

SOUTHERN STAR CENTRAL GAS PIPELINE, INC.

“Tougaloo Expansion Project” BINDING OPEN SEASON NOVEMBER 2019

Southern Star Central Gas Pipeline, Inc. (Southern Star) is pleased to announce the commencement of a Binding Open Season to quantify interest in firm transportation service and to identify the need to construct facilities. Southern Star is specifically evaluating interest in its Tougaloo Project (Project) that would provide the growing Permian, SCOOP and STACK production plays more access through Southern Star’s Production area by adding compression on our Canadian Blackwell (CB) line to create up to 40,000 Dth/d incremental capacity on the CB line.

The Project will be developed by Southern Star using its Federal Energy Regulatory Commission (FERC) Gas Tariff. This ownership and regulatory structure will provide benefits to expansion shippers as well as existing Southern Star shippers. The project is explained in more detail below.

Length of Open Season

The Open Season commences at 9:00 AM, Central Clock Time (CCT), November 14, 2019 and concludes at 4:00 PM, CCT, November 21, 2019. 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 November 21, 2019. Interested parties should submit the Binding Service Request Form by email to robbie.a.clark@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. Any requirement that a shipper provide credit support will be governed by, and determined in accordance with, the terms of a binding precedent agreement to be negotiated between Southern Star and shipper.

Tougaloo Project

Southern Star is evaluating the potential addition of compression to create more capacity on our Canadian-Blackwell (CB) line. The current capacity of our CB Line is 230,000 Dth/d at a maximum allowable operating pressure (MAOP) of 900 psig.

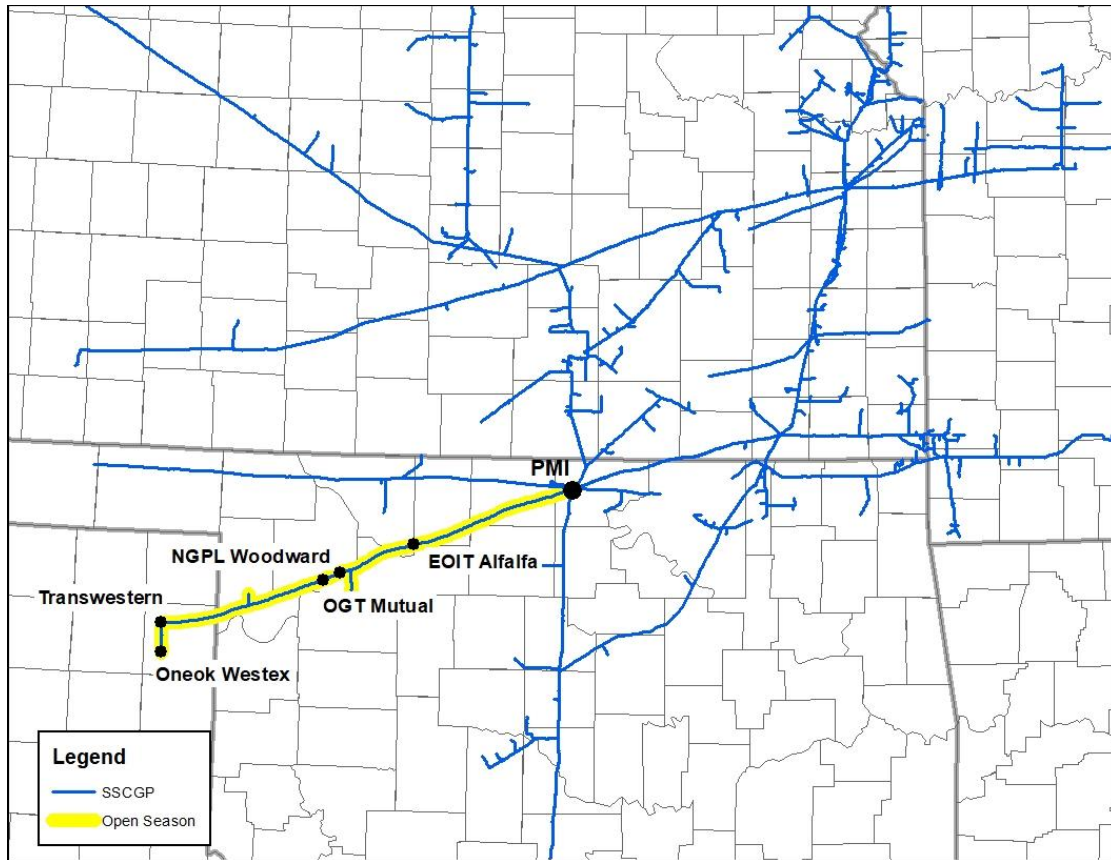
This project would create up to 40,000 Dth/d incremental capacity on CB Line to Southern Star’s production market interface (the PMI) from a combination of the following receipt & delivery points:

Receipt Points:

EOIT Alfalfa	Location 17608
OneOk WestTex Hemphill	Location 16584
Canyon Redcliff (Receipt)	Location 17065
Transwestern Canadian - Rec	Location 11377
OGT Mutual	Location 13011

Delivery Points:

PMI	Location 999000
NGPL Woodward	Location 17086
Transwestern Canadian	Location 168112



This project would help move gas out of Oklahoma either to Southern Star’s markets or to off-system deliveries. Estimated project duration would be from 9 to 11 months, based on the amount of compression currently contemplated to be added and applicable regulatory requirements. Project duration could change if the contemplated project scope changes.

