

**Firm South Mainline Capacity
Open Season Notice of Expansion Capacity on El Paso Natural Gas Company, L.L.C.
(Transporter)**

Bid Deadline – 2:00 PM Mountain Clock Time (“MT”), May 25, 2022

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

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

Transporter is conducting a binding Open Season for certain expansion capacity on its South Mainline system as outlined below.

Rate Schedule:	FT-1
Volume / Transportation Contract Demand (“TCD”):	400,000 Dth/day
Primary Receipt Point(s):	Proposed new interconnects on Transporter’s Line No. 1103 and/or Line No. 1100 to be located at approximately Mile Post 558 on Transporter’s Line No. 1100 in Pinal County, Arizona, at Section 24, Township 7S, Range 5E.
Primary Delivery Point(s):	New Mexico, Arizona and California delivery locations on Transporter’s South Mainline system (including delivery points on Transporter’s laterals), subject to the availability of capacity as of the date of this Open Season.
Flow Path(s):	Transporter’s South Mainline (SS1)
Pressure:	In order to provide the service contemplated herein, prospective shippers will be required to tender gas at the Primary Receipt Points at pressure sufficient to enter pipeline system at the Primary Receipt Points at MAOP: • Line No. 1100 • Line No. 1103
Open Season Start:	May 18, 2022 9:00 AM MT
Open Season End:	May 25, 2022 2:00 PM MT
Award Notification:	May 26, 2022 4:00 PM MT
Bid Submittals:	To bid, complete the attached bid sheet and email it to KMWestBids@KinderMorgan.com. Transporter reserves the right to reject any bid which fails to comport with the provisions of this Open Season NOTE: Transporter will rely upon the time an emailed bid is received to determine whether a bid is timely. Bids that are received after the end date and time listed above (as determined by the time stamp on Transporter’s email inbox) 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.

General Open Season Requirements:

Upon notice at any time and in its sole discretion, Transporter reserves the right to terminate this Open Season, to extend any date or time specified in this Open Season or to otherwise modify this Open Season.

Bid sheets must include the bidding party's name, Open Season Name ("Firm South Mainline Capacity"), quantity, term, and rate.

By submitting a bid sheet, the bidding party certifies that:

- (a) All information contained in the bid sheet is complete and accurate;
- (b) It satisfies, or will be able to satisfy, all the requirements of Transporter's Federal Energy Regulatory Commission ("FERC") Gas Tariff, Third Revised Volume No. 2 ("Tariff"), as the same may be amended from time to time; and
- (c) The person submitting the bid sheet has full authority to bind the bidding party.

Only one bid may be submitted. A bidding party may only have one bid may be submitted bid pending for evaluation at a time in this Open Season. A submitted bid for this Open Season, however, may be withdrawn by providing written notice of withdrawal to Transporter prior to the date and time of the Open Season End stated above and using the same process as submitting bids as described above. Transporter will use the time and date stamp on Transporter's e-mail box to determine a timely withdrawal. Once a submitted bid is withdrawn, another subsequent bid may be submitted by the same bidding party if and only if the subsequent bid is at a higher rate. Any subsequent bid with a rate equal to or lower than the withdrawn bid will be considered invalid.

Bids submitted in this Open Season on or before the date and time of the Open Season End, that have not been properly withdrawn or considered invalid will constitute a binding irrevocable offer by the bidding party to contract for capacity. The award of the capacity in the Open Season will be an acceptance of the offer and the parties shall be contractually bound at that time.

The bid rate must be presented as: (a) the reservation rate per Dth/month, (b) the reservation rate per Dth/day (which will be converted to a monthly rate by multiplying the daily rate times 365 and dividing the result by 12, rounded to the fourth decimal place), or (c) the maximum tariff rate.

There will be no contractual right of first refusal ("ROFR") offered with this capacity.

In addition to the bid rate, each bidding party shall be subject to the applicable maximum commodity rate and maximum commodity surcharges, all other maximum rates, charges and surcharges, including ACA, Fuel and Lost and Unaccounted-for gas ("L&U"), and any other authorized surcharges assessed under the applicable Rate Schedule of Transporter's FERC Gas Tariff as may change from time to time. This includes incremental lateral charges and any third party charges resulting from the use of capacity that Transporter may hold on other pipelines.

Transporter reserves the right to reject negotiated rate bids, bids that have rates less than the maximum Tariff rate (see the description in the bid sheet), bids stated as the dollar equivalent of the current maximum Tariff 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 Transporter's FERC Gas Tariff or this Open Season. Transporter also reserves the right to reject bids that do not reflect the same quantity for the duration of the term.

