



**SOUTHERN STAR CENTRAL GAS PIPELINE, INC.**

**“Panhandle Princeton Receipt Project”  
BINDING OPEN SEASON 2023**

Southern Star Central Gas Pipeline, Inc. (“Southern Star”) is pleased to announce the commencement of a Binding Open Season of reserved unsubscribed capacity pursuant to Section 16.1 of the General Terms and Conditions of Southern Star’s Tariff to quantify interest in firm transportation service. Southern Star is specifically offering receipt point capacity related to the installation of its Panhandle Eastern Pipeline (“PEPL”) receipt interconnect in Princeton, KS (“Project”). The Project will allow for receipts into Southern Star within the PEPL Market Rate Zone. In an ongoing effort to create supply diversity and security for our customers, the Project is focused on supply attraction and can pull from the Marcellus and Mid-Continent production regions.

**Length of Open Season**

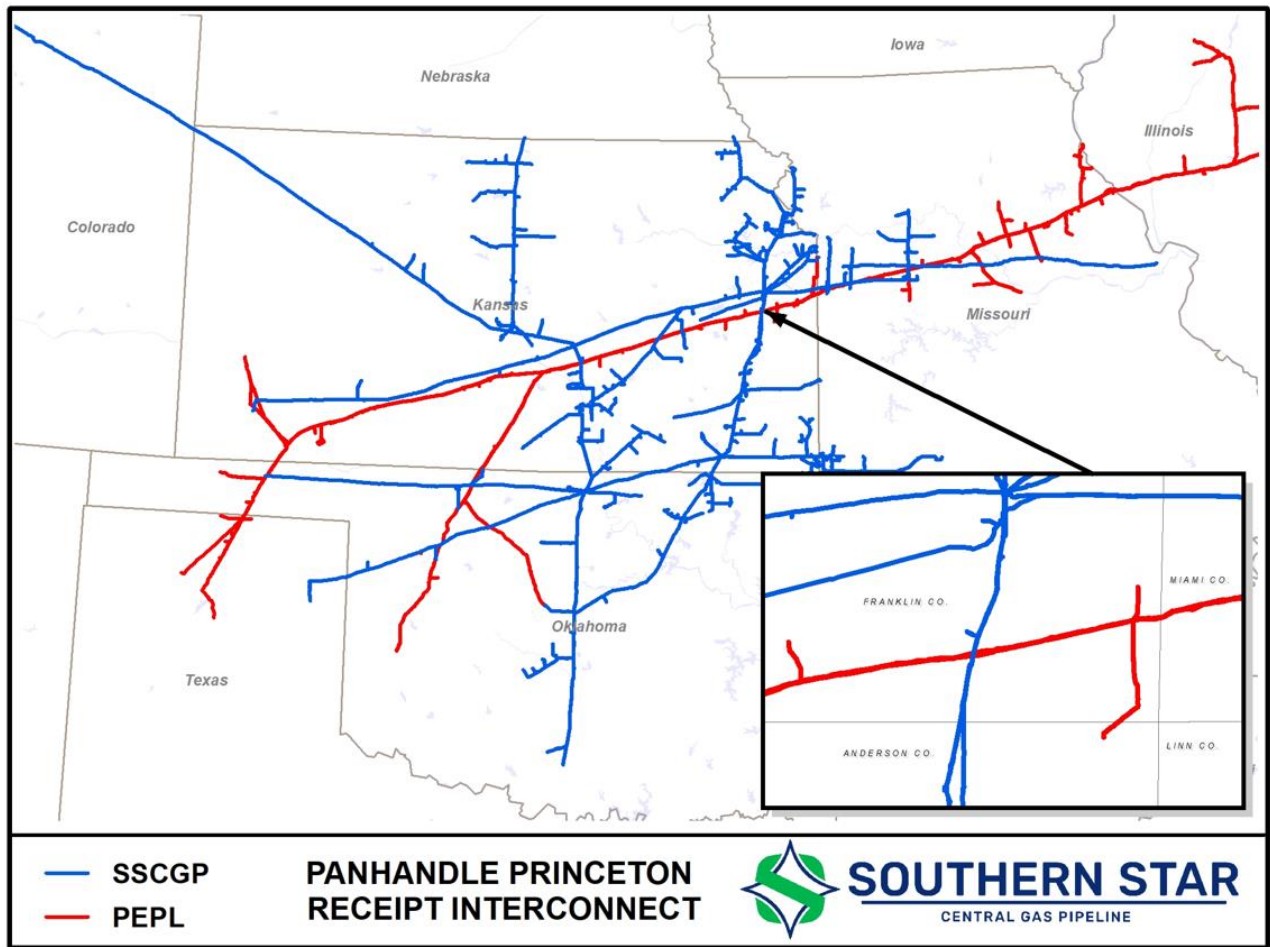
The Open Season will commence at 9:00 AM, Central Clock Time (CCT), July 3<sup>rd</sup> and will conclude at 4:00 PM, CCT, July 21<sup>st</sup>. To submit a binding bid during this Open Season, parties should complete and execute the Binding Service Request Form and return it to Southern Star no later than 4:00 PM, CCT on July 21<sup>st</sup>. Interested parties should submit the Binding Service Request Form by email to [sscopenseasonbids@southernstar.com](mailto:sscopenseasonbids@southernstar.com). Southern Star may in its sole discretion extend the length of the Open Season by posting notice of such extension on its Informational Postings website.

