

**NOTICE OF OPEN SEASON
FOR AVAILABLE FIRM MARKET-BASED RATE (MBR) STORAGE CAPACITY
UNDER RATE SCHEDULE FS1**

Posting of Available Unsubscribed Firm Storage Capacity Subject to Market-Based Rates: Pursuant to [Section 30.2 Open Season for Storage Service Subject to Market-Based Rates](#) of the General Terms and Conditions (GT&C) of its FERC Gas Tariff, Southern Star Central Gas Pipeline, Inc. (Southern Star) posts notice of available firm storage capacity effective April 1, 2021, up to the following quantities:

Maximum Daily Withdrawal Quantity (MDWQ)	40,000 Dth/d
Maximum Storage Quantity (MSQ)	4,000,000 Dth

This storage capacity is subject to market-based rates (MBR) and is available under [Rate Schedule FS1](#).

Notice of Open Season to Sell Unsubscribed Firm Market-Based Rate Storage Capacity: Per Section 30.2 of the GT&C, Southern Star is accepting binding bids for the available unsubscribed firm storage under Rate Schedule FS1 as described below.

1) Quantity Available: As stated above, effective April 1, 2021, the storage capacity available is:

Maximum Daily Withdrawal Quantity (MDWQ)	40,000 Dth/d
Maximum Storage Quantity (MSQ)	4,000,000 Dth

2) Dates and Times of the Open Season: Bids must be submitted from January 25, 2021, 9:00 A.M. CCT until February 3, 2021, 5:00 P.M. CCT (the “Bid Period”). All bids submitted during the Bid Period will be treated as being received at the same time.

3) Term: Bids submitted for FS1 service with a contract term from April 1, 2021 to April 1, 2023 will be considered conforming bids.

4) Steps Necessary to Participate in the Open Season: Bidding Process:

- a) Shippers desiring to bid on such FS1 storage capacity must complete a valid Service Request Bid in the form attached hereto as Appendix A. Bidders must submit the completed bid form during the Bid Period via email to SSCContractAdministration@southernstar.com or fax to (270) 852-5027.
- b) Shippers may bid any daily reservation rate.
- c) For questions concerning bidding procedures or this open season, please contact your Customer Service Representative. Answers to general question(s) that are not related to a specific shipper request will be posted under an FAQ section on the following page(s).

5) Criteria for Determining the Winning Bid:

- a) The bid or combination of bids which provide the highest rate will be awarded.
- b) In the event of a tie or ties, the capacity will be awarded (pro rata) among the winning bidders who elected to accept a partial award. Any remaining capacity will be awarded (pro rata) to the next highest ranked bidder(s).

c) Notwithstanding anything herein to the contrary, Southern Star may reject any bids that do not satisfy the terms of the open season. Per GT&C Section 30.2(c), Southern Star also reserves the right not to award capacity at less than a minimum acceptable price (i.e., the Reserve Price).

6) Reserve Price: The Reserve Price for this open season is established for the contract term as set forth below:

<u>Daily Reservation Rate</u>	<u>Annual Reservation Rate</u>	<u>Term</u>
\$0.000822	\$0.300000	April 1, 2021-April 1, 2023

The Daily Reservation Rate shown above is a rate per Dth of Maximum Storage Quantity (MSQ) per day, which is equivalent to an Annual Reservation Rate per Dth of MSQ.

7) Credit worthiness: Shippers must satisfy the requirements of GT&C Section 8.5 Credit Worthiness. In addition to the DUNS and EIN information, additional credit information or evidence of credit worthiness may be requested.

8) Award Process: Bids will be awarded within three (3) business days after the end of the Bid Period.

a) Southern Star will advise the successful bidder(s) of the award.

b) After being advised of having made a successful bid, a bidder must:

i) Satisfy the conditions set forth in Item 7 above;

ii) Execute an FS1 Service Agreement with Southern Star (a *pro forma* copy of which is attached as Appendix B); and

iii) Execute a Market-Based Rate Agreement with Southern Star (a *pro forma* copy of which is attached as Appendix C).

If a successful bidder does not satisfy all of the above requirements after receiving notice of a successful bid, the award will be cancelled and the capacity will be awarded first to any equally ranked bidder(s), if any, who received a pro rata allocated capacity award pursuant to Item 5(c), and then to the next highest conforming bidder(s).

