

# Natural Gas Pipeline Company of America LLC

## GULF COAST STORAGE EXPANSION PROJECT NOTICE OF NON-BINDING SOLICITATION OF INTEREST

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Natural Gas Pipeline Company of America LLC (“Natural”) is soliciting interest in a project to expand its firm natural gas storage capacity by 10,300,000 Dth (10 Bcf) on the Gulf Coast leg of its system (“the Gulf Coast Storage Expansion Project” or “Project”). The Project will allow Natural to provide up to 10 Bcf of incremental firm storage service under Natural’s Rate Schedule Nominated Firm Storage Service (“NSS”). Natural’s Non-Binding Solicitation of Interest for this Project will begin at 9:00 am CST on March 12, 2024 and end at 3:00 p.m. CST on April 9, 2024.

### **Description of the Gulf Coast Storage Expansion Project**

Currently, Natural’s NSS is fully contracted. The Project will create additional NSS capacity for shippers to inject, store, and withdraw gas using this service. The Project will consist primarily of pipeline looping and the installation of additional compression. Natural expects to place the Project in service by April 1, 2027.

Additionally, the Project offers shippers competitive rates to meet the growing demand for additional storage services in the expanding Gulf Coast region. This is in part due to the fact that the proposed Project is an incremental expansion of Natural’s existing storage facilities. As such, the Project avoids the risks associated with construction of new greenfield facilities and allows Natural to provide incremental storage services to the market in a reasonable and more certain timeframe. For these reasons, the Project provides good value to Natural’s shippers.

### **Indicative Rates/Term for the Project**

Natural proposes to contract for the Project capacity on a Fixed Negotiated Rate basis under an NSS Agreement. As set forth below, Natural has established a range of minimum acceptable Negotiated Reservation Rates based on the relative quantities of NSS service requested. The Fixed Negotiated Rate structure provides Shippers with rate certainty during the term of the NSS Agreement. Natural anticipates that the following term and indicative rates will be required to support the Project:

**Capacity:** 10,300,000 Dth (10 Bcf)

**Primary Term:** minimum of 7-10 years, and subject to contractual extension rights

**Unit Reservation Charge:** \$1.25 - \$1.45 per Dth of Maximum Storage Volume (“MSV”) per year<sup>1</sup>

**Injection Fuel:** Natural’s Tariff Storage Fuel Charge (currently 0.92%)

Contract terms of less than ten (10) years will require higher unit reservation rates. If Shipper is interested in a contract term other than 10 years, please include such term in the Bid and Natural will consider such bid term and work with Shipper on possible alternatives.

In addition to the reservation charge and Storage Fuel Charge (referenced above), Shippers shall also pay all other applicable charges or surcharges that may be in effect from time to time pursuant to Natural’s FERC Gas Tariff.

### **Commencement of Service**

Service under the Project is anticipated to be available as early as April 1, 2027. If a Shipper has interest in an alternative start date, please include such start date in the Bid. The target in-service date is an estimate and may change dependent upon the Project scoping and timing of required regulatory approvals for the Project facilities. This Non-Binding Solicitation of Interest is subject to Natural’s FERC Gas Tariff and all applicable laws and regulations.

### **NSS Service**

Natural’s FERC Gas Tariff defines the terms of its NSS Service to be provided by the Project. Natural provides NSS service utilizing any and all of Natural’s storage and related facilities across the system, in aggregate. The Project is an expansion of Natural’s existing storage facilities on its Gulf Coast Line. Below are some characteristics of Natural’s NSS Service:

- The MSV a Shipper is allowed to have in storage is equal to its Maximum Daily Quantity (“MDQ”) multiplied

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<sup>1</sup> The equivalent Monthly Base Reservation Rate is between \$7.8125 and \$9.0625/Dth.

