



SOUTHERN STAR

CENTRAL GAS PIPELINE

The **ENERGY** Between Us

2019 Customer Meeting

**Wifi: Congress1
Passcode: Johnson63**

JIMMY STATON

PRESIDENT & CEO



2019 CUSTOMER MEETING



SOUTHERN STAR
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COMPLETING THE TRANSITION

2019 CUSTOMER MEETING



SOUTHERN STAR
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OWNERSHIP CHANGES



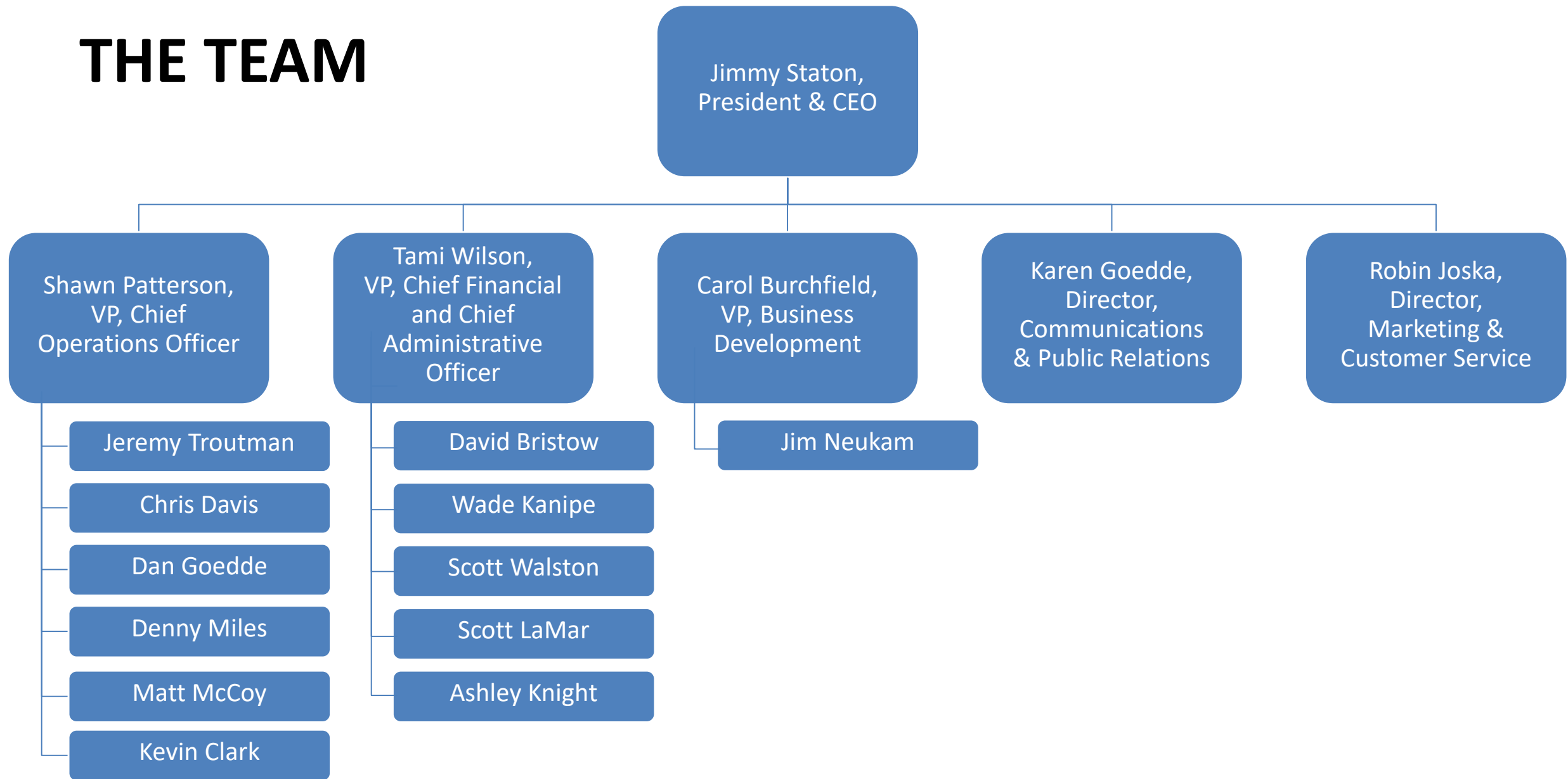
Implications

- Strong, long-thinking ownership
- Well-capitalized
- Positioned for consistent investment



Stable Ownership Structure

THE TEAM



Building the Team

THE PLAN

- Continue to attach gas supplies
- Modernize
 - Facilities
 - Technology
 - Interactions
 - Pricing
 - Brand
- Greater optionality
 - New Interconnects



Investing for Our Future

ROBIN JOSKA

DIRECTOR, MARKETING &
CUSTOMER SERVICE



2019 CUSTOMER MEETING



SOUTHERN STAR
CENTRAL GAS PIPELINE

OUR TEAM

Marketing & Customer Service



Robin Joska
Director, Marketing &
Customer Service



Tamara Morgan
Administrative
Assistant, Sr.



Kurt Gregson
Manager,
Commercial
Marketing



Scott Warren
Account
Manager, Sr.,
Customer
Service



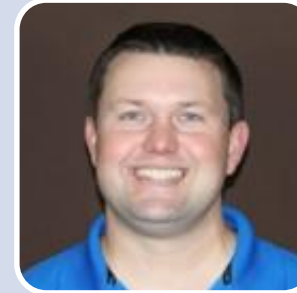
Chris Williams
Representative
II,
Customer
Service



David Tipmore
Representative
II,
Customer
Service



Kevin Gray
Manager,
Capacity
Scheduling &
Contract
Administration



Derek Hibbs
Leader,
Customer
Billing &
Measurement



Ryan Edge
Leader,
Customer
Projects

Building A Solid Foundation with Customer Focus

OUR TEAM

Capacity Scheduling & Contract Administration



Kevin Gray
Manager,
Capacity Scheduling
& Contract
Administration



Ronnie Hensley
Analyst Sr.,
Business



Susan Morrison
Analyst Sr.,
Capacity
Scheduler



Kevin Renshaw
Analyst Sr.,
Capacity
Scheduler

Capacity Scheduling



Kurt Stranathan
Analyst Sr.,
Capacity
Scheduler



Amy Baker
Analyst Sr.,
Capacity
Scheduler



Will Higdon
Analyst,
Capacity
Scheduler



Buster Ashley
Analyst,
Capacity
Scheduler



Angiy Mason
Analyst Sr.,
Capacity
Scheduler



Tammy Glahn
Analyst, Sr.,
Cust. Contract
Administration



Julie Price
Analyst, II
Cust. Contract
Administration

Contract Administration

Building a Solid Foundation with Customer Focus

OUR TEAM

Customer Billing & Measurement



Derek Hibbs
Leader, Customer
Billing &
Measurement

Measurement



Carene Hobson
Analyst Sr.,
Measurement
Data



Leia Westerfield
Analyst I,
Measurement
Data



Patsy Miles
Analyst III,
Measurement
Data

Billing



Lisa Bryant
Analyst Sr.,
Billing

Building a Solid Foundation with Customer Focus

KEY ELEMENTS TO RAISING THE SERVICE BAR

- CSI Enhancement Project
- Improved Communication Focus
- Enhanced Planned Service Outage (PSO)
- Maximize Opportunities and System Capabilities
- Focus On Employee Development

Exceptional Customer Service = Our Daily Goal

CSI ENHANCEMENT PROJECT - 2019

- Electronic Data Interchange (EDI)
- Complex Rate Adjustments
- Capacity Release Enhancements
- Customer Enhancements (CAST)

Commitment to Deliver Superior Product

ELECTRONIC DATA INTERCHANGE (EDI)

- Incorporate modern technology to Southern Star's EDI system
- Final testing ongoing with outstanding EDI customers
- Planned In-service Date: **7/1/2019**



COMPLEX RATE ADJUSTMENTS

- Increasing the processing speed and accuracy of rate adjustments
- Discount Agreements will be made available for electronic signature
- Planned In-service Date: **12/16/2019**



Efficiency and Timely Execution

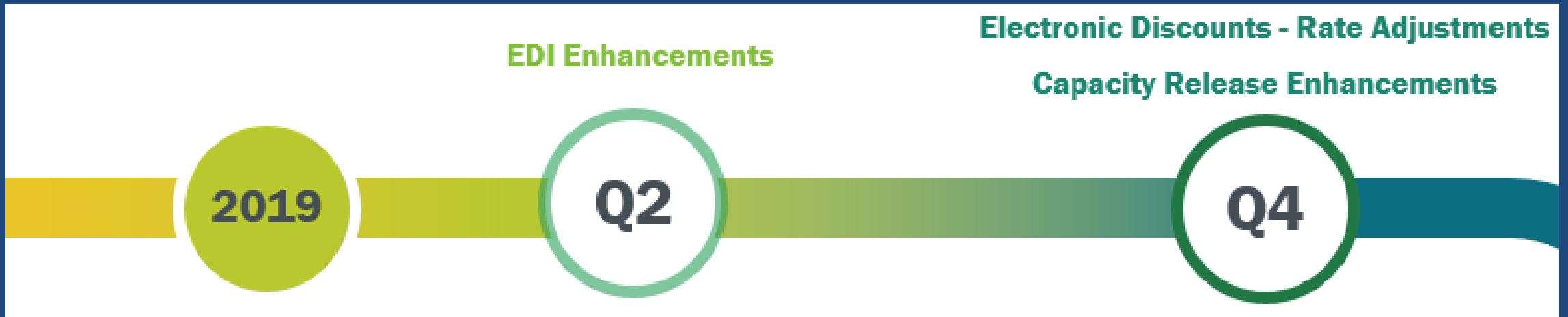
CAPACITY RELEASE ENHANCEMENTS

- Update Capacity Release screens and functionality
- CAST Team input
- Goal – Compliant and User Friendly
- Planned In-service Date: **12/16/2019**



Deliver Enhanced Functionality

2019 CSI IN-SERVICE TIMELINE



2019 CUSTOMER MEETING

CUSTOMER ENHANCEMENTS (CAST)

- Cut Notice Enhancement - **In-service 2/19/2019**
- Contract Notification Change - **In-service 2/19/2019**
- Report Favorites is back - **In-service 3/15/2019**
- Constraint History Posting - **In-service 5/10/2019**
- PSO Dashboard Preview - **In progress**



