ENTREGA GAS PIPELINE LLC
OPEN SEASON PROCEDURES
ENTREGA PIPELINE EXPANSION CAPACITY

Entrega Gas Pipeline LLC ("Entrega"), a limited liability company, will conduct a binding Open Season for new interstate natural gas pipeline capacity, beginning at 8:00 a.m. CT on Wednesday, November 9, 2005 and ending on Monday, December 19, 2005 at 5:00 p.m. CT. This Open Season is being facilitated by Kinder Morgan NatGas Operator LLC, the operator of Entrega.

This Open Season is being held to solicit the submission and execution of binding Precedent Agreements (the form of which is attached hereto) for firm interstate natural gas transportation service on the Entrega Pipeline. Entrega may, upon 5 business day's notice and in its sole discretion, at any time during this Open Season, extend the closing date of this Open Season, shorten or terminate this Open Season, or modify the parameters of this Open Season to more specifically define the project. Interested parties are encouraged to submit Precedent Agreements at their earliest convenience during this Open Season.

Anchor Shippers and Their Rights

For purposes of developing this project and conducting this Open Season, Entrega intends that certain parties shall be established as "Anchor Shippers". Anchor Shippers are defined as shippers that have made long-term capacity commitments on the Entrega Pipeline as it is proposed to be extended or expanded herein, as well as through all three Certificate Segments of the Rockies Express Pipeline Project, as fully described below, prior to or during the applicable Open Season, by the execution of Precedent Agreements which contain binding commitments equal to or exceeding 200,000 Dth/day. The allocation of capacity to Anchor Shippers is not subject to pro-ration as a result of any other commitments obtained during this Open Season from non-Anchor Shippers. All Anchor Shippers will be afforded Most Favored Nations rights, with respect to the rates afforded to all other Open Season shippers.

Anchor Shippers shall hold annual evergreen renewal rights, renewable for one year terms, to be effective after expiration of the initial term, which shall be applicable at the same rate and quantity (or any portion of the quantity) as set forth in the initial FTSA's, which result from Precedent Agreements executed in conjunction with the Entrega project. Anchor Shippers shall provide notice to Entrega of their intent to extend the term of the FTSA's no later than six months prior to expiration of the initial term and each subsequent term.

Anchor Shippers shall also be afforded a one-time Right of First Refusal ("ROFR"), to be effective after expiration of the initial term, which shall be applicable to any portion of the quantity set forth in the initial FTSA's, which result from Precedent Agreements executed in conjunction with the Entrega project. Anchor Shippers shall provide notice to Entrega, prior to the end of the initial term of the applicable FTSA's, of their intent to exercise the negotiated ROFR, consistent with the notice provisions of the ROFR provisions of the FERC Gas Tariff applicable to Entrega.

Description of the Proposed Project

By Federal Energy Regulatory Commission ("FERC") order issued August 9, 2005 at Docket No. CP04-413-000, et al., Entrega was granted authorization to construct and operate approximately 327 miles of 36-inch diameter and 42-inch diameter pipeline from the Meeker Hub in Rio Blanco County, Colorado proceeding northward to Wamsutter in Sweetwater County, Wyoming ("Wamsutter") and then continuing southeastward to the Cheyenne Hub in Weld County, Colorado ("Phase I"), three (3) compressor stations ("Phase II"), and additional facilities necessary to operate the project. Entrega commenced construction of the Phase I facilities on or about October 1, 2005 and expects an in-service date of such facilities on or about January 1, 2007. At this time the Phase II facilities are expected to be in service by the end of 2007.

In an effort to be responsive to the shipper community, Entrega proposes in this Open Season to extend its interstate facilities from a proposed receipt point located at the Opal Hub in Lincoln County, Wyoming ("Opal") to a new receipt/delivery point located on the Entrega Pipeline at Wamsutter. This project will generally consist of the construction, acquisition or lease of facilities or capacity on existing or newly constructed pipeline facilities between Opal and Wamsutter, which will allow Entrega, as extended, to provide seamless transportation from points located at the Opal Hub to the Cheyenne Hub.

Further, EnCana Marketing (USA) Inc. ("EMUS"), the largest shipper on Entrega, has designated Entrega as facilitator in the turn back, subject to specific conditions, of sufficient EMUS capacity on Entrega so as to accommodate only those shippers that subscribe for capacity on the Entrega Projects and the proposed Rockies Express Pipeline Project, as described below. If the turn back of EMUS capacity on Entrega is not sufficient to accommodate all Open Season shippers submitting binding bids for Entrega and Rockies Express capacity, then Entrega will also consider expanding the currently certificated capacity of Entrega to meet shipper demand indicated in this Open Season. The amount of capacity from Meeker to Cheyenne being made available under this Open Season is 500,000 Dth/d and from Opal to Cheyenne is up to 1,000,000 Dth/d. The expected in-service date of this capacity is January 1, 2008, but Entrega envisions that interim service may be available prior to that date.