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by 75

- Shipper must withdraw gas from the same storage point at which it was injected
- Shipper has no minimum inventory or cycling requirements
- Shipper may not have a negative storage balance
- Shipper may release its NSS capacity under Natural's capacity release program
- Storage scheduling priority is separate from the transportation scheduling priority of the agreement used to bring gas to storage (injections) or take away (withdrawals)
- Maximum Daily Injection Quantity (IQ) and Maximum Daily Withdrawal Quantity (WQ) rights are available all year and are governed by a Shipper's inventory balance. Injections above IQ or withdrawals above WQ are interruptible and may be available with notice via Natural's EBB
- Interruptible injections above IQ, but within MDQ, have a higher scheduling priority than interruptible injections over MDQ. Interruptible withdrawals above WQ, but within MDQ, have a higher scheduling priority than interruptible withdrawals above MDQ

<u>Inventory Balance</u>	<u>IQ as a % of MDQ</u>
Bal < 67% of MSV	50%
Bal > 67% of MSV	33%

<u>Inventory Balance</u>	<u>WQ as a % of MDQ</u>
Bal > 50% of MSV	100%
Bal < 50% of MSV	70%

### Non-Binding Bid Requirements

Interested parties should submit a completed Non-Binding Bid Form (attached as Exhibit A). Bids will be treated as confidential and will not be disclosed, except as authorized by the bidder or required by applicable law or regulation. The bid shall not become binding until incorporated into mutually agreed upon definitive agreements including, as applicable, a Precedent Agreement and an NSS Agreement.

A Non-Binding Bid Form must include the following information:

- Negotiated or Monthly Reservation Rate
- Negotiated Contractual Extension Rate, if requested
- Contract Maximum Daily Quantity ("MDQ") or Maximum Storage Volume ("MSV")
- Contract Start Date
- Contract Term
- Credit Application (attached as Exhibit B)

Further discussions will occur with those shippers submitting bids that best satisfy the criteria for the capital expenditures associated with the Project. Natural reserves the right, to be exercised on a not unduly discriminatory basis, to continue to market the Project and/or modify the scope of the Project in order to enter into negotiations and execute definitive agreements with any interested shippers following the close of this Non-Binding Solicitation of Interest. Notwithstanding anything stated herein, Natural has no obligation to proceed with this Project.

### Credit Requirements

Prior to execution of the definitive agreements, Shippers will be required to demonstrate creditworthiness or provide a credit assurance alternative acceptable to Natural to support construction of the new Project facilities in accordance with its FERC Gas Tariff.

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### Capacity Turnback

In addition to soliciting bids for the Project, Natural is soliciting requests for permanent turnback of Gulf Coast NSS capacity. Natural will only consider requests that will be beneficial to the design of the Project and will result in an economic gain to Natural based on a comparison of the savings associated with Project facilities that are no longer required and the lost revenue associated with the turnback. Natural's acceptance of turnback requests will be contingent on the Project going forward with the effective date of such turnback corresponding with the in-service date of the Project.

Any turnback capacity that is proposed to be effective later than the proposed in-service date of the Project will not be considered. Natural may aggregate requests for turnback and accept such requests in the manner that provides the most economic benefit to Natural. Natural will consider any requests for turnback on a nondiscriminatory basis. Requests to turn back NSS capacity should be submitted by the end of the Non-Binding Solicitation of Interest, as specified above.

### About NGPL

Natural is one of the largest interstate pipeline systems in the country, with approximately 9,100 miles of pipelines, more than 1 million horsepower of compression facilities and 288 Bcf of working gas storage.

### Contact List

This Non-Binding Solicitation of Interest will start at 9:00 a.m. CST on **Tuesday, March 12, 2024** and close at 3:00 p.m. CST on **Tuesday, April 9, 2024**. Interested parties should submit their bids via email to: **NGPLMarketing@kindermorgan.com**. Natural welcomes your interest in our Project. Please contact any of the following individuals with questions concerning this announcement:

Lindsey Fritz – Phone: (713) 420-2626; Email: Lindsey\_Fritz@kindermorgan.com  
Lakann James – Phone: (713) 420-4882; Email: Lakann\_James@kindermorgan.com  
David Weeks - Phone: (630) 725-3030; Email: David\_Weeks@kindermorgan.com

Any updated information will be posted online at [www.kindermorgan.com](http://www.kindermorgan.com) under Natural Gas Pipelines, NGPL, NGPL Projects.