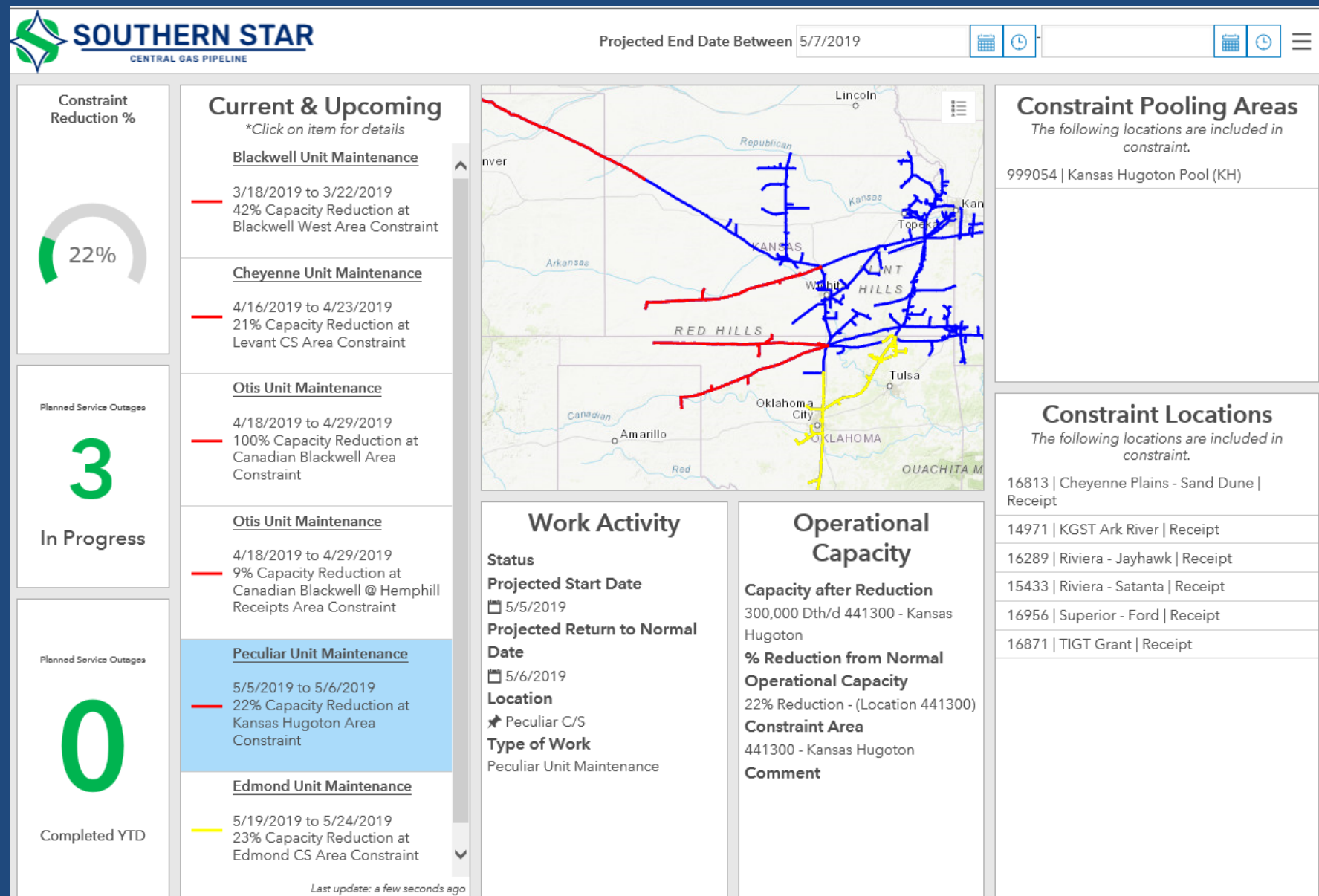
Improve Our Systems Through Business Partnerships

CONSTRAINT HISTORY POSTING

Average ID3 Scheduled Volume through Constraints (Dth/d)

ConstraintNumber	ConstraintName	Active	30 day	60 day	90 day	6 month	1 year
441300	Kansas Hugoton	Y	278,453	256,182	239,787	238,963	217,172
442350	Sedalia @ Ottawa	Y	54,483	63,838	67,551	63,889	82,070
442351	Little Mo	Y	18,709	21,623	25,356	28,227	28,445
443150	Straight Blackwell	Y	196,332	214,080	225,199	232,557	229,546
443152	Straight Blackwell @ Beaver Deliveries	Y	0	0	0	0	7,452
443157	Straight Blackwell @ Beaver Receipts	Y	0	0	0	0	7,452
443158	Straight Blackwell @ Salt Plains	Y	227,224	224,899	227,279	226,095	230,464
443402	Cement West Receipts	Y	54,882	52,915	55,245	61,695	69,564
443800	Edmond Blackwell	Y	129,432	122,918	128,115	132,566	124,907

PSO DASHBOARD PREVIEW – IN PROGRESS



IMPROVED COMMUNICATION FOCUS

- **Customer Webex**
 - Monthly Company Updates
 - Variety of Topics Make it Fresh
 - Notice Posted on CSI Monthly to Sign Up
- **Monthly Newsletter**
- **CAST Team**
 - Customer Advisory and Success Team (CAST)
 - Important Partnership
 - Enhancement Opportunities
- **Customer Strategic Meetings**



Exceed Your Communication Expectations

ENHANCED PLANNED SERVICE OUTAGE (PSO)

- Better Coordination
- Importance of Timing and Planning
- Minimize Monday Maintenance Start Dates
- Combine Outages
- Frequent Updates
- PSO Dashboard – In Progress
- Enhanced Historical Flow Information



Proactive Approach to Minimize Outages

MAXIMIZE OPPORTUNITIES AND SYSTEM CAPABILITIES

- Increased system throughput
- Greater interconnectivity
- Capacity Offerings through Open Seasons
- Supply optionality
- Pricing Desk and Pricing Platforms add credibility
- Value-added offerings



Creative Solutions - Optionality - Flexibility - Value

FOCUS ON EMPLOYEE DEVELOPMENT

- DOA changes to speed up response time
- Redeployment of Customer Care Teams
- People Development – Knowledge Transfer and Improvement



Develop Our Team to Better Serve Yours

TAMI WILSON

VP, CHIEF FINANCIAL OFFICER &
CHIEF ADMINISTRATIVE OFFICER



2019 CUSTOMER MEETING



SOUTHERN STAR
CENTRAL GAS PIPELINE

OUR TEAM



Tami Wilson
VP, Chief Financial
Officer & Chief
Administrative Officer



David Bristow
Controller



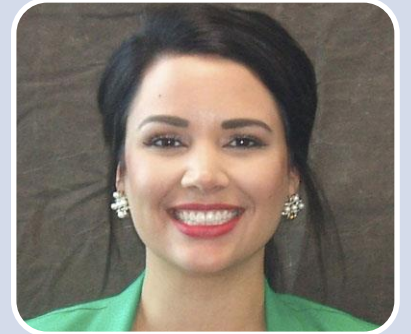
Wade Kanipe
Treasurer



Scott Walston
Director, Supply Chain
Services



Scott LaMar
Director, Rates &
Regulatory



Ashley Knight
Director, Human
Resources

Positioned for Growth

WHAT ARE WE DOING TO IMPACT THE CUSTOMER EXPERIENCE?

- Human Resources
 - Enhancing our culture
 - Hiring talent with a customer-focused mindset
- Finance & Accounting
 - Easing contract review and approval process
 - Improving organizational efficiencies
- Overhauling our Supply Chain Function
- Evaluating ERP capabilities
- Rates & Regulatory
 - Maintain a collaborative approach to rate making process
 - Being more creative in our approach to rates



With a customer's perspective...