9) Posting Results of Open Season: Southern Star shall post the identity of the successful bidder(s) within four (4) business days after the end of the Bid Period pursuant to GT&C Section 30.2(f).

The form(s) and posting(s) referenced above can be found under Southern Star's Informational Postings (<https://csi.southernstar.com>).

Customer Service Representatives

Scott Warren	Office: (270) 852-4559 Cell: (270) 302-6433
Chris Williams	Office: (270) 852-4544 Cell: (270) 302-1143
Buster Ashley	Office: (270) 852-4546 Cell: (270) 314-1436
Robin Joska	Office: (270) 852-4565 Cell: (270) 302-5007

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FAQ Section:

- 1) FAQ:** Is available firm storage capacity specific to either the production or market area on Southern Star's system?

Answer: No. Shippers may submit bids for either production area or market area storage. They may also bid on storage capacity in both areas as long as the total quantities do not exceed stated available firm storage quantities.

- 2) FAQ:** Are Bidders required to have a transportation service agreement with Southern Star in order to bid on the FS1 capacity?

Answer: Yes. Pursuant to Section 1 (c) of the FS1 Rate Schedule, service under that rate schedule is only "available to parties who have an effective ITS, FTS or SFT Service Agreement(s) with an MDTQ equal to or greater than the MDIQ and MDWQ under their FS1 Service Agreement." If a Bidder does not have an effective transportation service agreement, the Bidder should also submit a service request for firm or interruptible transportation service with a Maximum Daily Transportation Quantity (MDTQ) equal to or exceeding the requested maximum daily withdrawal quantity in its FS1 bid.

- 3) FAQ:** Is a Bidder with a firm transportation service agreement required to list the storage point as a primary point under its firm transportation agreement?

Answer: No, although listing storage as a primary receipt point under the firm agreement is recommended. To the extent that current shippers have availability on their existing firm transportation contracts (excluding TSS-P, TSS-M, STS-P and STS-M contracts), Southern Star will consider amendments to such contracts to provide such storage as a firm receipt point.

- 4) FAQ:** What rates or charges will apply to FS1 service in addition to the market-based reservation rate?

Answer: In addition to the market-based reservation rate, the injection and withdrawal rates for FS1 service will be the same as the injection and withdrawal rates applicable to FSS storage service as stated in Southern Star's FERC Gas Tariff, as amended from time to time. Shipper will also be responsible for any other Federal Energy Regulatory Commission (FERC) approved charges or surcharges as provided in Section 4 (b) of Rate Schedule FS1, and for all applicable fuel and loss charges as provided in Section 4 (c) of Rate Schedule FS1. The Authorized Overrun Rate will be the same as the market-based daily reservation rate and will be applied to any quantity in excess of the MSQ, MDIQ, or MDWQ per day.

- 5) **FAQ:** How will non-conforming bids that are less than the reserve price or required term be evaluated?

Answer: If the total conforming bids do not meet the capacity being offered and Southern Star determines it is willing to accept bids with a reduced reserve price and/or different term, Southern Star will initiate a new open season setting forth the capacity, term, and minimum acceptable bid.

- 6) **FAQ:** Can a bidder request capacity from more than one rate area when submitting a bid?

Answer: If a bidder is requesting capacity from each rate area, submission of two individual bids is needed.

- 7) **FAQ:** Can a balance transfer be completed between two rate zones (ex: from the Production Area to Market Area)?

Answer: Balance Transfers between different rate zones are not allowed.

- 8) **FAQ:** Can a balance transfer be completed from FSS or Customer Imbalance to FS1?

Answer: Balance transfers from FSS or Customer Imbalance to FS1 are not allowed.

Reviewed: January 19, 2021

Appendix A

Service Request Form for

Market-Based (MBR) Firm Storage Service

Under Rate Schedule FS1

**Service Request Form for
Market-Based Rate (MBR) Firm Storage Service
Under Rate Schedule FS1**

Please return this Form by 5:00 p.m. CCT on Wednesday, February 3, 2021.

