

In response to open season inquiries from interested parties El Paso Natural Gas Company, L.L.C. (“EPNG”) is supplementing the description of receipt point(s) that can be made available to interested parties to the open season posted on February 19, 2019 (Notice ID: 604630). This update also modifies the open season to extend the Open Season End date and Bid Deadline to March 13, 2019 as well as update the Award Notification Date to March 26, 2019.

**Open Season Notice of Available Firm Capacity on El Paso Natural Gas Company, L.L.C.  
(EPNG): Keystone/ Plains/Lusk Lateral to Topock  
Bid Deadline – 2:00 PM Mountain Time, March 13th, 2019**

Portable Document Format (.pdf) file of Open Season:  
<https://pipeline2.kindermorgan.com/PortalWeb/PortalDocs.aspx?code=EPNG&parent=1600>

EPNG is conducting a binding Open Season for existing available capacity as outlined below:

<b>Rate Schedule:</b>	FT-1
<b>Volume / TCD:</b>	50,000 Dth/day
<b>Primary Receipt Point(s):</b>	EPNG Keystone  EPNG Plains and/ or Lusk Lateral  (See below for available monthly capacity)
<b>Primary Delivery Point(s):</b>	PG&E Topock 314604 Socal Topock 332503
<p>Parties that are interested in capacity from other primary receipt points or to other primary delivery points, or for other periods, are encouraged to contact their service representatives or any of the individuals listed below.</p> <p>Potential Construction of New or Modified Receipt Point(s):</p> <p>EPNG is willing to consider bids that require the construction of a new receipt meter station(s) and/or modifications to an existing receipt meter station(s) as a condition of the bid. Bidders seeking to utilize any to-be-constructed or modified receipt point(s) may identify an existing alternate receipt point(s) for use prior to the in-service date of the to-be-constructed or modified point(s). Awards of any capacity requiring any to-be-constructed or modified facilities pursuant to this Open Season are expressly subject to final approval by EPNG senior management and/or from the EPNG Board of Directors and/or its appropriate parent company (“EPNG Management Approval”). Confirmation of EPNG Management Approval, if applicable, will be provided concurrent with the award notification(s) by no later than March 26, 2019.</p>	
<b>Alternate Rec/Del:</b>	<p>The capacity offered in this Open Season will include the right to utilize the following points on an alternate basis at the same contracted rate:</p> <p>Alternate Receipt Locations: All receipt points within EPNG’s San Juan, Anadarko and Permian Production Areas (STML SJN PIN 302347; STML PER PIN 302346; and STML ANA PIN 302344)</p> <p>Alternate Delivery Locations:</p> <p>DPG&amp;ETOP 314604 DSCALTOP 332503 IGRIFFTH 320614</p>

	<b>INGPLMOR 314350</b> <b>IBIGBLUE 301360</b> <b>IWESTARW 302075</b> <b>IOASISWA 301701</b> <b>ILONEWA 301621</b> <b>IVALEROW 301945</b> <b>IKEYSTOR 301595</b> <b>IMCHRNCH 301641</b>
<b>Recommended Term:</b>	EPNG recommends that bids have a proposed term from April 1, 2019 with no later starting date (EPNG reserves the right to reject any bid which fails to comport with the provisions of this open season).
<b>Open Season Dates:</b>	<p>Open Season Start Date: 10:00 AM MST, February 19, 2019</p> <p>Open Season End Date (Bids Due): 2:00 PM MDT, March 13, 2019</p> <p>Award Notification Date: 4:00 PM MDT, March 26, 2019</p> <p>Email attached Bid Sheet to <a href="mailto:KMWestBids@KinderMorgan.com">KMWestBids@KinderMorgan.com</a></p> <p><b>NOTE: EPNG will rely upon the time the bid is <u>received</u> to determine whether the bid was timely. Bids that are received (as determined by the time stamp on the EPNG'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. EPNG 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.</b></p>

**General Open Season Requirements:**

Bids must include the bidding party's name, Open Season Name ('Keystone/Plains/Lusk Lateral to Topock'), 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 EPNG'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; or
- (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
- (3) the maximum recourse rate.