THE ANATOMY OF FINANCIAL DISCIPLINE

**THROUGH THE EYES
OF A CUSTOMER**



CAROL BURCHFIELD

VP, BUSINESS DEVELOPMENT



2019 CUSTOMER MEETING

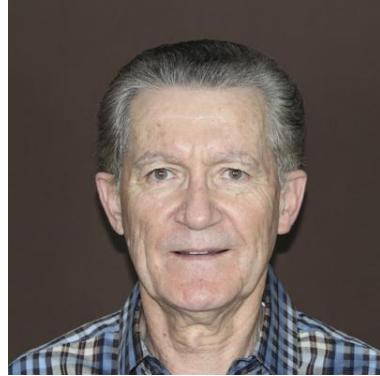


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CENTRAL GAS PIPELINE

BUSINESS DEVELOPMENT TEAM



Carol Burchfield
Vice President



Jim Neukam
Director,
Market Research



Robbie Clark
Account Manager



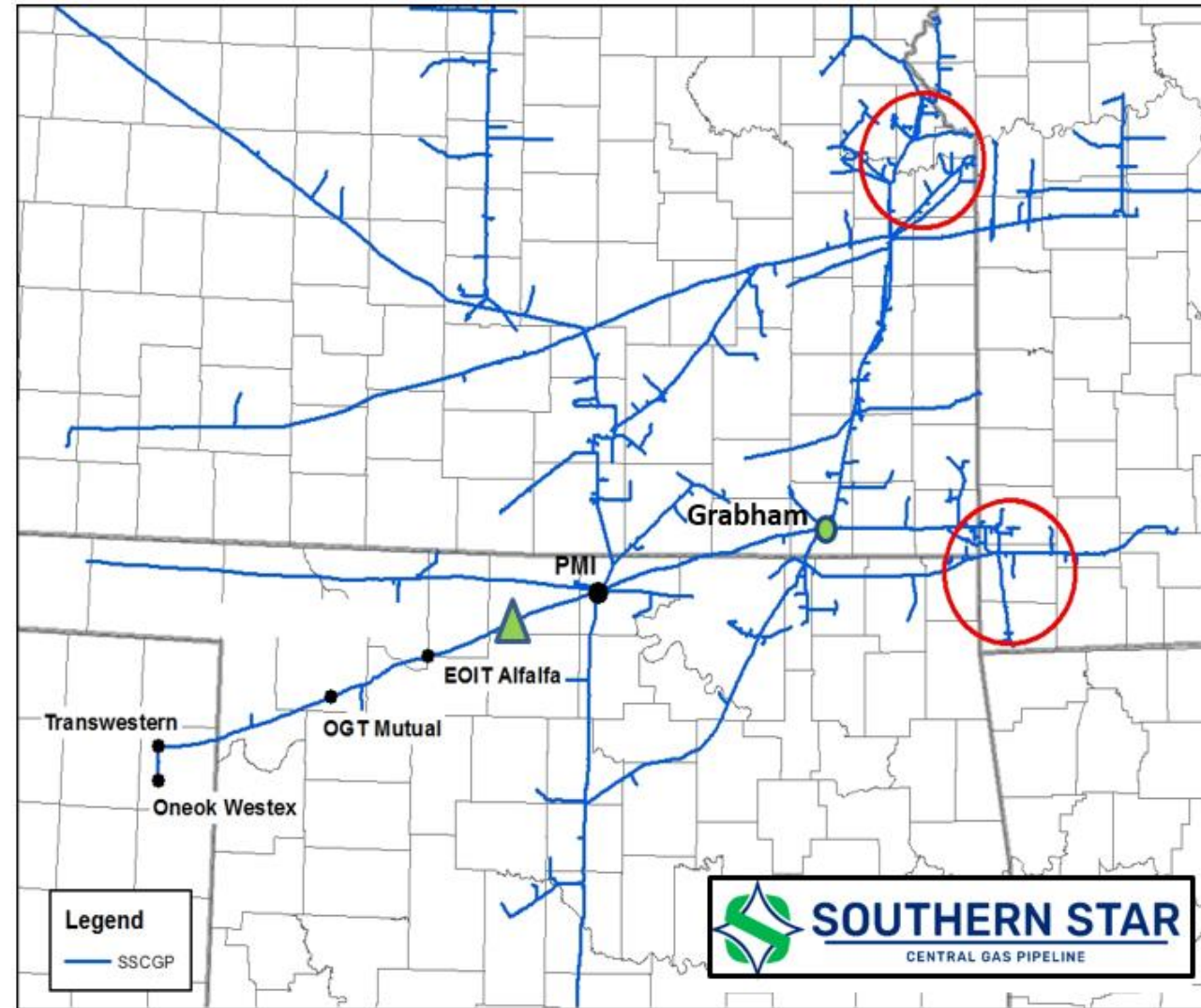
Chad Priar
Account Manager



Project Summary

- Southern Star concluded a non-binding open season to create more capacity on our Canadian-Blackwell (CB) line with the addition of compression
- Project scope will involve compression in our production area on the CB line and modifications downstream of the PMI in our market area, at Grabham Station
- This project will create up to 40,000/d incremental capacity on CB and up to 40,000/d in the Market area
- Project duration would be 9-12 months (60 Day Prior Notice)

MIDWEST MARKET ACCESS



Capacity Expansion

Strategy

- Provide customers with additional supply diversity and market outlets

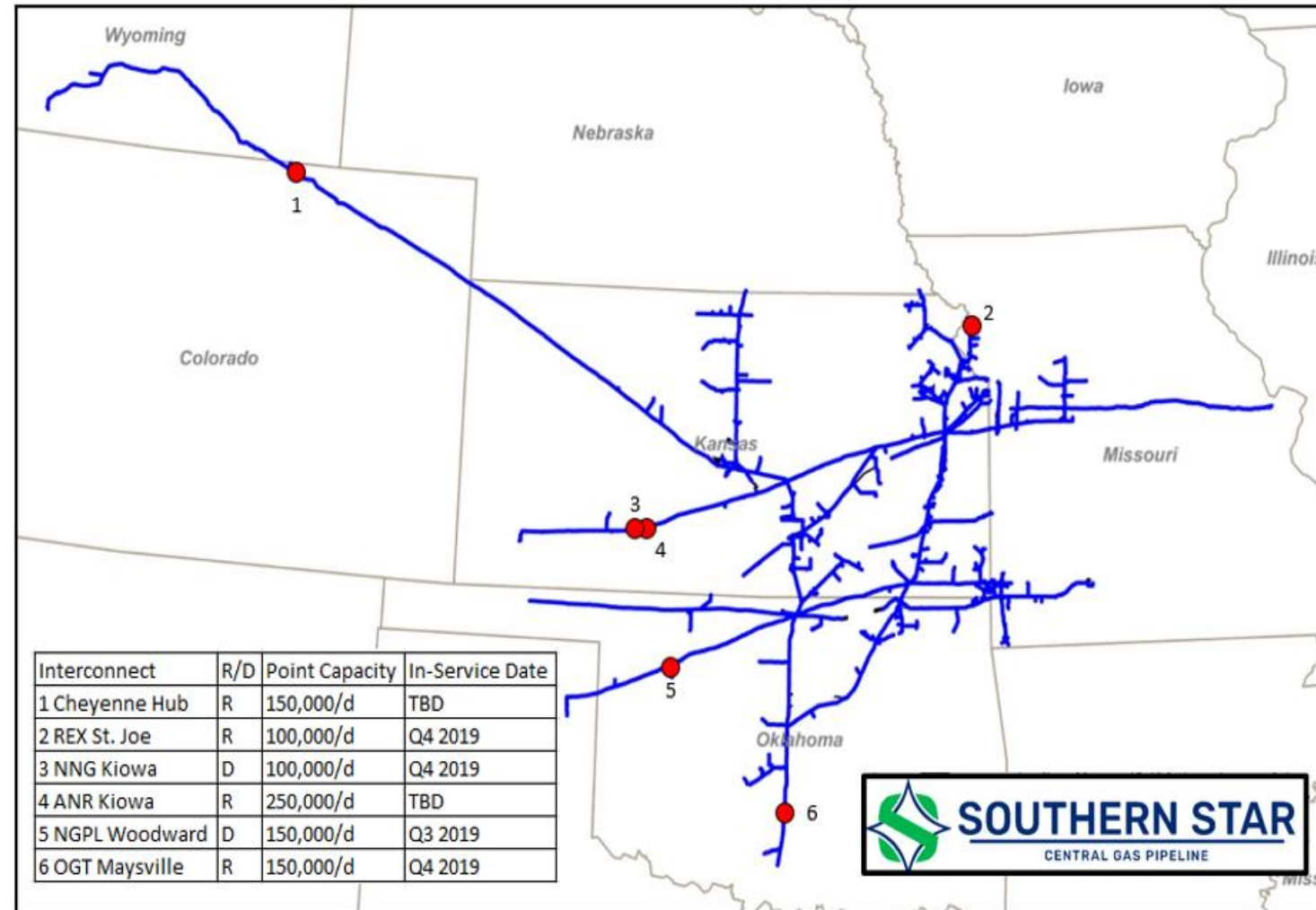
2019 Focus

- NGPL Woodward, Oklahoma delivery
- Tallgrass REX St. Joe, Missouri receipt
- Northern Natural Kiowa, Kansas delivery
- OGT Maysville, Oklahoma receipt

Additional Interconnects Under Consideration

- CIG or REX Cheyenne Hub receipt
- ANR Kiowa Kansas receipt

PIPELINE INTERCONNECTS

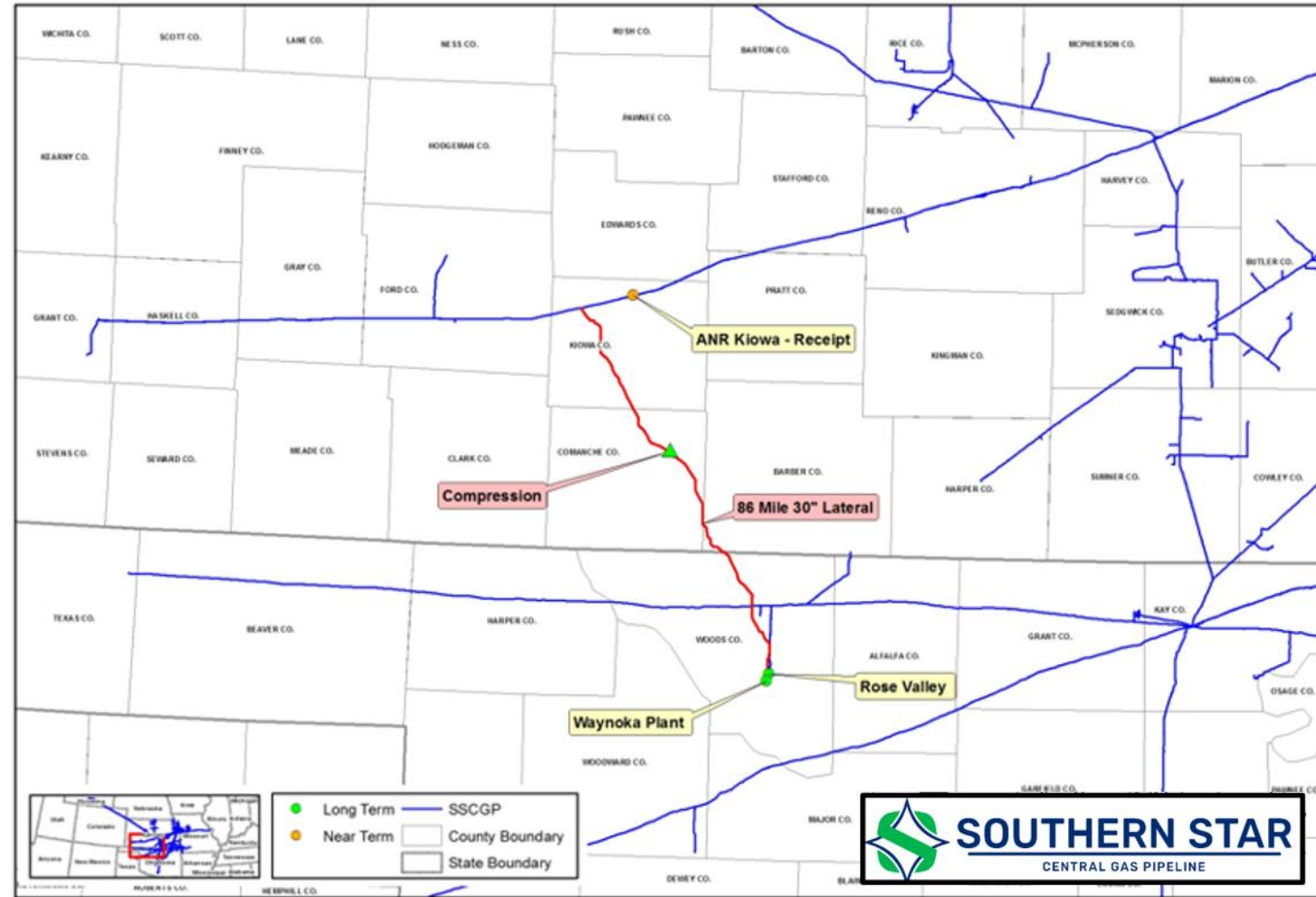


Supply and Market Diversity

Project Summary

- Provide supply options for KH shippers
- Install a new 24" Western Header from the Waynoka lateral in Woods County, Oklahoma to the KH line in Kiowa County Kansas
 - 86 Miles of 24" pipeline
 - 300,000-400,000/d capacity
- 30-36 month project duration
- Southern Star will seek rolled-in rate treatment