Rockies Express Pipeline LLC, a joint venture of Kinder Morgan Energy Partners and Sempra Pipelines and Storage ("Rockies Express"), has proposed the construction and operation of certain facilities referred to as the Rockies Express Pipeline Project, a pipeline system that will create long-haul, firm transportation takeaway capacity out of the natural gas supply areas located in the Rocky Mountain producing areas of Wyoming and Colorado to market hubs in the Mid Continent area and ultimately to market hubs serving Eastern markets. The planned Rockies Project facilities will traverse to the east, through eight states, providing capability to transport Rocky Mountain natural gas supplies to major pipeline interconnects along the Rockies Express route to the Clarington, Ohio area (the "Clarington Hub"). The total Rockies Express Project will include the installation of 42-inch diameter or larger pipe, downstream of the

Cheyenne Hub terminus of the Entrega Pipeline, with transportation capacity of up to 2,000,000 Dth/day to the east. The Rockies Project is planned to be filed with the FERC in three separate and independent Certificate Segments, with the first segment envisioned to be in-service on or about January 1, 2008.

It is the intent of Rockies Express and Entrega to make transportation service available to shippers from the Rocky Mountain producing areas that would provide delivery to eastern markets, via the Entrega Projects and the Rockies Express Project, equivalent to a single pipeline system ("Seamless Service").

The facilities and capacities described in these Open Season Procedures may change based on the final project design, shipper commitments or regulatory requirements.

Contents of Precedent Agreements and Guidance

During the Open Season, any party interested in contracting for firm transportation service to be provided through the proposed Entrega pipeline facilities must execute and return the attached Precedent Agreement. The Precedent Agreement must include the following information:

- Indication of whether the party intends to pay the Maximum Applicable Tariff Reservation Rate or a Negotiated Reservation Rate, along with the election of such indicated rate(s).

- Requested Maximum Daily Quantity ("MDQ"), exclusive of Fuel and Lost and Unaccounted for Gas ("FL&U"), of not less than 1,000 Dth per day.

- Requested Primary Term of not less than 10 years.

- Requested Primary Receipt and Delivery Points from the list attached to the Precedent Agreement. If more than one receipt and/or delivery point, or combination of points, is selected, the MDQ, exclusive of FL&U, for each point or combination of points, must be specified. If a party desires a receipt point and/or delivery point that is not already listed in the Precedent Agreement, the party should specify such desired points in the space provided and should indicate whether or not the stated service request is contingent upon Entrega's accommodation of such Other Receipt and/or Delivery Points. Entrega will evaluate the cost of any such request and will inform the party whether, in its sole discretion, it can accommodate such requested receipt and/or delivery point(s), and will advise the party as to any additional cost responsibility. Entrega may accept or reject, in whole or in part, any Precedent Agreement which contains such contingencies.

The following additional guidance should be followed by parties submitting Precedent Agreements:

- Interested parties may submit Precedent Agreements which elect a Negotiated Reservation Rate, which will be valid through the entire term of any service contract resulting from this Open Season. Precedent Agreements submitted with Negotiated Reservation Rates different than those made available for election will constitute non-conforming Precedent Agreements and are subject to further review and acceptance by Entrega.

- Interested parties may submit a Precedent Agreement containing election of the maximum applicable tariff rate by indicating "maximum recourse reservation rate" on the form. Any party indicating "maximum recourse reservation rate" will be subject to the maximum applicable rate established in Entrega's FERC Gas Tariff, as may be modified from time-to-time. It is envisioned by Entrega that the extension facilities may be priced incrementally and that the applicable maximum recourse reservation rate will be then-existing rates applicable on Entrega, plus $0.15 per Dth (stated at 100% load factor) to cover the cost of the expansion facilities.

- In addition to any Negotiated Reservation Rate or Maximum Reservation Rate and applicable Commodity Rate, which is currently estimated to be $0.003 per Dth across the proposed pipeline facilities, parties will be responsible for providing FL&U pursuant to Entrega's FERC Gas Tariff, and subject to adjustment via an authorized tariff FL&U tracking mechanism.

- ACA and any additional authorized surcharges that become generally applicable under Entrega's FERC Gas Tariff, shall also be charged.

