

**Open Season Notice of Available Firm Capacity on El Paso Natural Gas Company, L.L.C.
(Transporter): Willcox Lateral Open Season**

Bid Deadline – 2:00 PM Mountain Time, July 2, 2019

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 existing available capacity as outlined below:

Rate Schedule:	FT-1
Volume / TCD:	Varying
Primary Receipt Point(s):	IWILCOXD 302080
Primary Delivery Point(s):	<p>ICFEAGUA 398666 up to 3,612 dth/day in each month of the summer season and up to 4,160 dth/day in each month of the winter season</p> <p>IDOUGLAS 314946 up to 3,612 dth/day in each month of the summer season and up to 4,160 dth/day in each month of the winter season</p> <p>IMEXWIL 398669 up to 7,570 dth/day in each month of the summer season and up to 7,791 dth/day in each month of the winter season</p> <p>The capacity available from IWILCOXD to IMEXWIL and from IWILCOXD to ICFEAGUA or IDOUGLAS is mutually exclusive. Similarly, the capacity available from IWILCOXD to ICFEAGUA and from IWILCOXD to IDOUGLAS is mutually exclusive. For example, if the maximum capacity from IWILCOXD to IMEXWIL is used, no capacity is available from IWILCOXD to ICFEAGUA or IDOUGLAS. Likewise, if the maximum capacity from IWILCOXD to ICFEAGUA is used, no capacity is available from IWILCOXD to IDOUGLAS.</p> <p>Only Receipt and Delivery Points on the Willcox Lateral are eligible as alternate points.</p>
Recommended Term:	<p>Transporter recommends that bids have a starting date of July 15, 2019</p> <p>(although Transporter will consider bids with later start dates)</p>
Open Season Start:	11:00 AM MT, June 14, 2019
End:	2:00 PM MT, July 2, 2019
Award Notification Date:	<p>4:00 PM MT, July 3, 2019</p> <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</p>

	stamp on 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.
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General Open Season Requirements:

Bids must include the bidding party's name, Open Season Name Willcox Lateral 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 Transporter'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 Firm Transportation Service Agreement (FTSA) by rounding to the fourth decimal the result of the formula (daily rate x 365)/12), or (c) the maximum tariff rate.

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, FL&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 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 Transporter's FERC Gas Tariff.

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

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.

Each successful bidder and Transporter shall enter into and execute an FTSA reflecting the terms of its bid as awarded by Transporter. The FTSA will be in the form contained in Transporter's FERC Gas Tariff.

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 0.4583% (which is the annual discount rate of 5.50% 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
Damon McEnaney	(719) 520-4472
Dan Tygret	(719) 520-3765
John Driscoll	(719) 520-4471
Cory Chalack	(719) 520-3769

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

Open Season Bid Sheet

Willcox Lateral Open Season

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

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:

Requested Term Start Date: _____

Requested Term End Date: _____

TCD: _____ Dth/day

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

Rec PIN	Receipt Loc Code	Delv PIN	Delivery Loc Code	Contract Rate Zone	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
302080	IWILCOXD	398669	IMEXWIL	WL												
302080	IWILCOXD	398666	ICFEAGUA	WL												
302080	IWILCOXD	314946	IDOUGLAS	WL												
Total TCD																

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

C. Reservation Rate (select one):

- Maximum Recourse Rate
- Discounted Recourse Rate: \$ _____ per Dth per Month/Day
- Negotiated Rate: \$ _____ per Dth per Month/Day

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 Transporter's FERC Gas Tariff as those amounts 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 a 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.