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### EXHIBIT A NON-BINDING SOLICITATION OF INTEREST BID FORM

- A. Shipper Name: \_\_\_\_\_
- B. Contract Start Date: \_\_\_\_\_
- C. Primary Contract Term (years): \_\_\_\_\_
- D. Maximum Daily Quantity (MDQ): \_\_\_\_\_ (Dth/d)  
Maximum Storage Volume (MSV): \_\_\_\_\_ (Dth) (MSV = MDQ \* 75)
- E. Reservation Rate: \_\_\_\_\_ (\$ per Dth of MSV per year)  
Fixed Negotiated Rate \_\_\_\_\_ or Recourse Rate \_\_\_\_\_
- F. Negotiated Contractual Extension Rate \_\_\_\_\_ (\$ per Dth of MSV per year) and Term (Years) \_\_\_\_\_  
(or indicate "N/A" to elect rollover provisions per Natural's Tariff) \_\_\_\_\_
- G. Credit Application Acknowledged and Submitted: Yes \_\_\_\_\_ No \_\_\_\_\_
- By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

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Shipper's Signature Date

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### EXHIBIT B

#### CREDIT APPLICATION FOR NATURAL GAS PIPELINE COMPANY OF AMERICA LLC ("Natural")

##### Section 1 --General Information

Shipper / Operator Name \_\_\_\_\_

(Circle one)

Shipper / Operator Address \_\_\_\_\_

(Include City, State, Zip)

DUNS# \_\_\_\_ - \_\_\_\_ - \_\_\_\_ FEIN \_\_\_\_ - \_\_\_\_ - \_\_\_\_

Contact Person \_\_\_\_\_ Telephone No. (\_\_\_\_) \_\_\_\_\_

Business Entity: \_\_ "S" Corporation \_\_ "C" Corporation \_\_ Partnership \_\_ Other FAX No. (\_\_\_\_) \_\_\_\_\_

Type of Business \_\_\_\_\_ Number of years in business \_\_\_\_\_

List parent corporation of Shipper/Operator (if Shipper/Operator is a subsidiary company) or general partners (if Shipper/Operator is a partnership) \_\_\_\_\_

Please identify (specify) whether you are owned by Arclight Capital Partners, LLC, Brookfield Infrastructure Partners L.P., or Kinder Morgan, Inc.

##### Section 2 -- Standardized Credit Information

Please provide Shipper's long-term unsecured debt credit ratings (including Outlook) current as of the date of this Credit Application:

Standard & Poor's \_\_\_\_\_ Moody's \_\_\_\_\_

Is Shipper: - Operating under federal bankruptcy laws? \_\_ Yes \_\_ No

- Subject to liquidation or debt reduction procedures under state laws? \_\_ Yes \_\_ No

- Subject to pending liquidation or regulatory proceedings in state or federal courts which could cause a substantial deterioration of Shipper's financial condition? \_\_ Yes \_\_ No

- Subject to any collection lawsuits or outstanding judgments which would affect Shipper's ability to remain solvent? \_\_ Yes \_\_ No

- Are there any overdue amounts owed Natural? \_\_ Yes \_\_ No

##### Section 3 -- Additional Financial Information and Documentation

Please provide Shipper's estimated activity under all requested services:

Estimated Monthly Volume for all Services: (Dth)

Estimated Monthly Transportation/Storage Charges for all services \$ \_\_\_\_\_

Estimated Term (in months) of Capacity Release Request \_\_\_\_\_

Expected Commencement Date for requested service or capacity release: \_\_\_\_\_

If Shipper's audited financial information is not publicly available, please enclose current financial statements, annual reports, 10-K or other reports to regulatory agencies, or any reports from credit reporting agencies which are available.

Natural may request additional credit information and documentation in order to perform a credit evaluation of Shipper, in accordance with the provisions of its FERC Gas Tariff.

Incomplete applications will be declined.

Shipper's Signature Date \_\_\_\_\_