Submission of Binding Bids

To respond to this Open Season, shippers should submit a Binding Service Request Form to Southern Star no later than 4:00 PM, CCT on November 21, 2019. Interested parties should submit the Binding Service Request Form by email to robbie.a.clark@southernstar.com. The binding bid should contain the desired contract term, proposed in-service date, the maximum daily transportation quantity (MDTQ), desired Primary Receipt and Delivery Points, and any conditions for each of the projects for which shipper has an interest. 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 Production Area recourse rates are:

Daily Reservation Rate:	\$0.2054 per Dth/day
Commodity Rate (per Dth):	\$0.0116 per Dth
Fuel Reimbursement (In kind):	1.03 %

By submitting a binding bid in this Open Season, each bidder agrees it will execute a binding Precedent Agreement within ten (10) days after receiving a copy for execution from Southern Star (a draft copy of which can be requested by email to robbie.a.clark@southernstar.com.) Any proposed changes to the form of Precedent Agreement may be considered non-conforming and prospective Open Season bidders should note that Southern Star reserves the right not to accept such changes to the form of Precedent Agreement.

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 binding precedent agreement. If a negotiated rate is selected, Shipper will pay the negotiated reservation rate and the FERC approved maximum commodity rates, fuel rates, ACA, 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.

Southern Star has executed a binding precedent agreement with a pre-arranged Anchor Shipper to support the proposed Project. To qualify as an Anchor Shipper, a binding bid must be for at least 40,000 Dth/day firm capacity at current maximum rates for a term of five years or more (based on the estimated project duration). Anchor Shippers will qualify for a one-time term extension right of up to two years and/or a contractual right of first refusal (ROFR) pursuant to Section 7.2 of the General Terms and Conditions (GT&C) of Southern Star's FERC Gas Tariff. The pre-arranged Anchor Shipper bidder shall have the right to match or exceed higher bids during the Bid Evaluation and Award Process in order to maintain the contract quantities of its commitment to the Project.

If the total capacity requested under the Binding Service Request Forms exceeds the capacity available under the planned scope of the project(s) on all or any part of the project(s), 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, available capacity will first be allocated to Anchor Shippers, then to Ordinary Shippers. If there is not enough capacity available to satisfy all Anchor Shipper bids, available capacity will be apportioned among Anchor Shippers based upon the bid or combination of bids that generate the highest net present value to Southern Star. After capacity has been awarded to Anchor Shippers, any available capacity will be allocated to Ordinary Shippers based upon the bid or combination of bids that generate the highest net present value to Southern Star. 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.

Decision on Additional Firm Transportation Capacity and Proposed Expansion

Southern Star will evaluate all bids received in response to this Open Season to determine whether demand economically justifies any proposed expansion. Southern Star will notify bidding shippers as soon as possible regarding any decision made with respect to the additional firm transportation capacity and proposed expansions. Southern Star expects to negotiate with shippers that submit binding bids through this Open Season to execute binding precedent agreements within ten (10) days after conclusion of the Binding Open Season.

If Southern Star decides to pursue the expansion after securing binding commitments from creditworthy shippers, Southern Star will, subject to receipt of acceptable necessary FERC approval, install the necessary

facilities to provide the authorized FTS transportation services. The timing of commencement of service under projects where FERC approval is required will depend upon the time needed to obtain such approval.

Contacts

Southern Star appreciates your interest in our Open Season. Please feel free to call any of the contacts provided below if you have any questions or would like to further discuss this Open Season.

Robbie Clark (270) 852 4577

Robin Joska (270) 852-4565

Scott Warren (270) 852-4559

Chris Williams (270) 852-4544

Buster Ashley (270) 852-4546

BINDING SERVICE REQUEST FORM

Date: November ____, 2019

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

Re: **November 2019 Binding Open Season**
Tougaloo Expansion Project

Attention: Business Development
robbie.a.clark@southernstar.com
(270) 852-4558 phone
(270) 852-5015 fax

_____(Shipper) hereby requests firm transportation service (FTS) from Southern Star Central Gas Pipeline, Inc. related to its proposed Canadian Blackwell Expansion 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-P MDTQ: _____ Dth/day

3. Requested Term of Service (Years): _____ (from actual in-service date)

4. Rates:

Reservation Rate Election:

- ☐ FTS-P Maximum Daily Reservation Rate estimated at \$0.2054 per Dth/d.
- ☐ Discounted FTS-P Daily Reservation Rate that will support the Project economics of \$ 0.____per Dth/d.
- ☐ Negotiated FTS-P 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:

<u>Receipt Point(s)</u>	<u>Maximum Daily Quantity (MDQ)</u>
_____	_____Dth
_____	_____Dth
_____	_____Dth
_____	_____Dth

6. Delivery Point(s) for FTS:

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

Email Address: _____