Term: Start Date:

End Date:

Service Area [Production or Market]:

Quantity: Maximum Storage Quantity (MSQ) _____ Dth

Maximum Daily Withdrawal Quantity (MDWQ) _____ Dth/d

Annual Reservation Rate \$ _____ per dth of MSQ

Market-Based Daily Reservation Rate: \$ _____ per Dth of MSQ

In addition to the market-based daily reservation rate, the injection and withdrawal rates for FS1 service will be the same as the injection and withdrawal rates applicable to FSS storage service as stated in Southern Star's FERC Gas Tariff, as amended from time to time. Shipper will also be responsible for any other Federal Energy Regulatory Commission (FERC) approved charges or surcharges as provided in Section 4 (b) of Rate Schedule FS1, and for all applicable fuel and loss charges as provided in Section 4 (c) of Rate Schedule FS1. The Authorized Overrun Rate will be the same as the Market-Based Daily Reservation Rate and will be applied to any quantity in excess of the MSQ, MDIQ, or MDWQ per day.

Partial Award of Capacity: Please indicate whether you are willing to accept a partial award of capacity in the event there is a tie and 100% of your bid cannot be awarded.

Yes

No

Transportation Service Agreement: Please indicate whether you have a transportation service agreement with a Maximum Daily Transportation Quantity (MDTQ) equal to greater than the MDWQ set forth above:

Yes Contract No. _____

No I want to request a transportation service agreement.

Shipper:

By: _____
(Signature)

Name: _____
(Please type or print)

Title: _____
(Please type or print)

Appendix B
FS1 Form of Service Agreement

STORAGE SERVICE AGREEMENT
UNDER RATE SCHEDULE FS1

THIS AGREEMENT is made and entered into this day of , by and between SOUTHERN STAR CENTRAL GAS PIPELINE, INC., a Delaware corporation, having its principal office in Owensboro, Kentucky, hereinafter referred to as "Southern Star", and , a having its principal office in , hereinafter referred to as "Shipper".

IN CONSIDERATION of the premises and of the mutual covenants and agreements herein contained, Southern Star and Shipper agree as follows.

SECTION I
SERVICE TO BE RENDERED

- 1.1 Subject to the provisions of this Agreement and of Southern Star's Rate Schedule FS1, Southern Star agrees to receive from Shipper under a Rate Schedule FTS, SFT, or ITS Service Agreement for storage, inject into storage for Shipper's account, store, withdraw from storage on a firm basis and deliver to Shipper for transportation under a Rate Schedule FTS, SFT or ITS Service Agreement quantities of natural gas as designated on Exhibit A up to the maximum quantities set forth on Exhibit A. All quantities injected into storage, stored, and withdrawn from storage shall be net of appropriate reductions for fuel and loss.

SECTION II
RATE, RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

- 2.1 Shipper shall pay Southern Star each month for all service rendered hereunder per rates set out in an associated market-based rate agreement.
- 2.2 This Agreement in all respects is subject to the provisions of Rate Schedule FS1, or superseding rate schedule(s), and applicable provisions of the General Terms and Conditions included by reference in said Rate Schedule, all of which are by reference made a part hereof.

SECTION III
TERM

- 3.1 This agreement shall become effective April 1, 2021 and shall continue in full force and effect until April 1, 2023.
- 3.2 This Agreement may be suspended or terminated by Southern Star in the event Shipper fails to pay all of the amount of any bill rendered by Southern Star hereunder when that amount is due; provided,

STORAGE SERVICE AGREEMENT
UNDER RATE SCHEDULE FS1

however, Southern Star shall give Shipper and the FERC thirty (30) days notice prior to any suspension or termination of service. Service may continue hereunder if within the thirty-day notice period satisfactory assurance of payment is made by Shipper in accordance with Section 18 of the General Terms and Conditions. Suspension or termination of this Agreement shall not excuse Shipper's obligation to pay all demand and other charges for the original term of the Agreement.

SECTION IV
NOTICES

- 4.1 Unless otherwise agreed to in writing by the parties, any notice, request, demand, statement or bill respecting this Agreement shall be in writing and shall be deemed given when communicated pursuant to Section 23 of the General Terms and Conditions or when placed in the regular mail or certified mail, postage prepaid and addressed to the other party, or sent by overnight delivery service, via email or by fax, at the following addresses, email addresses or fax numbers, respectively:

To Shipper:

To Southern Star:

Payments: as directed on invoice

All Notices:

Southern Star Central Gas Pipeline, Inc.
P.O. Box 20010
Owensboro, Kentucky 42304-0010
Attention: Commercial Services
Fax: (270) 852-5027
Email: sscontractadministration@southernstar.com

The address(es) of either party may, from time to time, be changed by a party communicating appropriate notice thereof to the other or, in the case of Southern Star, by posting notice of such address change(s) on CSI.