WESTERN HEADER



KH Supply Access

KH SUPPLY CONCERNS

Hugoton Field Decline

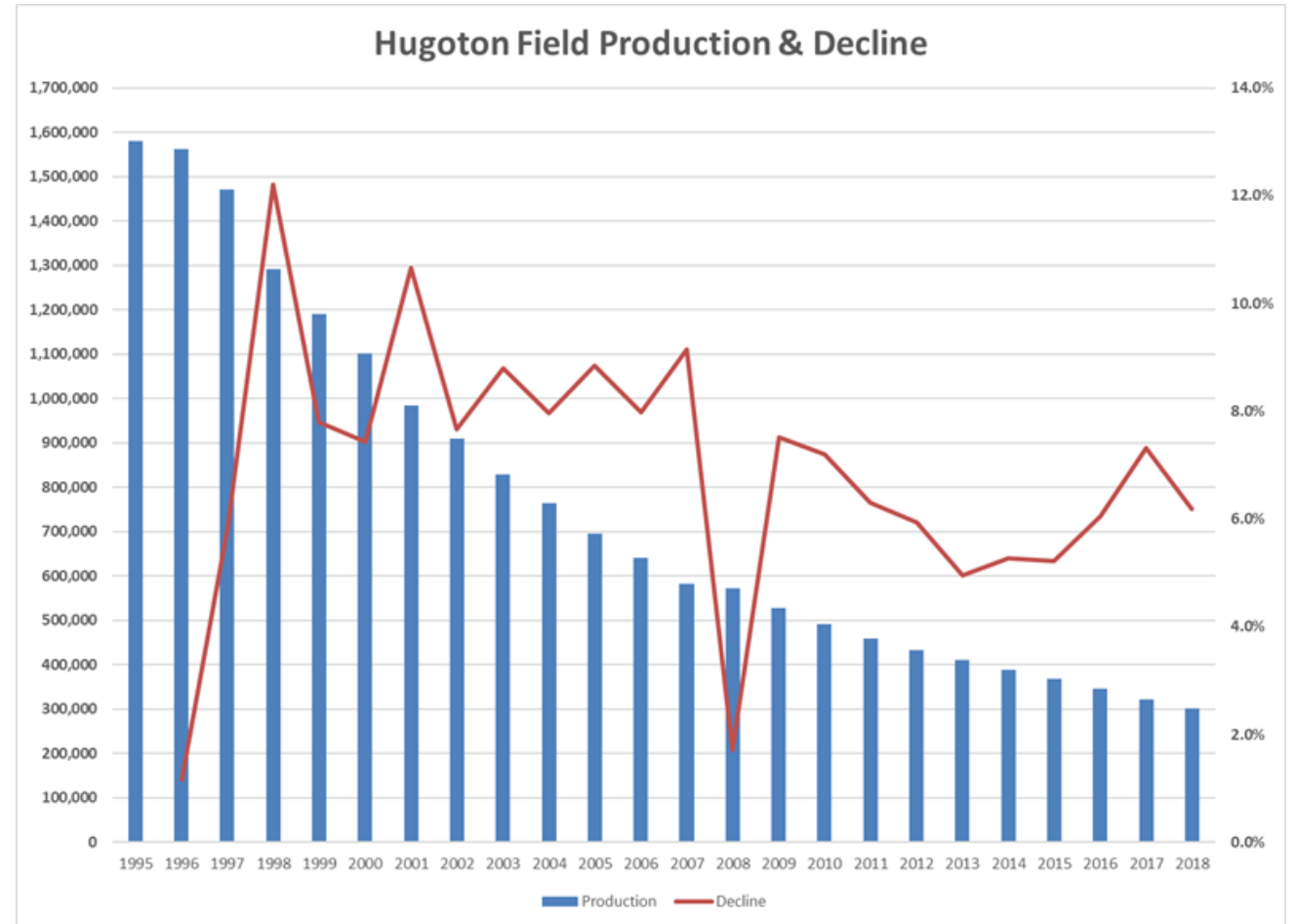
- The historic and projected decline is 5 to 7 % per year

Cheyenne Plains Conversion

- Kinder Morgan is pursuing abandonment of line

Southern Star Supply Attraction

- Southern Star needs to add supply to KH



Supply Attraction Critical for KH

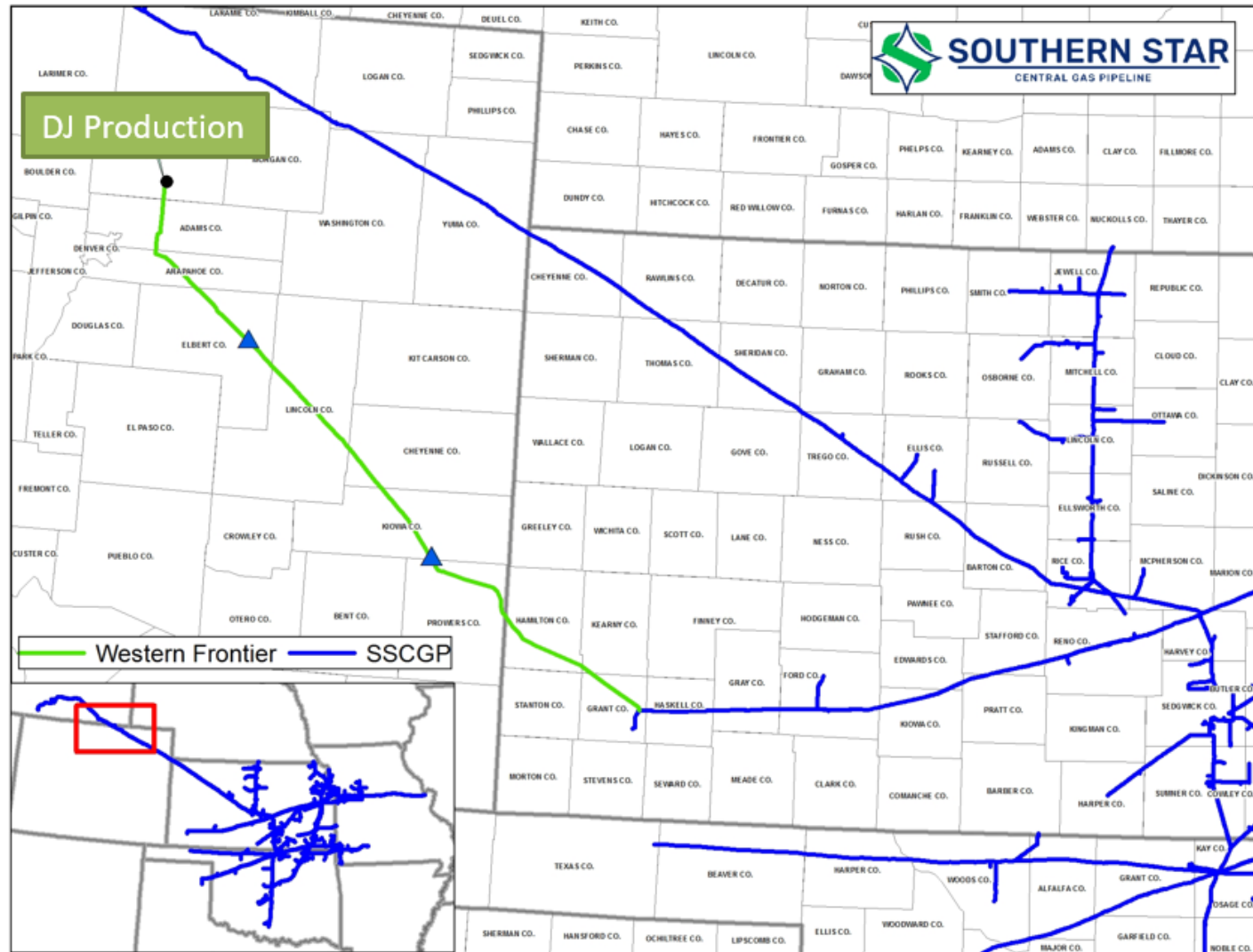
WESTERN FRONTIER

Project Summary

- Opportunity to provide new outlets for Southern DJ production

Commercial Summary

- Transports Niobrara gas out of Colorado and into the Midwest and Rockies regions
- Project duration would be 30-36 months (FERC 7(c) filing)



Rockies Supply Outlet

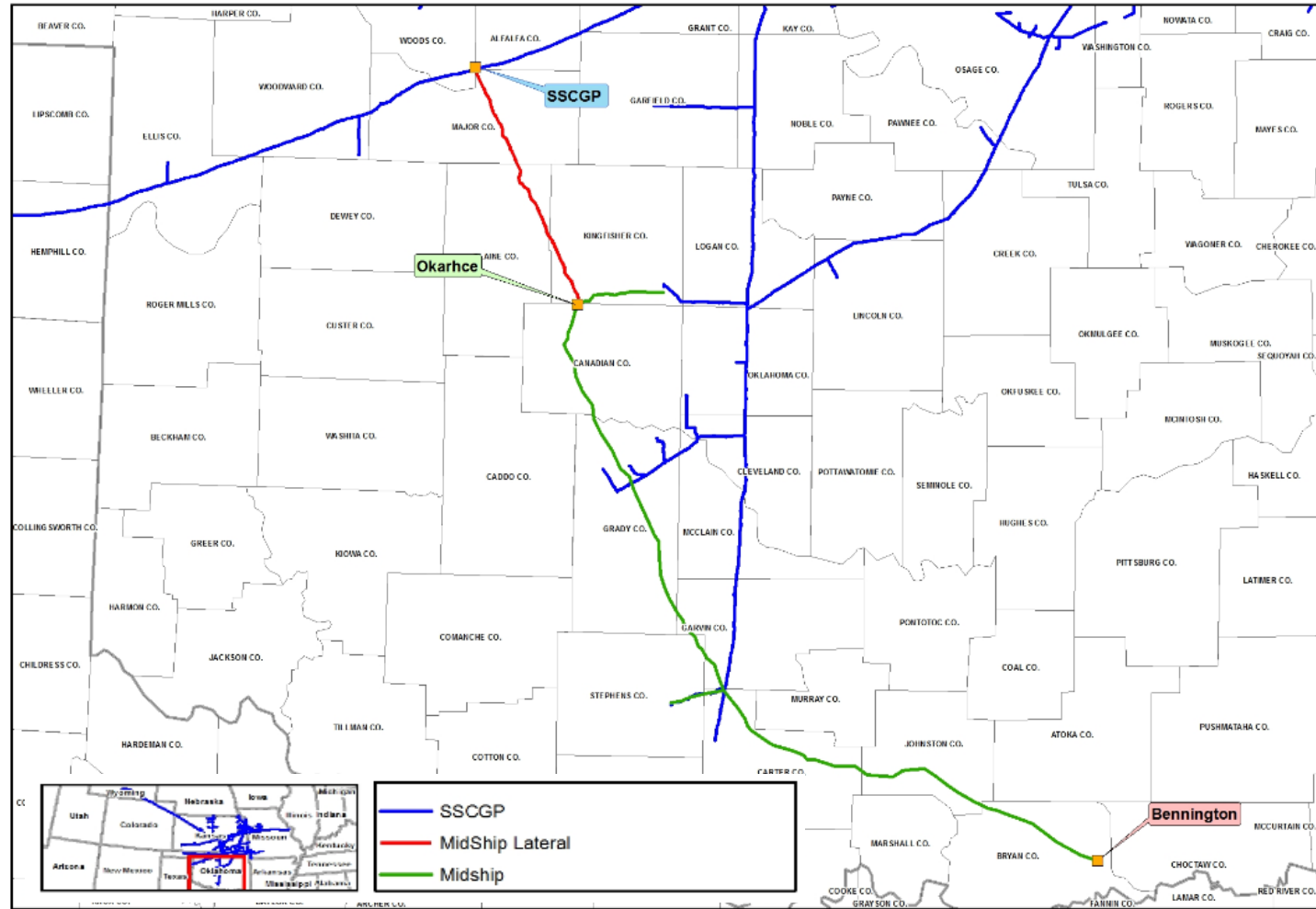
MIDSHIP LATERAL

Project Summary

- Moving NW SCOOP / STACK gas to Midship
- Intrastate Transmission service
- 18 month Project Timeline