Additionally, to the extent a party has not already established a sufficient level of credit with Southern Star for its binding bid, sufficient credit will need to be established.

**Panhandle Princeton Receipt Project**

Southern Star is evaluating the potential receipt interconnect between Southern Star and PEPL to allow receipts into Southern Star.

The Project would make available up to 200,000 Dth/d of incremental receipt point capacity to be available subject to existing pipeline constraints and delivery restrictions. The Project will not increase Southern Star’s mainline capacity, and all available capacity will be reserved as unsubscribed capacity.



The Project is focused on supply attraction for our customers and can pull gas from the Marcellus and Mid-Continent production regions. Estimated Project duration is 8-10 months, subject to changes in the contemplated project scope. The estimated in-service date of the Project is currently April 1, 2024.

**Shipper Tiers and Capacity Allocation**

Parties may submit binding bids for capacity as one of five available Shipper Tiers. The following tiers are used solely for the apportionment of capacity and do not include any other benefits.

**1. Incremental Capacity**

Tier I Shipper:

- Any shipper requesting incremental capacity of at least 20,000 Dth/d MDTQ with a minimum term of 3 years at the recourse rate or an acceptable negotiated rate.

Tier II Shipper:

- Any shipper requesting incremental capacity of less than 20,000 Dth/d MDTQ with a minimum term of 3 years at the recourse rate or an acceptable negotiated rate.

**2. Capacity Shifts** (contract term extension for a minimum of two years):

Tier (A) Shipper:

- Any shipper who qualifies as a Tier I shipper requesting capacity shift from other receipt location(s) in the market area to the new PEPL receipt location. A request for a shift is not considered incremental capacity for the purpose of qualifying as a Tier I shipper.

Tier (B) Shipper:

- Any shipper who qualifies as a Tier II shipper requesting capacity shift from other receipt location(s) in the market area to the new PEPL receipt location. A request for a shift is not considered incremental capacity for the purpose of qualifying as a Tier II shipper.

Tier (C) Shipper:

- Any shipper who does not qualify as either a Tier I or Tier II shipper requesting capacity shift from other receipt location(s) in the market area to the new PEPL receipt location.

Capacity will be allocated on a pro-rata basis among shippers of the same Tier, ranked by net present value (“NPV”).

If there is any capacity remaining after all Tier I Shipper bids have been fulfilled, the process is repeated for the Tier II shippers, and then for the Capacity Shift Tiers.

For example, 200k Dth/d are available. Shipper 1 requests 100k Dth/d at the recourse rate for 5 years, Shippers 2 and 3 both request 100k Dth/d at the recourse rate for 4 years. Shipper 4 requests 100k Dth/d at the recourse rate for 3 years. All four shippers qualify as Tier I shippers. Shipper 1 will get the full 100k Dth/d for 5 years, because its bid has the highest NPV. Shippers 2 and 3 will get 50k Dth/d each at the recourse rate, since both bids have equal NPV. Shipper 4 will get nothing because it has the lowest NPV, and there is no remaining capacity.

