

PLANTATION PIPE LINE COMPANY

ROANOKE EXPANSION OPEN SEASON NOTICE

(October 2, 2018)

I. Binding Open Season

On October 2, 2018, Plantation Pipe Line Company (“PPL”) issued a press release announcing the development of an expansion of the PPL system (the “Roanoke Expansion”) that will create a total of 21,000 bpd of additional capacity (the “Expansion Capacity”) on certain existing laterals (MDG and 8RK) and the Plantation mainlines between Collins, MS and Greensboro, NC for the transportation of any product currently permitted under PPL’s tariff (as those products are defined in PPL’s tariff on file with the Federal Energy Regulatory Commission (“FERC Tariff”)) from the Baton Rouge, LA, and Collins, MS origin points (each an “Origin Point,” collectively the “Origin Points”) to the Roanoke, VA destination point (the “Destination Point”), as well as certain specified mainline delivery points in between those points (the “Mainline Delivery Points”), each as currently listed in the PPL FERC Tariff. The Expansion Capacity on the full path from the Origin Points to the Destination Point is estimated to be in-service on or before April 1, 2020, but Expansion Capacity on certain segments may become available sooner, as explained in more detail in Exhibit No. 2.

Modifications will be made to the MDG and 8RK laterals and the PPL mainlines to create the Expansion capacity, as shown in Exhibit No. 2. In addition, shippers will be able to use existing capacity on the PGG lateral to access the Expansion Capacity in Collins, MS.

PPL is conducting a binding open season (“Open Season”) to provide interested parties the opportunity to make term and volume commitments for transportation services utilizing the Expansion Capacity in exchange for priority rights (*i.e.*, exemption from prorationing under

normal operating conditions) to such Expansion Capacity. The Open Season will commence at 8:00 a.m. Central Time on October 2, 2018, and will end at 5:00 p.m. Central Time on November 16, 2018 (the “Open Season Period”). Interested parties should submit their binding bids for transportation services utilizing the Expansion Capacity by completing and executing a form transportation services agreement (“TSA”) in accordance with Section III(C) herein and sending it to PPL no later than the close of the Open Season Period: 5:00 p.m. Central Time on November 16, 2018. The initial form of the TSA will be made available to bona fide interested parties upon the execution of a Confidentiality Agreement in a manner satisfactory to PPL, a form of such Confidentiality Agreement, which is Exhibit No. 1 to this Open Season Notice, will be provided upon request. As described further in Section III(B), potential Committed Shippers may request revisions or additions to the terms, conditions and service commitment options being offered in the initial form of the TSA, provided such comments are received by 5:00 PM CT on October 29, 2018. PPL will consider all such comments and, to the extent it determines appropriate and feasible, incorporate such comments into the form TSA.

II. Proposed Commitment Options

A. Overview

The Open Season provides potential shippers with the opportunity to make term and volume commitments to PPL in exchange for access to up the full Expansion Capacity on a priority basis. The existing capacity on PPL along the same path as the Expansion Capacity shall remain available on an uncommitted basis for all shippers that are not Committed Shippers (“Uncommitted Shippers”) and shall equal or exceed 10% of the total system capacity along that path.

B. Volume Commitments

Each shipper making a volume commitment during the Open Season (a “Committed Shipper”) must agree to ship a specified minimum volume of permitted products from one or more Origin Points to one or more of the Destination Point and Mainline Delivery Points each day during the Initial Term¹ (“Minimum Volume Commitment”), pursuant to the terms of the Committed Shipper’s Final TSA.² A Committed Shipper’s Minimum Volume Commitment must equal at least 2,000 BPD.

Except in instances of force majeure, each Committed Shipper will have priority access at the time of monthly nominations each month to an amount of capacity on the Expansion Capacity up to the Committed Shipper’s Monthly Volume Commitment.³ Committed Shippers will be able to source volumes in fulfillment of their Monthly Volume Commitment from any of the Origin Points and be able to deliver such volumes to the Destination Point and/or any Mainline Delivery Points,⁴ but the Committed Shipper’s firm rights to such capacity shall never exceed on any day the Minimum Volume Commitment or in the aggregate for the month the Monthly Volume Commitment. Committed Shippers may nominate volumes for shipment each month that exceed their Monthly Volume Commitment (“Excess Volumes”), and PPL will, subject to operational availability, transport such Excess Volumes on an uncommitted basis. The parameters and limitations related to Excess Volumes, the relationship of such Excess Volumes

¹ The term “Initial Term” is defined in Section II(D) of this Notice.

² The term “Final TSA” is defined in Section III(C) of this Notice.

³ A Committed Shipper’s “Monthly Volume Commitment” shall equal the Committed Shipper’s Minimum Volume Commitment multiplied by the number of days in the applicable month.