Transporter also reserves the right to seek clarification of any bid (including, without limitation, the rate, quantity, term, or receipt or delivery point(s)) but shall not be required to do so. To be considered, any responding clarification by bidders must be provided in writing and within the time requested by Transporter. Such clarifications shall be incorporated as part of the binding

bid submitted by the bidder and, in the case of conflict with the earlier submitted binding bid, shall control.

Note that the South Mainline Capacity project is subject to the appropriate management, management committee, and/or board of directors of Transporter and/or its parent companies, Transporter's timely receipt of all necessary regulatory approvals, permits, and other authorizations required for the construction and operation, if any, of the expansion project, in a form and substance satisfactory to Transporter in its sole discretion.

Transporter 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 Transporter 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 Requirements:

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

Execution of FTSA:

Each successful bidder and Transporter shall enter into and execute a Firm Transportation Service Agreement ("FTSA") reflecting the terms of its bid as awarded by Transporter. All successful bidders shall execute and return the FTSA within the earlier of the day before the first day of the term of firm transportation service in the bid as awarded by Transporter or twenty (20) business days following the day Transporter tenders the FTSA to the bidder ("Execution Date"). If a successful bidder fails to fully execute and return the FTSA on or before the Execution Date, then Transporter reserves the right to cancel the successful bidder's binding bid without prejudice as to Transporter's right to seek any and all permitted remedies as a result of the successful bidder's failure to execute the FTSA. The FTSA will be in the form contained in Transporter's FERC Gas Tariff. Transporter and any successful bidder may mutually agree to enter into and execute more than one FTSA that together reflect all the terms of the successful bid as awarded by Transporter.

Evaluation Criteria:

If Transporter receives acceptable bids for capacity in excess of the actual amount of available capacity, then Transporter 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, Transporter 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 an 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:

$PV = (R \times Q) / ((1+i)^n)$ to the power of n)

Where:

R = the monthly reservation bid rate

Q = the monthly bid quantity

i = the monthly discount rate of 0.2708% (which is the annual discount rate of 3.25% 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:

Greg Ruben (719) 520-4870

Anthony Sanabria (719) 667-7582

**Open Season Bid Sheet
(See next page)**

Open Season Binding Bid Sheet
****Firm South Mainline Capacity****

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. Capacity Bid:

Rate Schedule (e.g., FT-1): _____

Requested Term Start Date: _____

Requested Term End Date: _____

Transportation Contract Demand: _____ Dth/day

Will you accept an allocation of capacity if necessary? ☐ Yes ☐ No

Primary Receipt Point(s)	Primary Delivery Point(s)	Requested MDQ (Dth/day)
TBD- Proposed new interconnects on Transporter's Line No. 1103 and/or Line No. 1100 to be located at approximately Mile Post 558 on Transporter's Line No. 1100 in Pinal County, Arizona, at Section 24, Township 7S, Range 5E		

*The sum of the monthly Maximum Delivery Quantities at the Primary Delivery Location(s) must equal the monthly Transportation Contract Demand.

C. Reservation Rate (read carefully and select one):

☐ Maximum Tariff Rate (i.e., the applicable maximum rate stated in Transporter's FERC Gas Tariff as that rate may change from time to time)

☐ Discounted Rate: \$ _____ per Dth per month **or** \$ _____ per Dth per day (this rate is subject to the applicable maximum and minimum rates stated in Transporter's FERC Gas Tariff as those rates may change from time to time)

☐ Negotiated Rate: \$ _____ per Dth per month **or** \$ _____ per Dth per day (this rate will be fixed and NOT subject to the applicable maximum or minimum rates stated in Transporter's FERC Gas Tariff as those rates may change from time to time)

Reservation rates bid as a daily rate (i.e., a rate per Dth per day) will be converted to a monthly rate by multiplying the daily rate times 365 and dividing the result by 12, rounded to the fourth decimal place.

D. Applicability of Commodity and Other Charges:

In addition to the bid rate, successful bidders will 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 Transporter's FERC Gas Tariff as may change from time to time. This includes incremental lateral charges and any third party charges resulting from the use of capacity that Transporter may hold on other pipelines.

*By submitting this binding bid to Transporter, 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 Transporter's FERC Gas Tariff, and (c) the person submitting the bid has full authority to bind the bidding party.