Bidders submitting bids involving the potential construction of new receipt points or the potential modification of existing receipt points shall include an amount to cover the Incremental Facility Charge authorized by EPNG's FERC Gas Tariff.

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 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 EPNG's FERC Gas Tariff as 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 EPNG may hold on other pipelines.

EPNG 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 EPNG's FERC Gas Tariff.

EPNG 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 EPNG. Such clarifications shall be incorporated as part of the binding bid submitted by the bidder.

EPNG 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 EPNG 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 EPNG's FERC Gas Tariff. Bidders that fail to satisfy such creditworthiness requirements within a reasonable time will have their capacity award withdrawn. EPNG will treat the financial statements provided by bidders as confidential.

Bids for incremental facilities will be evaluated separately, and are subject to EPNG Management Approval.

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

**Evaluation Criteria:**

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

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

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

Thania Delgado (719) 520-4482

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) 520-4471

**Open Season Bid Sheet  
KEYSTONE / PLAINS / LUSK LATERAL to TOPOCK**

Form of Service (e.g. FT-1): \_\_\_\_\_

Email Bid To: [KMWestBids@KinderMorgan.com](mailto:KMWestBids@KinderMorgan.com)

**A. Shipper Information:**

Legal Name of Bidder: \_\_\_\_\_

Name of Requesting Party: \_\_\_\_\_

Title of Requesting Party: \_\_\_\_\_

DUNS Number: \_\_\_\_\_

Phone: \_\_\_\_\_

**B. Capacity Bid:**

Requested Term Start Date: \_\_\_\_\_

Requested Term End Date: \_\_\_\_\_

Transportation Contract Demand (TCD): \_\_\_\_\_ Dth/day

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

**C. Reservation Rate (select one):**

EPNG's maximum recourse rate

Discounted Recourse Rate: \$ \_\_\_\_\_ per Dth per Month or Dth per Day (circle one)

Negotiated Rate: \$ \_\_\_\_\_ per Dth per Month or Dth per Day (circle one)

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, FL&U, and any other authorized surcharges assessed under the applicable Rate Schedule of EPNG's FERC Gas Tariff as those amounts maybe amended or superseded from time-to-time. This includes incremental lateral charges and any third party charges resulting from the use of capacity that EPNG may hold on other pipelines.

Bidders submitting bids involving the potential construction of new receipt points or the potential modification of existing receipt points shall include an amount to cover the Incremental Facility Charge authorized by EPNG's FERC Gas Tariff.

Incremental Facility Charge: \$ \_\_\_\_\_

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

**Keystone/Plains/Lusk Lateral to Topock FT1 Summary**

**2019**

<b>Receipt Area/Location</b>	<b>Delivery Area/Location</b>	<b>Path</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
KEYSTONE Pool	Topock	SN2				3,904	2,655	1,406	1,406	1,406	2,655	4,495	9,620	6,352
PLAINS Pool or Lusk Lateral Receipts	Topock	SN2 or NN2				46,096	47,345	48,594	48,594	48,594	47,345	45,505	40,380	43,648
<b>Total</b>						<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>

**2020 Forward**

<b>Receipt Area/Location</b>	<b>Delivery Area/Location</b>	<b>Path</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
KEYSTONE Pool	Topock	SN2	6,183	6,927	5,139	4,784	2,858	1,745	2,364	2,146	3,406	4,495	9,620	6,352
PLAINS Pool or Lusk Lateral Receipts	Topock	SN2 or NN2	43,817	43,073	44,861	45,216	47,142	48,255	47,636	47,854	46,594	45,505	40,380	43,648
<b>Total</b>			<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>

**OPEN SEASON VOLUME BID SHEET**

**2019**

Receipt Area/Location	Delivery Area/Location	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Total</b>													

**2020 Forward**

Receipt Area/Location	Delivery Area/Location	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Total</b>													

For receipts from the Lusk Lateral, please contact your Marketing Rep for specific meter constraints.

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