- Interested parties should take note of the Gas Quality specifications applicable to the Entrega Pipeline system. Such specifications are set forth in Section 5 of the General Terms and Conditions of Entrega's FERC Gas Tariff.

- As indicated herein, the existing Entrega facilities, as currently certificated, will have the capability of providing up to 1,500,000 Dth/day of capacity. Entrega will consider those binding Precedent Agreements that propose expansion of the existing system above the 1,500,000 Dth/day level. Entrega will only consider such Precedent Agreements at its discretion, and subject to determination that such parties that propose such expansion also submit a binding Precedent Agreement on the Rockies Express Pipeline project.

Execution of Precedent Agreements

Interested parties may submit Precedent Agreements (please submit two complete originals) by registered or certified mail, courier, facsimile or hand delivery at any time during the Open Season to:

Entrega Gas Pipeline LLC
C/O Kinder Morgan NatGas Operator LLC
Attention: Mr. Jeffrey Rawls, Vice President
370 Van Gordon Street
Lakewood, CO 80228
Fax: (303) 763-3102

All material received will be time and date-stamped by Entrega. Any executed Precedent Agreements received (or post-marked, if sent by registered or certified mail) after the close of the Open Season, will be considered only at Entrega's election.

These Open Season materials are provided for informational purposes to enable interested parties to express an interest in obtaining firm transportation service on the proposed pipeline facilities. However, the information contained herein, or that is provided in response to questions or requests for information, establishes no contractual or other relationship between Entrega and any party. Any contractual relationship between parties and Entrega will be reflected in the Precedent Agreement.

Upon notification by Entrega, interested parties will have the period of time allotted in the Precedent Agreement to provide sufficient written evidence of creditworthiness, or, alternatively, post an irrevocable letter of credit, make a prepayment, or provide a guarantee from an acceptable party, in each instance equal to the amount of contract revenues indicated on the Precedent Agreement. Such evidence of creditworthiness will be evaluated by Entrega prior to the signing of any Precedent Agreement.

Entrega's FERC Gas Tariff is available for review by interested parties during the Open Season. Such tariff is subject to revision and FERC approval.

Additional information regarding this Open Season may be obtained from Entrega's website at www.entregapipeline.com or at www.kindermorgan.com. Questions regarding the Open Season should be e-mailed to jeff_rawls@kindermorgan.com or to info@entregapipeline.com with "open season questions" specified in the subject line.

Evaluation of Project

The project evaluation procedure to be utilized by Entrega shall only consider Precedent Agreements to the extent that they provide for an objectively quantifiable payment by the interested party. Precedent Agreements can contain MDQ's that vary monthly, seasonally or annually, or rates that vary in a similar manner and such requests may constitute Negotiated Rate submissions or non-conforming Precedent Agreements. Entrega will, at its sole discretion, consider such Precedent Agreements; however, Entrega will only evaluate and include in its Net Present Value analysis, those portions of a Precedent Agreement that are objectively quantifiable. A final determination regarding whether, in Entrega's sole discretion, the project described herein is economical and whether Entrega is willing to proceed with construction or acquisition of all or any portion of the described project will be based upon the success of executing binding Precedent Agreements with parties for adequate service on the project.

Precedent Agreements received during the course of this Open Season will be assigned a Net Present Value ("NPV") based on rate and MDQ, with the term considered for purposes of establishing NPV capped at 10 years. For bids submitted with a term of more than 10 years, such bids will be assigned a value as if zero percent of the rate bid is applicable for all years beyond 10 years. Entrega will award available capacity, based on NPV, to those parties with whom it executes Precedent Agreements, with Anchor Shippers receiving first allocations of capacity and all other shippers after that. If shippers that are <u>not</u> designated as Anchor Shippers submit Precedent Agreements that produce NPV's greater than those produced by Anchor Shippers' Precedent Agreements, then Entrega would evaluate accommodating such shippers through the design of increased capacity.

Entrega may combine requests of several parties in order to maximize total NPV. If, by the end of the Open Season, Entrega receives Precedent Agreements with two or more interested parties which yield equivalent NPV, and there is insufficient unsubscribed capacity still available to satisfy both requests, Entrega will allocate available capacity (above that level awarded to Anchor Shippers) on a pro rata basis, based on the MDQ's requested by those parties during the Open Season, unless those parties agree on an alternative allocation method. In the event that the allocated pro rata share falls below any party's specified minimum acceptable MDQ, if any, then such bid will be discarded; provided, however, that before discarding such a bid, Entrega will contact the party to determine if they agree to a reduction in their specified minimum MDQ.

Parties will be notified no later than 30 days after the close of the Open Season of any capacity awarded to them as a result of this Open Season.