

Open Season Notice of Available Firm Capacity on Cheyenne Plains Gas Pipeline Company, L.L.C. (“CPG”): CPG ROFR Open Season

Bid Deadline – 2:00 PM Mountain Time, March 11, 2019

Portable Document Format (.pdf) file of Open Season:

<https://pipeline2.kindermorgan.com/PortalWeb/PortalDocs.aspx?code=CP&parent=1600>

Due to the expiration of an existing Firm Transportation Service Agreement (“FTSA”), CPG is conducting a binding open season for firm transportation capacity available effective February 1, 2020. The capacity offered under this posting is subject to a 03Right-of-First Refusal by an existing customer who is the current holder of this firm capacity.

Rate Schedule:	FT
Volume / TCD:	11,000 Dth/day beginning February 1, 2020
Primary Receipt Point(s):	WIC Thunder Chief (800716)
Primary Delivery Point(s):	SSC Sand Dune (892156)
Open Season Start:	February 7, 2019 – 12:00 pm Mountain Time
Open Season End:	March 11, 2019 - 2:00 pm Mountain Time.
Award Notification:	March 25, 2019 – 4:00 pm Mountain Time
Bid Sheet:	<p>Email attached Bid Sheet to KMWestBids@KinderMorgan.com</p> <p>NOTE: Transporter will rely upon the time the bid is received to determine whether the bid was timely. Bids that are received (as determined by the time stamp on the Transporter’s email inbox) after the end date and time listed above will be considered invalid bids and will not be eligible for an award of capacity in this Open Season. Transporter recommends that bids be submitted well in advance of the closing time listed above to minimize the risk that any email delay could cause a bid to be excluded from consideration.</p>

MATCHING RIGHTS OF EXISTING CUSTOMER

If CPG accepts the highest or best bid(s), the existing customer who currently holds this capacity will have ten (10) business days to match any bid(s) accepted by CPG. The existing customer may retain all or a portion of the capacity included in one or more of the acceptable bids by matching the term and rate of that bid(s) up to the maximum applicable recourse rate

reflected in the existing contract pursuant to Section 4.9 (e) of the GT&C of CPG's FERC Gas Tariff. If there are no bids or no acceptable bids submitted, the existing customer may retain the capacity under a FTSA after the expiration of its current contract only if it is willing to pay the maximum applicable recourse rate, unless CPG and existing customer enter into a new FTSA providing otherwise.

General Open Season Requirements:

Bids must include the bidding party's name, Open Season Name (CPG ROFR Open Season), quantity, term, and rate.

By submitting a bid, the bidding party certifies that:

- (a) All information contained in the bid is complete and accurate.
- (b) It satisfies, or will be able to satisfy, all the requirements of CPG's FERC Gas Tariff.
- (c) The person submitting the bid has full authority to bind the bidding party.

The bid rate must be presented as: 1) the reservation rate per Dth/month, 2) the reservation rate per Dth/day (which will be converted to a Dth/month rate for the Transportation Service Agreement (TSA) by rounding to the fourth decimal the result of the formula (daily rate x 365)/12), or (c) the maximum tariff rate.

There will be no contractual ROFR offered with this capacity.

In addition to the bid rate, each bidding party shall be subject to the applicable maximum usage rate and maximum usage surcharges, all other maximum rates, charges and surcharges, including ACA, Fuel and L&U, and any other authorized surcharges assessed under the applicable Rate Schedule of CPG's FERC Gas Tariff as those amounts may be amended or superseded from time-to-time. This includes incremental lateral charges and any third party charges resulting from the use of capacity that CPG may hold on other pipelines.

CPG reserves the right to reject negotiated rate bids, bids that have rates less than the maximum recourse rate, bids stated as the dollar equivalent of the current maximum recourse rate, bids that are incomplete, contain offers of varying rates within the term, contain additional or modified terms or are inconsistent with the provisions of CPG's FERC Gas Tariff. CPG also reserves the right to reject bids for quantities that are not for the same quantity for the duration of the term.