**Submission of Binding Bids**

To respond to this Open Season, shippers shall submit a Binding Service Request Form to Southern Star no later than 4:00 PM, CCT on July 21<sup>st</sup>. Interested parties should submit the Binding Service Request Form by email to [sscopenseasonbids@southernstar.com](mailto:sscopenseasonbids@southernstar.com). The binding bid should contain the desired contract term, the maximum daily transportation quantity (MDTQ), desired Primary Receipt and Delivery Points, and any conditions.

See Attachment A for the Binding Service Request Form.

Southern Star will timely seek any necessary approvals from the FERC for the Project. Shippers may select either a cost of service-based recourse rate or a negotiated rate for firm transportation service.

Southern Star's current maximum Market Area recourse rates (\*) are:

Daily Reservation Rate:           \$0.2150 per Dth/day

\* All other surcharges will apply

If a negotiated rate is selected, Shipper's negotiated reservation rate should be elected on the Binding Service Request Form and, if Shipper's bid is acceptable, that negotiated rate will be reflected in a Negotiated Rate Agreement to be executed pursuant to a FTS Agreement with the shipper. If a negotiated rate is selected, Shipper will pay the negotiated reservation rate and the FERC approved maximum commodity rates, fuel and loss charges, ACA, CRM, and any other FERC-authorized surcharges.

Southern Star may reject non-conforming bids or bids that contain rates that do not meet its financial objectives, including but not limited to bids below the applicable maximum recourse rate.

If the total capacity requested under the Binding Service Request Forms exceeds the capacity available under the planned scope of the Project on all or any part of the Project, Southern Star may revise the Project scope, ask potential shippers to voluntarily reduce or adjust their requested capacity, or allocate the available capacity among the binding bids. If capacity is allocated, any available capacity will be allocated based upon the Tier process described herein. A bid's net present value will be determined using a discount rate equal to the FERC interest rate applicable to pipeline refunds pursuant to 18 CFR Section 154.501. Southern Star encourages bidders to submit bids with the cost of service-based recourse rate and the longest term possible to secure a high priority in the bid evaluation process.

Anyone with existing capacity wishing to shift volumes may request to do so with the Capacity Shift Form (Attachment B) and will be required to amend the term of the contract for a minimum of two years. Such bids will have zero economic value in any capacity allocation and are subject to any available capacity allocation among bidders with like net present value.

**Term of Transportation Agreement**

The FTS Agreement shall become effective on the first day of the month following notice by Southern Star of the actual in-service date of the facilities ("Commencement Date"), currently estimated at April 1, 2024. Additionally, the FTS Agreement shall include a termination date which includes both 1) a date certain after the and 2) upon notice by Southern Star that the Project will not be completed.

For example, an acceptable FTS term paragraph could provide:

"The Agreement shall become effective upon the first day of the month following notice by Southern Star to Shipper that the PEPL Interconnect has been placed into service ("Commencement Date") and shall continue in full force and effect until three (3) years after the Commencement Date or upon notice by Southern Star that the PEPL Interconnect will not be placed into service."

**Open Season Results and Award of Receipt Point Capacity and FTS Contracts**

Southern Star will evaluate all bids received in response to this Open Season to determine the economic viability of the Project. Southern Star will notify bidding shippers as soon as possible regarding the decision made with respect to the Project and their bid. Successful bidding shippers must execute binding FTS agreement(s) or amendment(s), if applicable, within ten (10) days after notification. Sufficient credit must be established.

**Contacts**

Southern Star appreciates shippers' interest in this Open Season. Please feel free to contact any of the Southern Star representatives listed below if you have any questions or would like to further discuss this Open Season.