Target Markets

- LNG Exports, Southeast Utilities, Industrial, Petrochem, and Power Gen



Gulf Coast Market Access

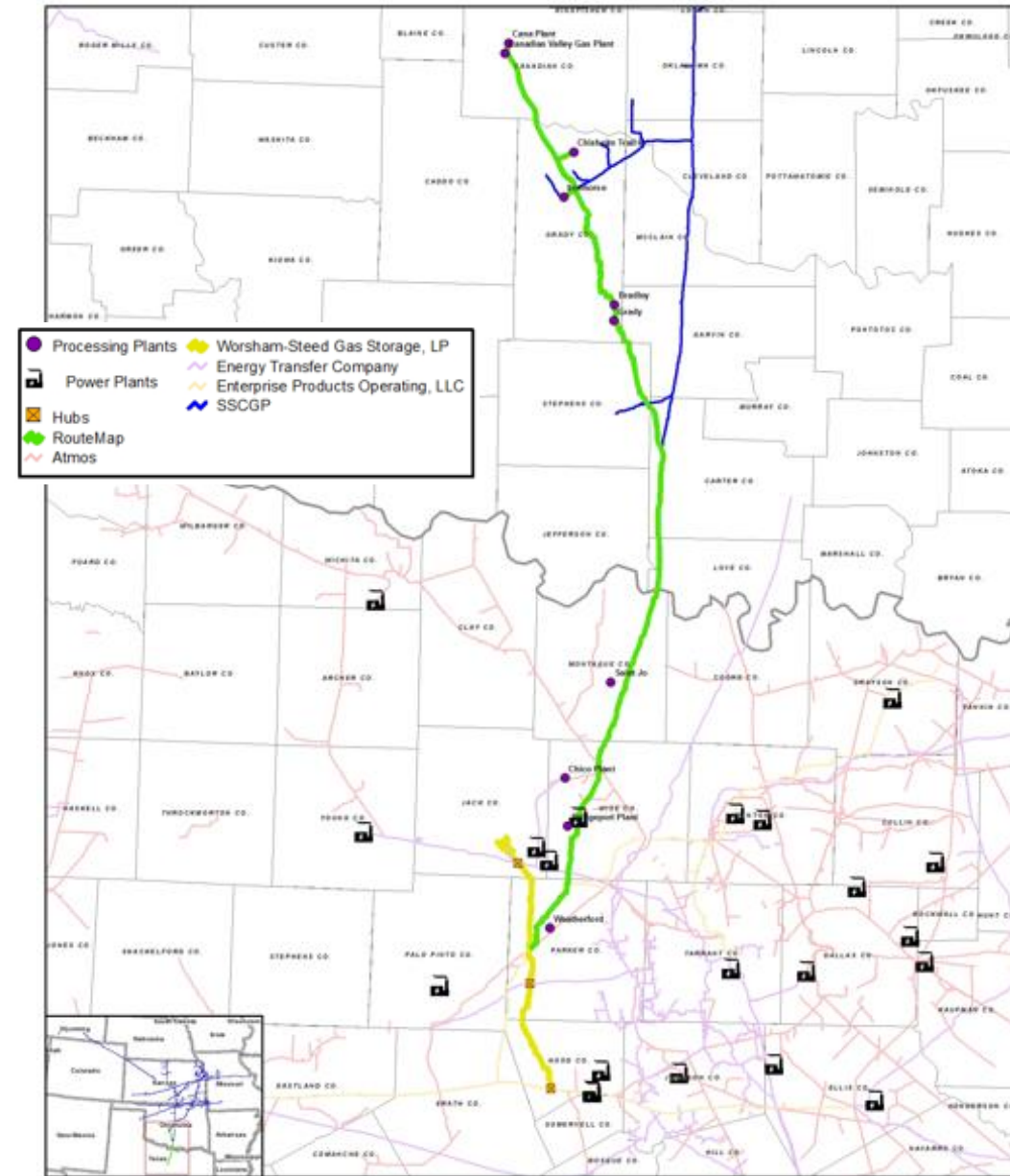
TOLAR HUB

Project Summary

- Evaluating options taking Scoop & Stack production south to the Tolar Hub located West of Dallas – Ft. Worth metroplex

Market Access

- Atmos, Enbridge, ETC, NorTex, North Texas Pipe, Southeast Utilities, Industrial, Storage and Power Gen



New Market for Growing OK Production

DOUG FIELD

SENIOR ATTORNEY, REGULATORY



2019 CUSTOMER MEETING



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What? The FERC!



Regulatory Update



RECENT SOUTHERN STAR DOCKETS

RP19-289: Tax Cut & Modernization Settlement

- Unopposed Settlement Filed November 14, 2018
- Approved as Filed by FERC Order issued January 31, 2019
- Compliance Filing Made on February 5, 2019
- Approved as Filed by FERC Letter Order issued March 14, 2019

RP19-773: Fuel Tracker with New Storage Fuel Methodology

- Unopposed Filing made on March 1, 2019
- Approved as Filed by FERC Letter Order issued March 15, 2019

RP19-289: TAX CUT & MODERNIZATION SETTLEMENT

Overview:

- Resolved all issues related to the rate effect of the Tax Cuts and Jobs Act of 2017
- Established a cost recovery mechanism for the modernization of facilities on Southern Star's system
- Moratorium on NGA Section 4 or 5 filings or new tracker filings until November 1, 2021
- Next General Rate Case to be effective November 1, 2021

Settlement Governs Rates until 11/1/2021

RP19-289: TAX CUT & MODERNIZATION SETTLEMENT

Tax Cuts and Jobs Act of 2017:

- Resolved all issues
- 7.8% Reduction in reservation components of maximum rates
- Rate reduction effective January 1, 2019
- Southern Star's 501-G proceeding closed by FERC Order issued February 27, 2019



7.8% Base Rate Reduction effective 1/1/2019

RP19-289: TAX CUT & MODERNIZATION SETTLEMENT

Modernization Cost Recovery Mechanism (CRM):

- Recovers Eligible Capital Costs related to Eligible Facilities placed into service during 2019 and 2020
- Capital Costs are one-time capital investments
- Eligible Facilities are Modernization Projects listed in the Eligible Facilities Plan (reviewed annually with customers)
- Maximum Annual Eligible Capital Cost Limit of \$88MM
- Additional Annual Capital Maintenance Obligation of \$50MM

Initiative to Modernize Southern Star's System

RP19-289: TAX CUT & MODERNIZATION SETTLEMENT

Modernization Cost Recovery Mechanism (CRM):

- CRM Surcharges to be collected from March 1, 2020 through October 31, 2021
 - File by 1/31/2020 to establish the CRM Surcharge to be effective 3/1/2020 until 3/1/2021
 - File by 1/31/2021 to establish the CRM Surcharge to be effective 3/1/2021 until 11/1/2021
- True-up at end CRM term

Modernization Surcharges in effect from 3/1/2020 to 11/1/2021

RP19-289: TAX CUT & MODERNIZATION SETTLEMENT

Related FERC Certificate Dockets

- CP19-18 Blackwell Redundant Compression Project
 - Prior Notice: Approved, Construction underway, Completion this fall
- CP19-31 Lines DT and DS Replacement Project
 - Section 7 Certificate Filing made December 21, 2018
 - Responded to FERC Data Requests
 - Environmental Assessment scheduled for September 9, 2019
 - Certificate anticipated December 2019 or January 2020

RP19-773: NEW STORAGE FUEL & LOSS METHODOLOGY

Overview:

- Two-year waiver of tariff methodology approved in RP17-438 expired April 1, 2019
- Return to previous tariff methodology for storage fuel and loss likely to result in volatile rates
- New stable base rate methodology intended to eliminate undesirable rate volatility
- Effective April 1, 2019

Creating a Stable Storage Fuel & Loss Rate

RP19-773: NEW STORAGE FUEL & LOSS METHODOLOGY

New Storage Fuel Recovery Methodology:

- Two-component storage fuel & loss rate filed annually:
 - A stable base rate of 3.24%
 - Plus or minus a potential surcharge adjustment if the over or under recovery is outside a 2,500,000 Dth band
- The amount in excess of the band (over or under) would be divided by the most recent ten-year average of injections to determine the surcharge component

Creating a Stable Storage Fuel & Loss Rate

FERC MATTERS OF GENERAL INTEREST

Rate Effect of Cut in Federal Income Tax Rate (RM18-11)

- Six Section 5 Investigations

FERC Certificate Policy Notice of Inquiry (NOI) in PL18-1

- No current activity

FERC Return on Equity (ROE) NOI in PL19-4

- An electric docket, but could change ROE calculation in pipeline rate cases
- Comments due June 26

Politics at the Commission

- LaFleur's term ends June 30, creating two open seats at FERC later in 2019

The Fun at FERC Never Ends ...

