipper Nomination Form” and “Capacity Turn-Back Form” can also be found on www.esng.com
- Mail / Express Mail / Overnight Delivery to:
ESNG Open Season – 2018-2020 Expansion Project
Eastern Shore Natural Gas Company
1110 Forrest Avenue, Suite 201
Dover, DE 19904
- E-mail to: jmayan@esng.com
- Fax to: 302-734-6745 (Attention: Jackie Mayan)

New Shippers are required to provide certain financial information as set forth in Eastern Shore’s FERC Gas Tariff. Eastern Shore reserves the right to request additional information as it deems necessary.

Eastern Shore reserves the right to make a final determination of the size, scope and cost of the Project as well as a final evaluation of the overall economics of the Project, and, in its sole discretion, decide whether or not to proceed. All participating parties will be notified of Eastern Shore’s final decision.

Contact for Additional Information

Should you have any questions or require additional information regarding this Open Season, please do not hesitate to contact:

Jackie Mayan

Sr. Manager, Commercial Business & Marketing
(302) 213-7293

JMayan@esng.com

¹ Note that all Open Season Nomination Forms submitted via the Online Form are considered authorized submissions of the open season participant.



Eastern Shore Background Information

Eastern Shore is an interstate natural gas pipeline company that has been serving the natural gas transportation needs of the Delmarva Peninsula since 1959. Eastern Shore operates under the jurisdiction of the Federal Energy Regulatory Commission (“FERC”).

Eastern Shore receives natural gas at four upstream interstate pipeline interconnections for transportation to local distribution companies, industrial customers, and electric power generation customers located in Delaware, Maryland, and Pennsylvania. Eastern Shore’s pipeline system interconnects with Columbia Gas Transmission, LLC, in Daleville, Pennsylvania; with Transcontinental Gas Pipe Line Company, LLC, in Parkesburg, Pennsylvania, and Hockessin, Delaware; and with Texas Eastern Transmission, LP, near Honey Brook, Pennsylvania.



OPEN SEASON 2018-2020 Expansion Project

SHIPPER NOMINATION FORM

PLEASE RETURN THIS COMPLETED OPEN SEASON NOMINATION FORM TO EASTERN SHORE NO LATER THAN 5:00 P.M. EDT ON TUESDAY, JUNE 6, 2017.

Submit by:

- Online Form “Open Season Shipper Nomination Form” can also be found on located on www.esng.com
- Mail / Express Mail / Overnight Delivery to:
 ESNG Open Season – 2018-2020 Expansion Project
 Eastern Shore Natural Gas Company
 1110 Forrest Avenue, Suite 201
 Dover, DE 19904
- E-mail to: jmayan@esng.com
- Fax to: 302-734-6745 (Attention: Jackie Mayan)

SHIPPER INFORMATION

Shipper Name: _____

Shipper is a(n): (check one) LDC End User Marketer Producer Broker
 Other: *(Describe)* _____

Address for Notices and Correspondence:

Name of Contact: _____

Title: _____

Address: _____

Overnight Delivery (Street) Address: _____

Telephone: (_____) _____ Fax: (_____) _____

Email address: _____

² Note that all Open Season Nomination Forms submitted via the Online Form are considered authorized submissions of the open season participant.



OPEN SEASON 2018-2020 Expansion Project *(Continued)*

Shipper requests the following firm transportation service levels on the 2018-2020 Expansion Project:

For Service Beginning	Primary Receipt Points(s)	Desired Quantity at Receipt Point(s) (DTS)	Primary Delivery Points (s)	Desired Quantity at Delivery Point (s) (DTS)	Term of Requested Agreement *
Nov. 1, 2018*					
Nov. 1, 2019*					
Nov. 1, 2020*					

* Or actual Project in-service date, or later date requested by customer

** Minimum of 15 years or alternative to be evaluated

THIS OPEN SEASON SHIPPER NOMINATION FORM IS SUBMITTED BY:

Signature: _____

Print Name: _____

Title: _____

Date: _____

³ Note that all Open Season Nomination Forms submitted via the Online Form are considered authorized submissions of the open season participant.



**OPEN SEASON
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CAPACITY TURN-BACK FORM

Shipper desires to permanently reduce its existing firm year-round transportation service level, as indicated below. Shipper understands that this Turn-Back Request is being solicited to ensure that Eastern Shore may properly size the 2018-2020 Expansion Project (“Project”), as such turn-back may decrease the cost of expansion facilities required. Shipper further understands that such turn-back quantities will be accepted only to the extent that Eastern Shore: (1) obtains binding Precedent Agreements for additional firm service sufficient to offset the impact of Shipper’s request, (2) receives authorizations necessary to complete the proposed Project, and (3) actually places such Project in service.

PLEASE RETURN THIS COMPLETED CAPACITY TURN-BACK REQUEST FORM TO EASTERN SHORE NO LATER THAN 5:00 P.M. EDT ON TUESDAY, JUNE 6, 2017.

Submit by:

- Online Form “Capacity Turn-Back Form” can also be found on www.esng.com
- Mail / Express Mail / Overnight Delivery to:
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Eastern Shore Natural Gas Company
1110 Forrest Avenue, Suite 201
Dover, DE 19904
- E-mail to: jmayan@esng.com
- Fax to: 302-734-6745 (Attention: Jackie Mayan)

Shipper Name _____

Contract Number¹ _____

Shipper Contact

Name _____

Title _____

Telephone _____

Fax _____

E-mail _____

¹ Shipper must submit a separate Capacity Turn-Back Request form for each Contract



Requested Effective Date _____ (Nov. 1, 2018, Nov. 1, 2019 or Nov. 1, 2020)²

Requested Turn-back Daily Quantity _____ dt/day

Primary Receipt Point(s)³

Maximum Daily Quantity – dt/day

Transco Sta. 6570

Columbia MLI 88

TETCo

Primary Delivery Point(s)

Maximum Daily Quantity – dt/day

DPA ____

DPA ____

DPA ____

DPA ____

DPA ____

Additional Reservations:

Eastern Shore reserves the right to reject, at its sole discretion, this and any other Capacity Turn-Back Request(s), that are incomplete, contain modifications to this request form, contain any conditions on the turn-back of capacity, or that would result in a decrease in net revenue to Eastern Shore.

Eastern Shore will determine, in its sole discretion and on a non-discriminatory basis, which Capacity Turn-Back Request(s) are approved in connection with this Open Season. The final design of the Project will be based in part on the results of Eastern Shore’s consideration of the Capacity Turn-Back Request(s) received.

Shipper’s Authorized Signature⁴:

By: _____

Print Name: _____

Title: _____

Date: _____

² Or actual in-service date

³ Total of Receipt Point(s) MUST equal Total of Delivery Point(s)

⁴ Note that all Open Season Nomination Forms submitted via the Online Form are considered authorized submissions of the open season participant.