

**El Paso Natural Gas Company, L.L.C. ("Transporter") is providing this supplement to the Open Season posted on May 4, 2022 (Notice ID 614730) to update the Open Season Start and End Times.**

**EPNG South Mainline ROFR Open Season No. 1  
For Capacity from an Expiring Firm Contract on  
El Paso Natural Gas Company, L.L.C. (Transporter)**

**Bid Deadline –5:00 PM Mountain Time (MT), June 2, 2022**

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

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

Due to the expiration of an existing Firm Transportation Service Agreement (“FTSA”), Transporter is conducting a binding Open Season for capacity as outlined below. The capacity offered under this posting is subject to a Right-of-First-Refusal (“ROFR”) by an existing customer who is the current holder of this firm capacity.

<b>Rate Schedule:</b>	<b>FT-1</b>
<b>Volume / Transportation Contract Demand (“TCD”):</b>	<b>9,000 Dth/d</b>
<b>Primary Receipt Point(s):</b>	<b>Keystone PIN 302132</b>
<b>Primary Delivery Point(s):</b>	<b>ILRDSBRG PIN 314549</b>
<b>Flow Path(s):</b>	<b>SS1</b>
<b>In this ROFR Open Season, Transporter will consider alternative primary receipt and/or delivery points (subject to available capacity) in conjunction with some or all of the flow path and primary receipt and/or delivery points. Parties that are interested in capacity, at and from other primary receipt points, or at and to other primary delivery points, or for other periods, should contact their service representatives or any of the individuals listed below.</b>	
<b>Current Rate:</b>	<b>Negotiated Monthly Reservation Rate of \$9.3589 and New Mexico Maximum Usage Rate</b>
<b>Capacity Available Starting:</b>	<b>November 1, 2022</b>
<b>Open Season Start:</b>	<b>May 4, 2022, 9:30 AM MT</b>
<b>Open Season End:</b>	<b>June 2, 2022, 5:00 PM MT</b>
<b>Award Notification:</b>	<b>June 10, 2022, 2:00 PM MT</b>

<p><b>Bid Submittals:</b></p>	<p>To bid, complete the attached bid sheet and email it to <a href="mailto:KMWestBids@KinderMorgan.com">KMWestBids@KinderMorgan.com</a>. Transporter reserves the right to reject any bid which fails to comport with the provisions of this Open Season</p> <p><b>NOTE:</b> 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.</p>
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**Matching Rights of Existing Customer**

If Transporter accepts the highest or best bid(s), the existing customer who currently holds this capacity will have five (5) business days to match any bid(s) accepted by Transporter. 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 reservation rate of that bid(s) up to the applicable maximum rate pursuant to Section 4.14(d) of the General Terms and Conditions of Transporter’s Federal Energy Regulatory Commission (“FERC”) Gas Tariff, Third Revised Volume No. 1A, as the same may be amended from time to time (“FERC Gas Tariff”). If there are no bids or no acceptable bids submitted, the existing customer may retain the capacity under a new FTSA after the expiration of its current contract only if it is willing to pay the applicable maximum rate, unless Transporter and the existing customer enter into a new FTSA providing otherwise.

**General Open Season Requirements:**

Upon notice at any time and within its permitted discretion, Transporter reserves the right to modify this Open Season.

Bid sheets must include the bidding party's name, Open Season Name (“EPNG South Mainline ROFR Open Season No. 1”), 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 FERC Gas Tariff, and
- (c) The person submitting the bid sheet has full authority to bind the bidding party.

A bidding party may only have one 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 this 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 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 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.

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 or the current customer if it chooses to match as described above (collectively referred to as "Successful Bidder") and Transporter shall enter into and execute a 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 Successful 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 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 or match 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:

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

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:

Cory Chalack	(719) 520-3769
Damon McEnaney	(719) 520-4472
John Driscoll	(719) 520-4471
Randy Barton	(719) 520-4667
Robin Janes	(719) 667-7555
Thania Delgado	(719) 520-4482
Evelyn Spencer	(719) 520-4753

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

**Open Season Binding Bid Sheet  
EPNG South Mainline ROFR Open Season No. 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:**

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

**FT-1 Capacity Summary  
(Quantities in Dth/day)**

Year	Receipt Area/ Location	Delivery Area/ Location	Flow Path	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	302132 Keystone	314549 Lordsburg	SS1											9,000	9,000
<b>TRANSPORTATION CONTRACT DEMAND</b>														9,000	9,000

Year	Receipt Area/ Location	Delivery Area/ Location	Flow Path	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023 Forward	302132 Keystone	314549 Lordsburg	SS1	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
<b>TRANSPORTATION CONTRACT DEMAND</b>				9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000

**OPEN SEASON VOLUME BID  
(Quantities in Dth/day)**

Year	Receipt Area/ Location	Delivery Area/ Location	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	302132 Keystone	314549 Lordsburg												
TRANSPORTATION CONTRACT DEMAND														

Year	Receipt Area/ Location	Delivery Area/ Location	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023 Forward	302132 Keystone	314549 Lordsburg												
TRANSPORTATION CONTRACT DEMAND														

\*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 Usage 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.