SHAWN PATTERSON

VP, CHIEF OPERATIONS OFFICER

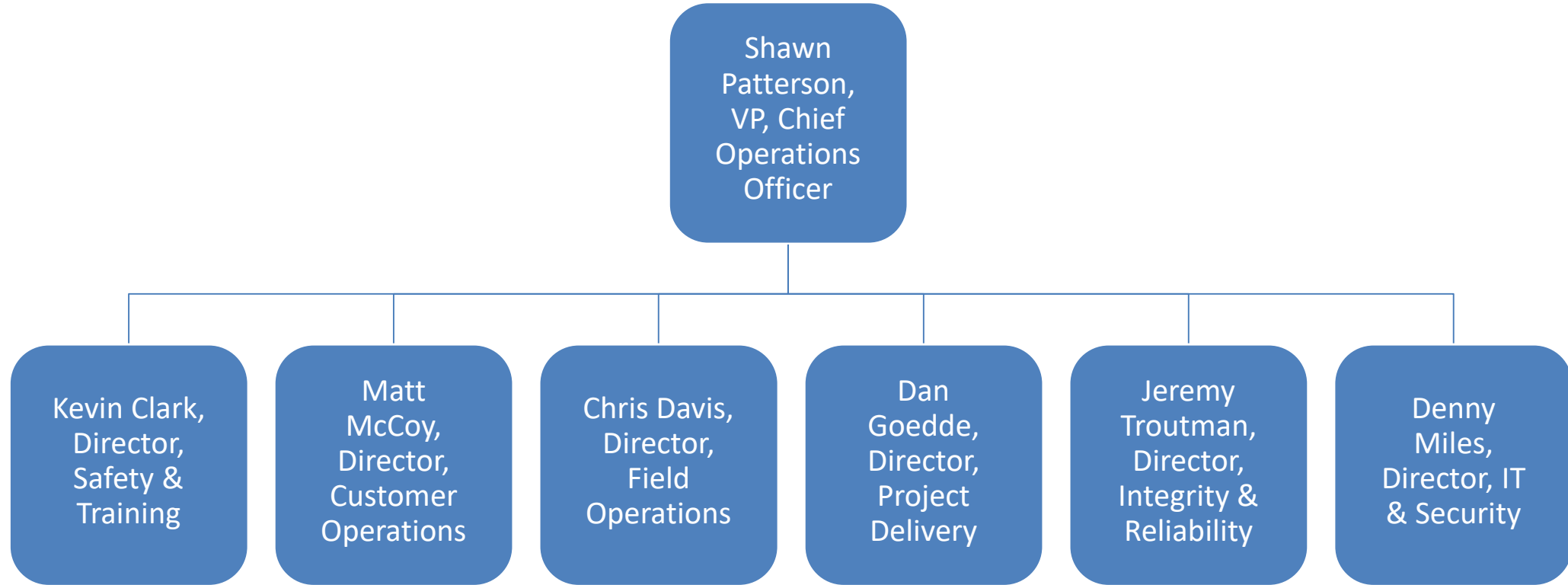


2019 CUSTOMER MEETING



SOUTHERN STAR
CENTRAL GAS PIPELINE

OUR TEAM



Leading Forward

OPERATIONS UPDATE

- Advancing our Safety Culture
- Improving System Performance
- Targeted Capital Plan
- Enhancing Integrity & Reliability
- Information Technology

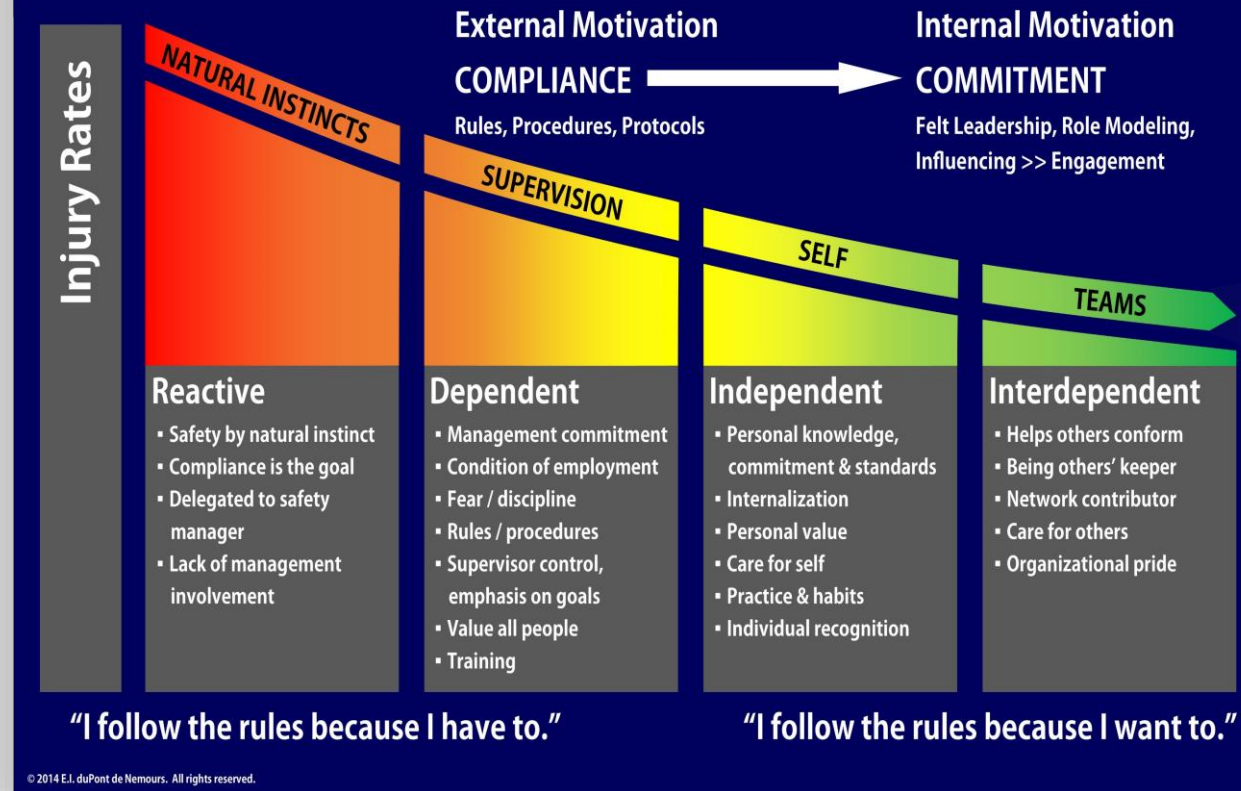
SAFE EMPLOYEES DELIVERING SAFE GAS SERVICE

Southern Star Commitment

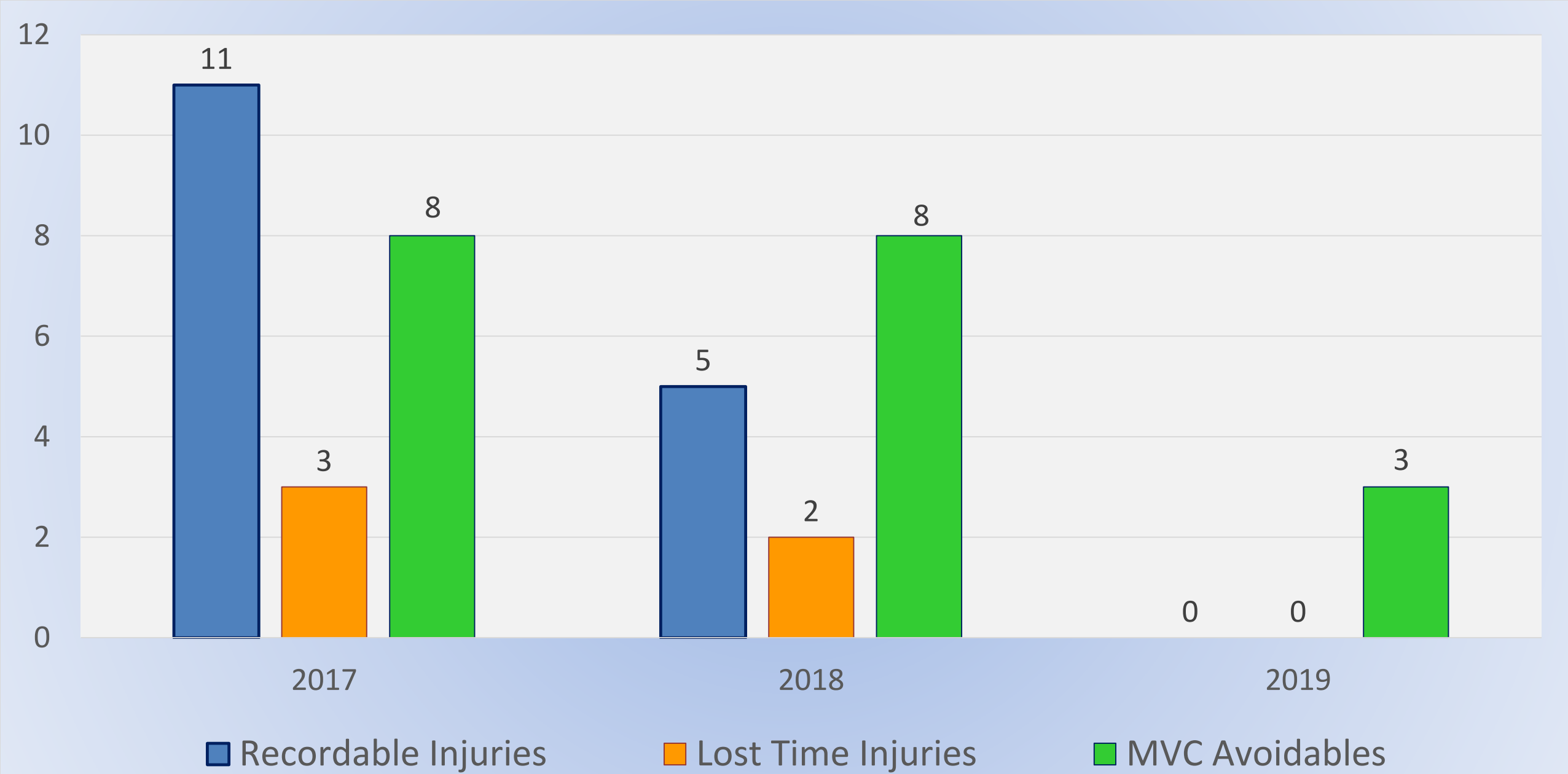


- Care for coworkers
- Drive carefully
- Perform JHAs
- Follow LOTO procedures
- Use proper PPE

DuPont Bradley Curve



Advancing Our Safety Culture



Southern Star Safety - Direct Correlation to Excellent Customer Service

WINTER 101: GAS PIPELINE EDITION

Field Operations & Gas Control	Customer
Timely CSI Notices & PSO Updates	Allows you to plan your business
Staffed critical stations during weather events	Provides you greater reliability
Storage deliverability	It's there when you need it
Communication	Face-to-face meetings, Webex, etc.
System health checks	Being proactive, staying ahead of problems
Device testing & calibration	Ensures accuracy of measurement, invoicing, etc.
It takes a team...	Partnership between pipeline & customer...