<i>Robin Joska</i>	<i>(270) 852-4565</i>
<i>Caleb Haynes</i>	<i>(270) 852-4563</i>
<i>Scott Warren</i>	<i>(270) 852-4559</i>
<i>Kurt Gregson</i>	<i>(913) 213-7821</i>
<i>Shawn Brumfield</i>	<i>(270) 852-4629</i>
<i>Kyle Geiger</i>	<i>(270) 852-4637</i>

## Attachment A

### BINDING SERVICE REQUEST FORM

Date: \_\_\_\_\_, 2023

Southern Star Central Gas Pipeline, Inc.  
4700 State Route 56  
Owensboro, KY 42301

Re: **2023 Binding Open Season** – Panhandle Princeton Receipt Project  
Attention: [sscopenseasonbids@southernstar.com](mailto:sscopenseasonbids@southernstar.com)

(Shipper) hereby requests firm transportation service (FTS) from Southern Star Central Gas Pipeline, Inc. related to its proposed Panhandle Princeton Receipt Project and concurrently provides the following information in connection with this request:

1. Shipper Information
  - a. Complete legal name of Shipper:
  - b. Contact Name:
  - c. Contact Phone Number:
  - d. Contact Email Address:
  - e. Address of Shipper:
  
2. Quantity Requested – Maximum Daily Transportation Quantity (MDTQ)

FTS-M MDTQ: \_\_\_\_\_Dth/day
  
3. Requested Term of Service (Years): \_\_\_\_ (from actual in-service date)

4. Rates:

Reservation Rate Election:

- FTS-M Maximum Daily Reservation Rate estimated at \$0.2150 per Dth/d.
- Negotiated FTS-M Daily Reservation Rate that will support the Project economics of \$ 0.\_\_\_\_per Dth/d.

Commodity and Other Rates:

Shipper will also pay maximum commodity charges, fuel and loss charges, ACA, or any other FERC-approved surcharges (commodity or reservation).

5. Receipt Point(s) for FTS:

<b><u>Receipt Point</u></b>	<b><u>Maximum Daily Quantity (MDQ)</u></b>
Panhandle Princeton	_____ Dth

6. Delivery Point(s) for FTS:

<b><u>Delivery Point(s)</u></b>	<b><u>Maximum Daily Quantity (MDQ)</u></b>
_____	_____ Dth
_____	_____ Dth
_____	_____ Dth
_____	_____ Dth

7. Other:

Shipper, by its signature, represents to Southern Star Central Gas Pipeline, Inc. that the information above is correct and accurate.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed Name

\_\_\_\_\_  
Typed Title

Telephone: \_\_\_\_\_



**Attachment B**

**CAPACITY SHIFT REQUEST FORM**

Date: \_\_\_\_\_, 2023

Southern Star Central Gas Pipeline, Inc.  
4700 State Route 56  
Owensboro, KY 42301

Re: **2023 Binding Open Season** – Panhandle Princeton Receipt Project

Attention: [scopenseasonbids@southernstar.com](mailto:scopenseasonbids@southernstar.com)

Reference is made to the Transportation Agreement (Agreement) \_\_\_\_\_ dated \_\_\_\_\_, between Southern Star Central Gas Pipeline, Inc. (Southern Star) and Company Name (Shipper) providing for the Transportation of natural gas by Southern Star for Shipper. Southern Star and Shipper hereby amend the Agreement between them as follows:

Current Receipt Point(s) for FTS effective \_\_\_\_\_

**Receipt Point(s)**

**Maximum Daily Quantity (MDQ)**

\_\_\_\_\_

\_\_\_\_\_ Dth

\_\_\_\_\_

\_\_\_\_\_ Dth

Proposed Receipt Point(s) for FTS effective \_\_\_\_\_

**Receipt Point**

**Maximum Daily Quantity (MDQ)**

Panhandle Princeton

\_\_\_\_\_ Dth

The operation of the provisions of this amendment shall be subject to all applicable governmental statutes and all applicable and lawful orders, rules, and regulations. Except as herein amended, the Agreement between the parties hereto shall remain unchanged and in full force and effect.

Shipper, by its signature, represents to Southern Star Central Gas Pipeline, Inc. that the information above is correct and accurate.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed Name

\_\_\_\_\_  
Typed Title

Telephone: \_\_\_\_\_