

**Open Season Notice for new Firm Daily Balancing Service on the Medicine Bow
Lateral facilities of Wyoming Interstate Company, L.L.C. (WIC)**

Bid Deadline – 2:00 PM Mountain Time, May 1, 2019

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

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

**WIC is conducting a binding Open Season for new FDBS
capacity as outlined below:**

This binding Open Season is being conducted for a proposed expansion of FDBS on WIC's Medicine Bow Lateral facilities pursuant to Rate Schedule FDBS. Transporter must construct additional facilities in order to provide service and will require bidders for the capacity to complete and execute a Reimbursement Agreement as described below. Transporter anticipates that service will be available in the third quarter of 2019. Transporter's obligations are subject to: (i) receipt and acceptance by Transporter of all necessary regulatory approvals, permits, and other authorizations for the additional facilities in a form and substance satisfactory to Transporter in its sole discretion; (ii) completion and execution of a Reimbursement Agreement for the facilities required to provide the additional service; and (iii) receipt of sufficient bids for the service at rates that satisfy the requirements of the management of Transporter.

Transporter anticipates that the acceptable Reservation Rate for the FDBS would be either a maximum recourse bid or a negotiated rate bid of \$3.6369 per Dth per month for a term of fifteen (15) years.

Rate Schedule:	Firm Daily Balancing Service (FDBS)
Volume / MBA:	Up to 40,000 dth
Primary Point(s) of Delivery:	49778 CLFP/WIC Otto-Jack Delivery Aggregate Group 49167 CLFP/WIC Happy Jack Delivery 49168 CLFP/WIC Otto Road Delivery
Parties that are interested in capacity to other primary points of delivery, or for other periods, are encouraged to contact their service representatives or any of the individuals listed below.	
Recommended Term:	WIC recommends that bids have a proposed term of 15 years from the in-

	service date of the facilities required to provide the service.
Open Season Start:	April 24, 2019
End:	2:00 PM MST May 1, 2019
Award Notification Date:	4:00 PM MST, May 1, 2019
	<p>Email attached Bid Sheet to KMWestBids@KinderMorgan.com</p> <p>NOTE: WIC 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 stamp on the WIC'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. WIC 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 ('WIC FDBS'), quantity, term, and rate.

Bidders must agree to reimburse Transporter for the cost of the additional facilities that Transporter will install to provide the service. Transporter anticipates the required reimbursement amount will be approximately \$2.2 million.

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 WIC'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 FDBS Agreement (Agreement) by rounding to the fourth decimal the result of the formula (daily rate x 365)/12), or (c) the maximum recourse rate.

There will be a contractual ROFR offered with this capacity.

In addition to the bid rate, each bidding party shall be subject to the applicable maximum commodity rate and all other maximum rates, charges and surcharges, including ACA and any other authorized surcharges assessed under Rate Schedule FDBS as those amounts may be amended or superseded from time-to-time. Negotiated rate bids will have a negotiated commodity rate of \$0.0000/dth.

WIC reserves the right to reject bids that have rates less than the 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 WIC's FERC Gas Tariff. WIC also reserves the right to reject bids for quantities that are not for the same quantity for the duration of the term.

Negotiated rate bids will be considered. It is anticipated that a negotiated monthly reservation rate bid below \$3.6369/Dth will not be accepted. Negotiated rate bids must also provide that, subject at all times to FERC's approval of the particular costs, WIC shall be entitled to recovery of Greenhouse Gas Emissions Costs incurred by WIC attributable to FDBS. As used herein "Greenhouse Gas Emissions Costs" means (i) the cost of any carbon emissions tax or other greenhouse gas assessment that is imposed on WIC, (ii) the cost of any greenhouse gas mitigation efforts, including the costs of credits and offsets, that WIC incurs to comply with any greenhouse gas laws, rules or regulations, and/or (iii) costs incurred under a voluntary program of greenhouse gas mitigation. If (i) WIC is unsuccessful in having the FERC-approved Greenhouse Gas Emissions Costs incurred by it recovered through a FERC-approved surcharge applicable to all shippers, and (ii) such amounts are recoverable only through WIC's FERC-approved recourse rates, then Bidder must agree to modify its negotiated fixed monthly reservation rate by the amount of WIC's maximum reservation rate under Rate Schedule FDBS that is attributable to such costs.

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

WIC 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 WIC 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.

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

Creditworthiness Criteria:

The successful bidder(s) must satisfy the creditworthiness requirements of WIC's FERC Gas Tariff. WIC will review the creditworthiness of each successful bidder to ensure they have credit support equal to this level. Bidders who fail to satisfy the creditworthiness requirements within a reasonable time will have their capacity award withdrawn. WIC will treat the financial statements provided by Shipper as confidential.

Evaluation Criteria:

If WIC receives acceptable bids for capacity in excess of the actual amount of available capacity, then WIC 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, WIC 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 0.4542% (which is the annual discount rate of 5.45% 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:

Laine Lobban (719) 520-4344

Greg Ruben (719) 520-4870

Open Season Bid Sheet

Form of Service : WIC FDBS

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. Term of Service (e.g., 1 Year): _____

Requested Term Start Date: _____

Requested Term End Date: _____

C. Maximum Balancing Amount (MBA): _____

Will you accept a pro rata allocation of capacity if necessary?

☐ Yes

☐ No

Primary Point(s) of Delivery	Primary Point(s) of Delivery Quantity (Dth)*

*The sum of the Primary Points of Delivery Quantities must equal the MBA.

D. Expansion Capacity Bid Rate (select one):

☐ Maximum Recourse Rate

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

☐ Negotiated Rate: \$ _____ per Dth per Month

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