Safety, Reliability, Communication – Winter 2018-2019



Coldest Market Temperature (Kansas City): -7° F/ -22° C



Peak Storage Withdrawals: 1.225 Bcf @ 11:32am



Peak ratable deliveries: 2.891 Bcf @ 7:42am



Gas Day 30 totals: System Throughput – 2.513 Bcf (5th highest total in Southern Star history)
Storage Withdrawals – 987,654 Mcf



99.988% Critical Engine Availability

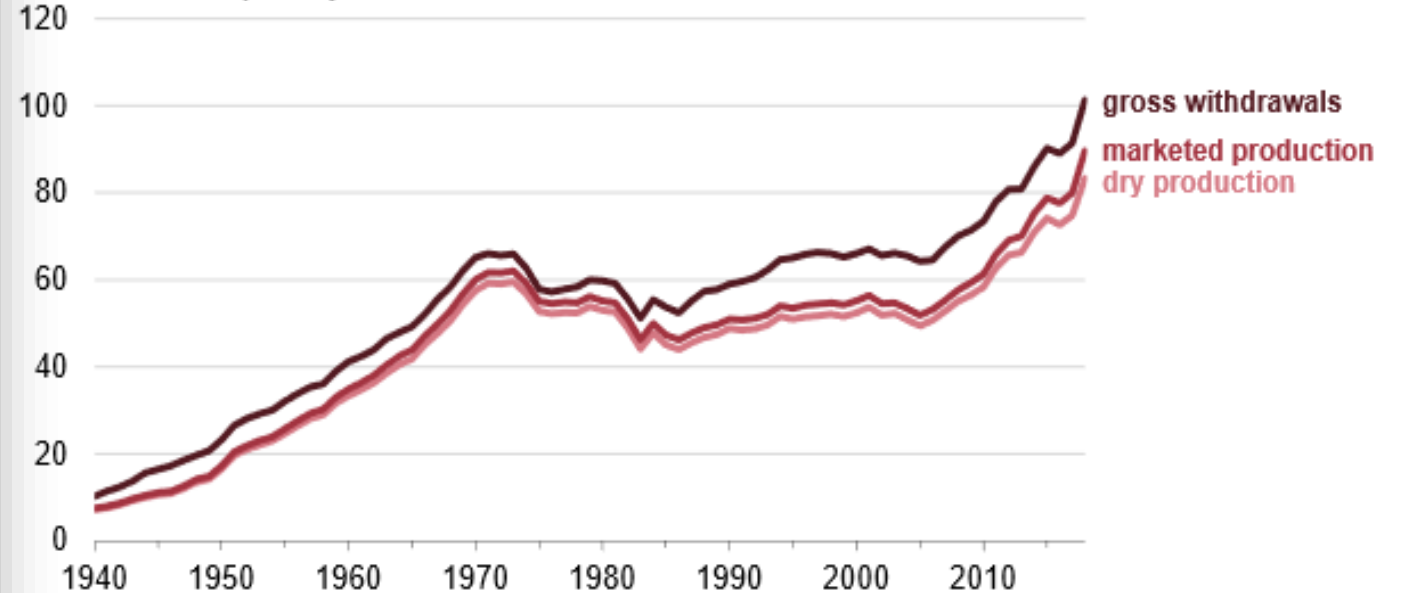


No Service Interruptions

The Polar Vortex – January 30, 2019

- Southern Star saw increased throughput (~17%) and supply availability in 2018.
- Customers enjoyed increased optionality & opportunity both on the BUY and SELL side.
- Southern Star pricing allowed customers to capture opportunities when they were available.

U.S. annual natural gas production (1940-2018)
billion cubic feet per day



Source: U.S. Energy Information Administration, [Monthly Crude Oil, Lease Condensate, and Natural Gas Production Report](#), [Natural Gas Monthly](#)



Greater Operational Efficiency

- Better Planning (PSO/Outages)
- Systematic Approach



Sustainable Process Improvement

- Process Analysis
- Identify and Engage Process Owners

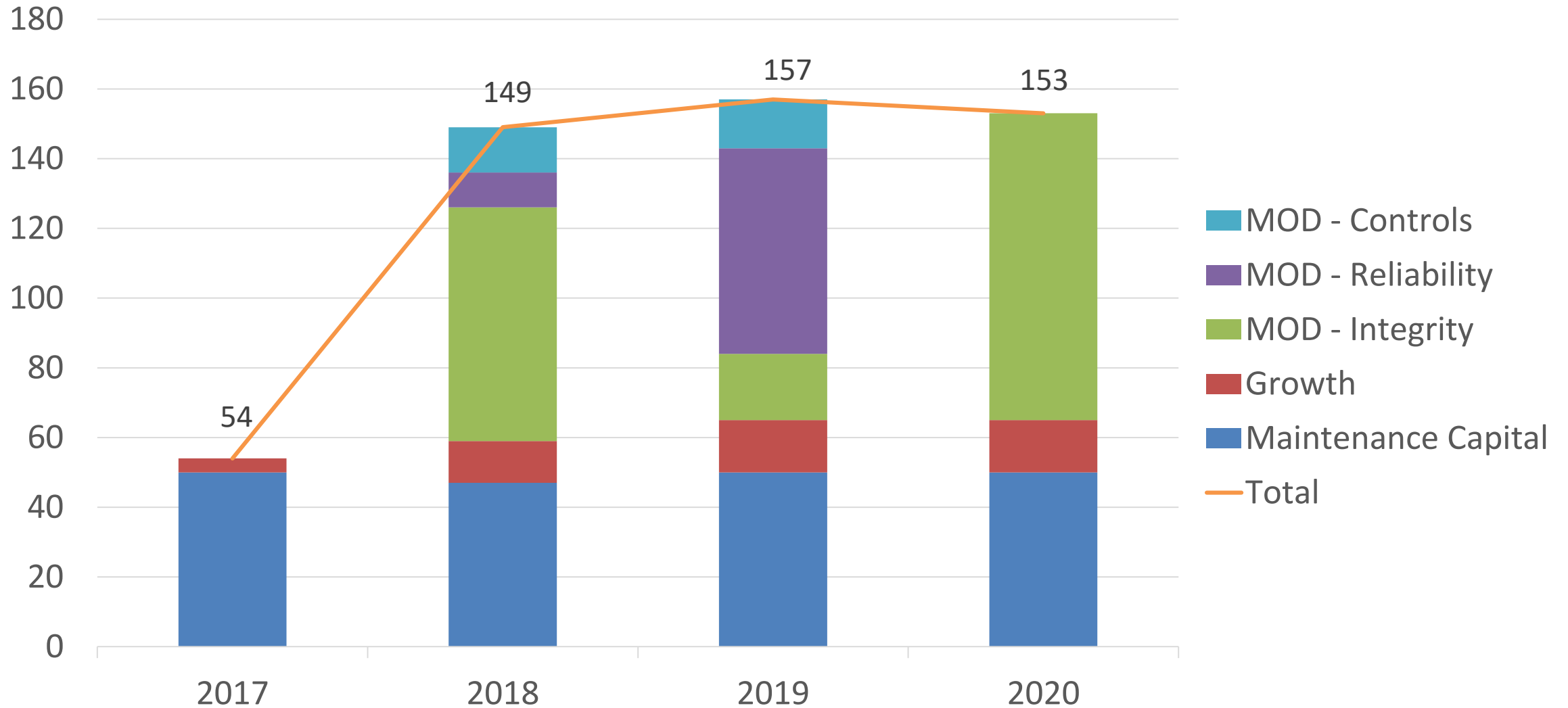


Increased Safety and Reliability

- Goal of fewer repairs...PREVENTION!
- Interdependent

Go Live June 10!

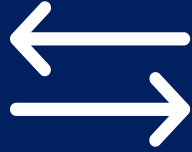
4-YEAR CAPITAL EXPENDITURES (IN MILLIONS)



Capital Execution

MODERNIZATION

Through Modernization, Southern Star is able to...



Improve Deliverability



Meet Changing Regulations



Increase Engine Reliability



Reduce Customer Impact

- Blackwell Compressor Addition - \$29MM
- Welda Flow Control and Measurement Upgrade - \$7MM
- Measurement Upgrades - \$5MM
- Piggability Upgrades - \$4MM
- Pipeline Replacement - \$1.2MM

2019
Modernization
\$88MM Target

Safe, Reliable and Compliant

INSTALLATION OF REDUNDANT HORSEPOWER AT BLACKWELL COMPRESSOR STATION KAY COUNTY, OKLAHOMA

- Blackwell Station currently transports 650MM of gas daily
- Station modifications for installation of Centaur 50 turbine
 - Increased **reliability** over existing reciprocating compressors
 - Improved fuel efficiency and air emissions.
 - Requires less daily maintenance than reciprocating compression.
 - Redundant horsepower should **eliminate customer impacts** due to outages caused by compressor maintenance
 - Estimated 2-year spend **\$33MM**
 - YTD Spend **\$15.3MM**
 - Planned In-Service date **August 28, 2019**



Enhancing Reliability

WELDA FLOW CONTROL AND MEASUREMENT UPGRADE

ANDERSON COUNTY, KANSAS

- Replacement of orifice measurement with ultrasonic measurement at Welda Station (80 miles southwest of Kansas City)
 - Improved measurement accuracy of gas flowing into and out of storage field
 - Improve loss and unaccounted for gas
 - Improved flow control of gas into and out of storage fields
 - Increased **safety** and **reliability**
 - Estimated 2019 costs **\$6.8MM**
 - YTD Spend **\$2.7MM**
 - Planned in-service date **September 27, 2019**



COMPREHENSIVE ASSET MANAGEMENT PROGRAM

Corrosion Control, Integrity Management, and PHMSA Compliance

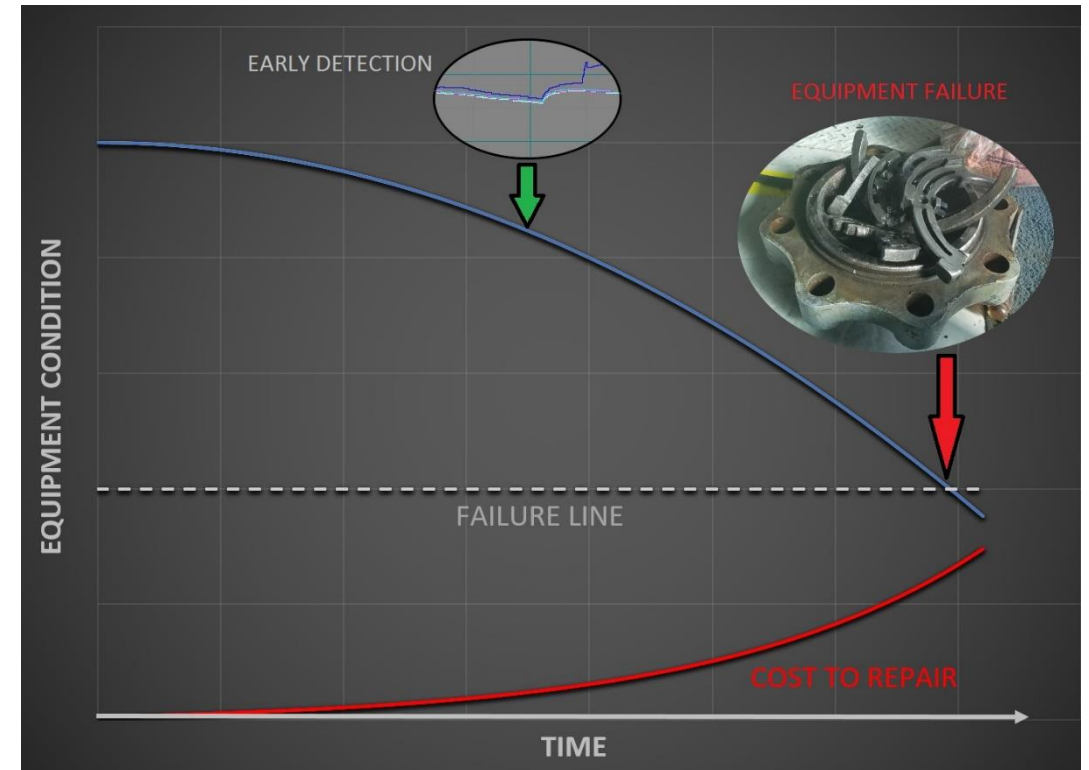
- Always compliant
- Protect the public and environment
- Risk-based approach
- Proactive assessments
- Engineering sound remediation
- Avoid failures and interruption of service