⁴ A Committed Shipper’s firm rights to delivery points other than the Destination Point are subject to the Committed Shipper paying the Committed Rate for such movements and available capacity at such physical destination point to receive the Committed Shipper’s requested volume.

to the Yearly Volume Commitment (as defined below), and the rates to be assessed with respect to such Excess Volumes are further described in the form TSA in Exhibit No. 3.

Each contract year during the Initial Term of the Final TSA, PPL will calculate a Yearly Volume Commitment for each Committed Shipper that equals the Committed Shipper's Minimum Volume Commitment multiplied by the number of days in the contract year. If, at the end of any contract year, a Committed Shipper has not transported during the contract year a volume for which it has paid the Committed Rate (the "Actual Committed Volume Transported") that equals or exceeds the Committed Shipper's Yearly Volume Commitment, the Committed Shipper will be responsible for making a deficiency payment to PPL equal to the Committed Shipper's Yearly Volume Commitment *minus* the Actual Committed Volume Transported, *times* the Committed Rate in effect on the last day of the contract year ("Shortfall Payment"). A Committed Shipper's deficiency position will be tracked monthly, as described in more detail in the form TSA in Exhibit No. 3.

C. Rates for Service

In exchange for receiving priority service and/or covering deficiency volumes with respect to the Expansion Capacity, the Committed Shippers will pay a premium rate (the "Committed Rate") for such transportation services, as compared to the rate that is applicable to the same origin and delivery point combination for Uncommitted Shippers, plus the oil loss allowance provided for in the PPL tariff. The contemplated Committed Rate for transportation services from the Origin Points to the Destination Point and/or any Mainline Delivery Points, whether during the Interim Service Period (defined below) or the Term (defined below), are set forth in the form TSA in Exhibit No. 3.

D. Term

The initial term of a Committed Shipper's TSA will extend at least ten (10) years from the In-Service Date⁵ of the Expansion Capacity ("Initial Term"). Upon the expiration of the Initial Term, the TSA will automatically renew for a five (5) year period ("Primary Renewal Term") unless either PPL or the Committed Shipper terminates the agreement by providing written notice to the other party no less than one (1) year prior to the expiration of the Initial Term. After expiration of the Primary Renewal Term, if any, the TSA will automatically renew for a second five (5) year period ("Secondary Renewal Term") unless either PPL or the Committed Shipper terminates the agreement by providing written notice to the other party no less than one (1) year prior to the expiration of the Primary Renewal Term. After expiration of the Secondary Renewal Term, if any, the TSA will automatically renew for successive one (1) year terms (each a "Renewal Term"), unless terminated by either PPL or the Committed Shipper upon written notice to the other party given no less than six (6) months prior to the expiration of the Secondary Renewal Term or then-current Renewal Term. The terms of service set forth in the TSA shall continue to apply to the parties during the Primary Renewal Term, Secondary Renewal Term, and any subsequent Renewal Term. Since the Expansion Capacity will be installed in three stages, committed service on certain segments of the Expansion Capacity will be available during the period (the "Interim Service Period") prior to the In-Service Date, as further described in the form TSA in Exhibit No. 3.

⁵ The In-Service Date means the first day of the first full month that occurs at least thirty (30) days after PPL provides Committed Shippers written notice that the full Expansion Capacity on the pipeline segment from Greensboro, NC to Roanoke, VA will be available for transportation service such that the full Expansion Capacity will be available from Baton Rouge, LA and Collins, MS all the way to Roanoke, VA.

III. Open Season Process

A. Open Season Documents

The following documents will be provided as part of the Open Season (“Open Season Documents”) pursuant to the terms below:

Exhibit No. 1: Confidentiality Agreement

Exhibit No. 2: Pipeline Map Showing Expansion Capacity

Exhibit No. 3: Form TSA (which includes a *pro forma* FERC Rules and Regulations Tariff and proration policy showing that changes that PPL would file to amend the existing Tariff and policy to be consistent with the TSA)

PPL will provide Exhibit Nos. 2 and 3 to bona fide potential Committed Shippers upon such entity’s execution of PPL’s Roanoke Expansion Open Season Confidentiality Agreement, which is Exhibit No. 1.⁶ PPL will inform prospective shippers that have executed a Confidentiality Agreement of the availability of any additional information regarding or changes to the Open Season process or the Open Season Documents via email.

B. TSA Comment Period

Potential Committed Shippers may provide comments to PPL on the terms, conditions and service commitment options being offered in the form TSA in Exhibit No. 3 and may request that PPL offer additional terms, conditions and service commitment options, provided that such comments are received by PPL on or before 5:00 PM CT on October 29, 2018. Following receipt of any such comments, PPL will, in its sole discretion, decide whether to revise the form TSA in Exhibit No. 3 to reflect any of the comments. If PPL does decide to revise the form TSA set forth in Exhibit No. 3 to reflect any such comments, PPL will, no later than November 2,

⁶ The Confidentiality Agreement in Exhibit No. 1 is intended to protect the confidentiality of the information shared between PPL and potential Committed Shippers during the Open Season; it does not, however, limit a potential Committed Shipper’s ability to engage in discussions with FERC regarding the terms of service being offered by PPL during the Open Season provided that the potential Committed Shipper secures FERC’s agreement to maintain the confidentiality of any confidential information shared with FERC.

