

Open Season Notice of Available Firm Capacity on TransColorado: San Juan to White River Hub

Bid Deadline – 2:00 PM Mountain Time, February 7, 2019

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

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

TransColorado Gas Transmission Company LLC (TransColorado) is conducting a binding Open Season for existing available capacity as outlined below:

Rate Schedule:	FT
Volume:	100,000 Dth/day
Primary Receipt Point(s):	EP Blanco (36105) or TW Blanco (36106)
Primary Delivery Point(s):	REX Love Ranch (42235)
Parties that are interested in capacity from other primary points of receipt or to other primary points of delivery, or for other periods, are encouraged to contact their service representatives or any of the individuals listed below.	
Secondary Receipt and Delivery Points:	<p>The capacity offered in this Open Season will include the right to utilize the following points on a secondary basis at the same rate applicable to primary points:</p> <p>Secondary Receipt Locations: Williams Greasewood (36101), Exxon Greasewood (40237), QPC Greasewood (36100), REX Love Ranch (42235), EP Blanco (36105), TW Blanco (36106) and Red Cedar (36103).</p> <p>Secondary Delivery Locations: TW Blanco (36106), Rex Love Ranch (42235), QPC Greasewood (36100), CIG Dark Canyon (41781), WIC Yellow Jacket (42223) and Southern Trails Blanco (40379).</p>
Recommended Term:	TransColorado recommends that bids have a proposed term of April 1, 2019 through at least October 31, 2019, with no later starting date and no earlier ending dates (although TransColorado reserves the right to reject any bid which fails to comport with the provisions of this open season).
Open Season Dates:	<p>Open Season Start Date: 12:00 PM MST, February 4, 2019</p> <p>Open Season End Date (Bids Due): 2:00 PM MST, February 7, 2019</p> <p>Award Notification Date: 4:00 PM MST, February 4, 2019</p> <p>Email attached Bid Sheet to KMWestBids@KinderMorgan.com</p> <p>NOTE: TransColorado 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 TransColorado'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. TransColorado 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>

General Open Season Requirements:

Bids must include the bidding party's name, Open Season Name ('San Juan to White River Hub'), 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 TransColorado'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 Transportation Service Agreement (TSA) by rounding to the fourth decimal the result of the formula (daily rate x 365)/12), 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 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 TransColorado's FERC Gas Tariff as those amounts 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 TransColorado may hold on other pipelines.

TransColorado 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 TransColorado's FERC Gas Tariff. TransColorado also reserves the right to reject bids for quantities that are not for the same quantity for the duration of the term.

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

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

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

Evaluation Criteria:

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

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

Where:

R = the monthly reservation bid rate

Q = the monthly bid quantity

i = the monthly discount rate of 0.4314% (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
TC San Juan to White River Hub
Open Season**

Form of Service (e.g., FT): _____

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: _____

Contract Demand: _____ Dth/day

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

Primary Receipt Point(s)	Maximum Daily Receipt Quantity Dth/Day	Primary Delivery Point(s)	Maximum Daily Delivery Quantity Dth/Day
EP Blanco (36105) or TW Blanco (36106)		REX Love Ranch (42235)	
Total Receipt Quantity		Total Delivery Quantity	

C. Reservation Rate (select one):

☐ TransColorado's maximum recourse rate

☐ Discounted Recourse Rate: \$ _____ per Dth per Month

☐ Negotiated Rate: \$ _____ per Dth per Month

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 TransColorado'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 TransColorado may hold on other pipelines.

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