SECTION V
MISCELLANEOUS

- 5.1 As of the effective date of execution of Exhibit A attached to this Agreement, such executed exhibit is hereby incorporated by reference as part of this Agreement. The parties may amend Exhibit A by mutual agreement, which amendment shall be reflected in a revised Exhibit A and shall be incorporated by reference as part of this Agreement.

STORAGE SERVICE AGREEMENT
UNDER RATE SCHEDULE FS1

5.2 OTHER THAN AS MAY BE SET FORTH HEREIN, SOUTHERN STAR MAKES NO OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY.

IN WITNESS THEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

SOUTHERN STAR CENTRAL GAS PIPELINE, INC.

By _____
(Signature)

By _____
(Signature)

Name _____
(Please type or print)

Name _____
(Please type or print)

Title _____
(Please type or print)

Title _____
(Please type or print)

STORAGE SERVICE AGREEMENT
UNDER RATE SCHEDULE FS1

EXHIBIT A
TO
FIRM STORAGE SERVICE AGREEMENT

Dated

Between
Southern Star Central Gas Pipeline, Inc.
and

Maximum Daily Withdrawal Quantity:

Maximum Storage Quantity:

Area (Production or Market):

Effective Date of this Exhibit A:

Supersedes Exhibit A of Effective Date:

SOUTHERN STAR CENTRAL GAS PIPELINE, INC.

By _____
(Signature)

Name _____
(Please type or print)

Title _____
(Please type or print)

Date _____

By _____
(Signature)

Name _____
(Please type or print)

Title _____
(Please type or print)

Date _____

Appendix C

FS1 Form of Market-Based Rate (MBR) Agreement



Southern Star Central Gas Pipeline, Inc.

4700 Hwy 56

P. O. Box 20010

Owensboro, Kentucky 42301

Phone 270/852-5000

Current Date

Shipper

Attn: Contact

Shipper Address

Shipper Address Line 2

RE: Market-Based Rate (MBR) Agreement for FS1 Service

Dear Contact:

Southern Star Central Gas Pipeline, Inc. (Southern Star) and (Shipper) have agreed upon market-based rates for firm storage service under Southern Star Rate Schedule FS1 as follows:

Contract No.	Contract Number
Time Period:	April 1, 2021 to April 1, 2023
Rate Schedule:	FS1
Quantity:	
Maximum Daily Withdrawal Quantity (MDWQ)	MDWQ Dth/d
Maximum Storage Quantity (MSQ)	MSQ Dth
Storage Location:	Storage Location

Agreed Upon MBR Rates:

FS1 Daily Reservation Rate: \$0._____per Dth of MSQ

Authorized Overrun Rates for capacity, injection or withdrawal overruns will be the same as the FS1 Daily Reservation Rate and will be applied to any quantity in excess of the MSQ, MDIQ, or MDWQ per day, respectively.

Notwithstanding anything herein to the contrary, Southern Star and Shipper agree that injection and withdrawal rates will be the same as the injection and withdrawal rates applicable to FSS storage service as stated in the FSS Rate Schedule of Southern Star's FERC Gas Tariff, as amended from time to time. Shipper will also be responsible for any other Federal Energy Regulatory Commission (FERC) approved charges or surcharges as provided in Section 4 (b) of Rate Schedule FS1, and for all applicable fuel and loss charges as provided in Section 4 (c) of Rate Schedule FS1.

In the event of a conflict between this agreement and Southern Star's FERC Gas Tariff, the Tariff will control.

To indicate your acceptance of the agreed upon rates, please return a signed original of this Agreement to Southern Star either at the address listed above, via PDF attachment to an email directed to SSCContractAdministration@southernstar.com or via fax at 270/852-5027.

Very truly yours,

SOUTHERN STAR CENTRAL GAS PIPELINE, INC.

By _____
(Signature)

Name _____
(Please type or print)

Title _____
(Please type or print)

Date of execution by Southern Star: _____

AGREED TO AND ACCEPTED this _____ day of _____, 2021 by:

SHIPPER

By _____
(Signature)

Name _____
(Please type or print)

Title _____
(Please type or print)

Date _____

*[Signature page to Market-Based Rate Agreement associated with FS1 Agreement, Contract No. **Contract Number**]*