CPG also reserves the right to seek clarification of bids that have what appears to be an obvious error. Any clarification by bidders must be provided in writing and within the time requested by CPG. Such clarifications shall be incorporated as part of the binding bid submitted by the bidder.

CPG notes that FERC Order No. 894, in some cases, prohibits multiple affiliates of the same entity from bidding in an Open Season for capacity in which the pipeline may allocate capacity on a pro rata basis. It appears to CPG that the restrictions imposed by FERC Order No. 894 will be applicable in this Open Season and FERC recommends that potential bidders review and adhere to the requirements of that FERC Order.

Creditworthiness Criteria:

The successful bidder(s) must satisfy the creditworthiness requirements of CPG's FERC Gas Tariff. Bidders that fail to satisfy such creditworthiness requirements within a reasonable time will have their capacity award withdrawn. CPG will treat the financial statements provided by bidders as confidential.

Each successful bidder and CPG shall enter into and execute a Transportation Service Agreement (TSA) reflecting the terms of its bid as awarded by CPG. The TSA will be in the form contained in CPG's FERC Gas Tariff.

Evaluation Criteria:

If CPG receives acceptable bids for capacity in excess of the actual amount of available capacity, then CPG will award and/or allocate the capacity in a manner that yields the highest total PV as calculated below. In determining which bid(s) yield the highest total PV, CPG reserves the right to combine multiple bids, in whole or in part, in a manner that results in a total PV of the combined bids that exceeds the highest PV achievable by accepting one or more of the disaggregated bids. This process could result in a bidder being awarded less capacity than requested (unless such bidder elects on its bid sheet not to accept a pro rata allocation of capacity).

PV will be calculated as the sum of the present values for all of the months beginning with the first month capacity is available through the end date of the bid term.

The PV for each month will be calculated as follows:

$$PV = (R \times Q) / ((1+i)^n)$$

Where:

R = the monthly reservation bid rate

Q = the monthly bid quantity

i = the monthly discount rate of 0.4317% (which is the annual discount rate of 5.18% divided by 12).

n = the number of months from the earliest date the capacity is available in the Open Season to the month the revenue will be received (the first month capacity is available n = 1, the second month n = 2, and so on).

Contact Information:

Questions concerning this Open Season should be directed to:

Randy Barton	(719) 520-4667
Mark Iverson	(719) 520-4587
Robin Janes	(719) 667-7555
Tim Mang	(719) 520-4373
Damon McEnaney	(719) 520-4472
Dan Tygret	(719) 520-3765
John Driscoll	(719) 520-4318

**CPG ROFR Open Season
Open Season Bid Sheet**

Form of Service: FT

Email Bid To: KMWestBids@KinderMorgan.com

A. Shipper Information

Legal Name of Bidder: _____

Name of Requesting Party: _____

Title of Requesting Party: _____

DUNS Number: _____

Phone: _____

B. Term of Service(i.e. 2 Years): _____

Effective Start Date: _____

Requested Term End Date: _____

C. Transportation Contract Demand (TCD):

Will you accept a pro rata allocation of capacity if necessary? Yes NO

Primary Receipt Point(s)	Maximum Daily Receipt Quantity Dth/Day	Primary Delivery Point(s)	Requested Dth/day MDQ
Thunder Chier		Sand Dune	
Total Receipt Quantity		Total Delivery Quantity	

*The sum of the MDQs at the Primary Delivery Location(s) must equal the TCD.

D. Bid Rate (express as a monthly rate per Dth, a daily rate per Dth, or maximum reservation rate): _____

*By submitting a bid to CPG, the bidding party certifies that (a) all information contained in the request is complete and accurate, (b) it satisfies, or will be able to satisfy, all the requirements of CPG's FERC Gas Tariff, and (c) the person submitting the bid has full authority to bind the bidding party.