Safe, Reliable and Compliant

ENTERPRISE ANALYTICS

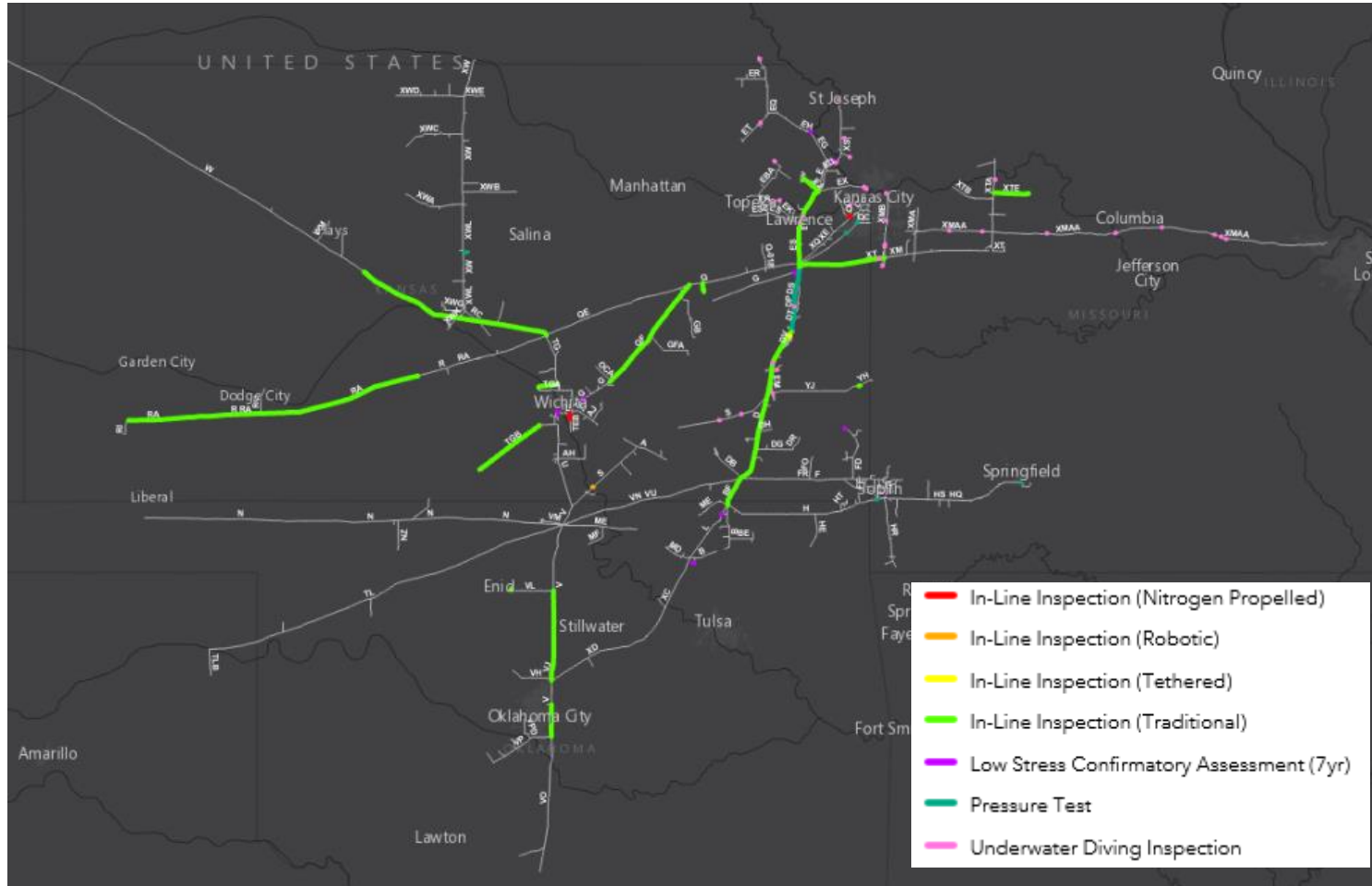
- Early Detection and Intervention
 - Prevents Catastrophic Failure
 - Reduced Commercial Risk
 - Reduced Unplanned Maintenance
 - Reduced Maintenance Cost
 - Improved Reliability
 - Choreographed Response



Prepare, Strategize, Respond

COMPREHENSIVE INTEGRITY MANAGEMENT PROGRAM

CORROSION CONTROL, INTEGRITY MANAGEMENT, AND PHMSA COMPLIANCE



2019 Integrity Assessments	
Method	Mileage
Caliper/MFL ILI	651
EMAT ILI	37
Pressure Test	32
Low Stress	3
Underwater Diving	2
Total	725

Exhaustive, Methodical, Systematic

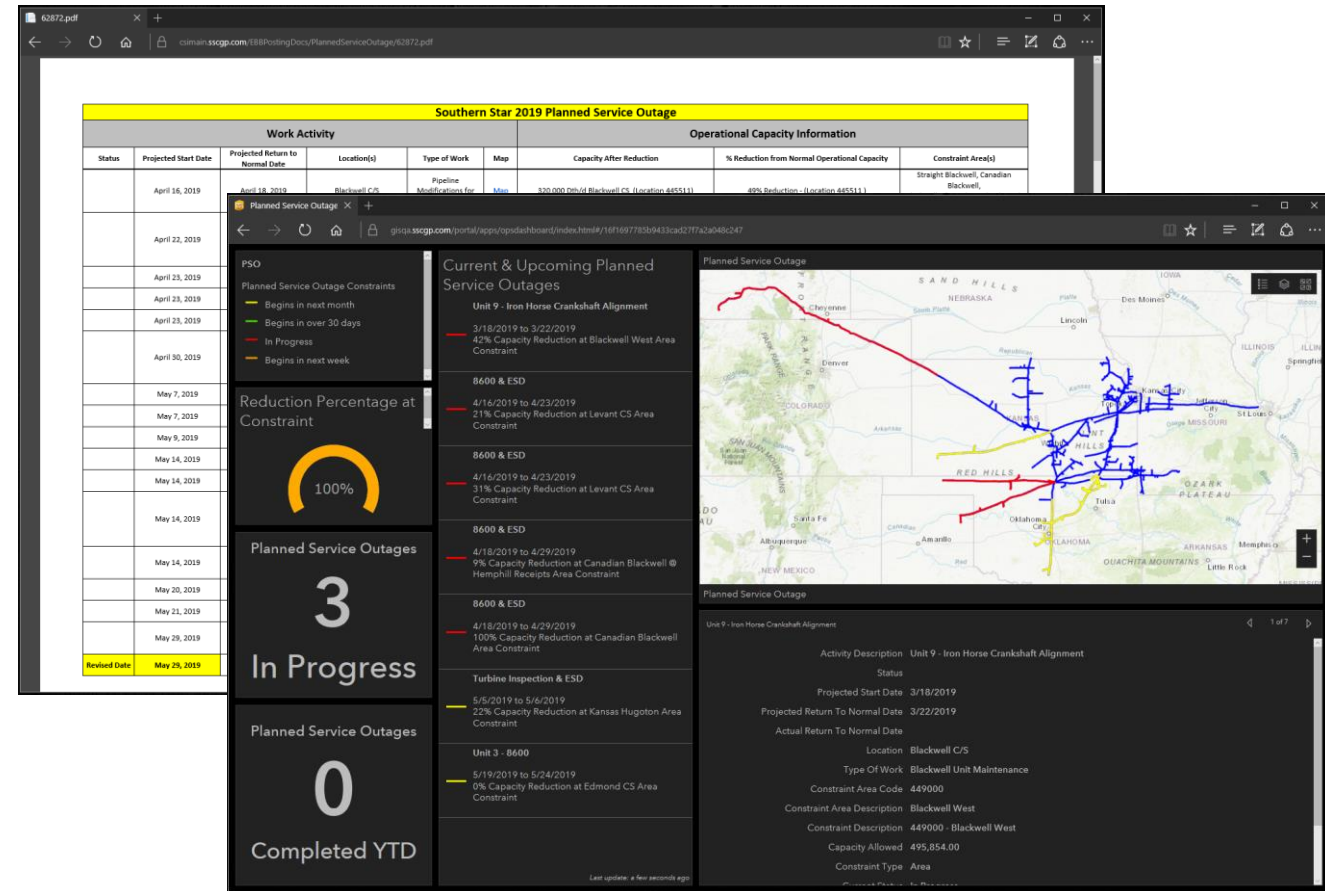
CSI ENHANCEMENTS

Completed

- Reduced scheduling cut notices
- Service Request and Amendment email updates

In Progress

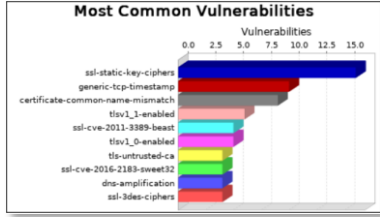
- EDI rewrite
- Enhanced Rate Adjustments
- Capacity Release screens rewrite
- Enhanced PSO notifications (Business Intelligence)



Interactive PSO Visualization

Increased Customer Focus

ENABLING TECHNOLOGY



Security Assessments



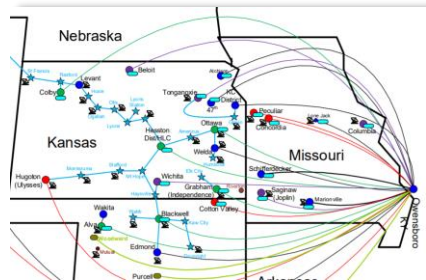
Enterprise Asset Management



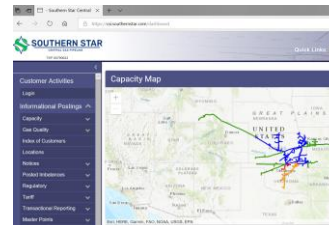
Data Collection



Analytics & Business Intelligence



Bandwidth Upgrades



CSI Enhancements

Customer Benefits

- Improved Reliability and Safety
- Increased Data Collection
- Enhanced Reporting/Visualization
- Greater Operational Efficiency
- Sustainable Process Improvement
- Reduced Unplanned Maintenance

Robust Infrastructure, Business Intelligence, Advancements