2018, forward a revised TSA that has been updated to reflect any changes made during the Open Season Period (the “Revised TSA”) to all bona fide parties that have executed the Confidentiality Agreement set forth in Exhibit No. 1.

C. Binding Commitment Process

Potential Shippers that wish to become Committed Shippers must complete, execute, and submit two copies of the TSA (the “Executed TSA”) no later than 5:00 p.m. Central Time on November 16, 2018, via hand delivery, courier, or e-mail to:

Plantation Pipe Line Company
1001 Louisiana Street, Suite 1000
Houston, Texas 77002
Attention: Jeff Kabin, Director of Business Development
Telephone: (713) 369-8567
Email: Jeff_Kabin@kindermorgan.com

PPL reserves the right to reject any Executed TSA that is not received on or before 5:00 p.m. Central Time on November 16, 2018. PPL also reserves the right to reject any and all Executed TSAs that do not satisfy the requirements set forth in this Open Season Notice. Without limiting the foregoing and in order to ensure that all potential Committed Shippers are presented the same terms, conditions, and service commitment options in the Executed TSA, PPL may reject any Executed TSA that is incomplete, is inconsistent with the terms and conditions outlined in this Open Season Notice, contains additional or modified terms from the then-current form TSA, or is otherwise deficient in any respect.

Submission of an Executed TSA constitutes a firm offer by a potential Committed Shipper to enter into a binding Final TSA and shall be non-revocable. By executing and submitting an Executed TSA to PPL, the potential Committed Shipper represents that it has management approval to enter into a binding Final TSA. PPL will not permit a potential Committed Shipper to make any changes to its Executed TSA after it has been submitted to PPL,

except for those permitted under Section III(D) below in the event PPL proceeds forward with an Initial Allocation and/or Second Allocation.

Once PPL receives all of the Executed TSAs, PPL will award capacity to potential Committed Shippers in accordance with the methodology set forth in Section III(D) herein. Following that process, PPL will assess, in its sole discretion whether it has sufficient commitments from Committed Shippers to proceed with the Roanoke Expansion project. If PPL elects to proceed with the project, PPL will revise the Minimum Volume Commitment set forth in each potential Committed Shipper's Executed TSA to reflect the Committed Shipper Capacity actually awarded to each potential Committed Shipper, and such revised TSA shall be the Committed Shipper's "Final TSA." PPL will thereafter indicate its acceptance of the Final TSA by executing both copies and returning one copy to the shipper. Once executed and delivered by PPL, the Final TSA shall constitute a binding agreement, subject to its terms and conditions at the time of receipt.

If a submitted Executed TSA, as permitted to be revised herein, has not been executed by PPL and returned to the potential Committed Shipper within thirty (30) days following the end of the Open Season Period, the submitted Executed TSA shall become null and void, and any rights or obligations relating to the Roanoke Expansion on the part of the Committed Shipper and PPL as reflected in such Executed TSA shall be deemed to have never taken effect. The binding effect of any fully executed Final TSA will be conditioned upon PPL's execution of a sufficient number of Final TSAs to justify, in PPL's sole discretion, completion of the Roanoke Expansion project.

D. Allocation of Expansion Capacity to Committed Shippers.

Following the conclusion of the Open Season, PPL will award the Expansion Capacity to potential Committed Shippers based on the highest net present value (“NPV”) of their commitment based on the Minimum Volume Commitment level set forth in the Committed Shipper’s Executed TSA, and between potential Committed Shippers with the same NPV on a pro rata basis (the “Initial Allocation”).

If, following the Initial Allocation, there remains unsubscribed Expansion Capacity, PPL shall notify all Committed Shippers that submitted an Executed TSA of such remaining available Expansion Capacity. Each Committed Shipper shall then have seven (7) days from the date of such notice to submit a revised Executed TSA to PPL that contains an increased Minimum Volume Commitment that is designed to take advantage of such available Expansion Capacity.⁷ Following receipt of all revised Executed TSAs, PPL shall then, if necessary, allocate the remaining available Expansion Capacity on a pro rata basis among the Committed Shippers who submitted a revised Executed TSA based on the ratio of the amount of additional Expansion Capacity request by the Committed Shipper to the total amount of additional Expansion Capacity requested by all Committed Shippers (“Second Allocation”). The Second Allocation shall not decrease or otherwise impact in any way the capacity allocation a Committed Shipper receives during the Initial Allocation; it shall only serve to allocate to the Committed Shipper the Expansion Capacity that remains available following the Initial Allocation. Any Committed Shipper that requests additional Expansion Capacity following the Initial Allocation shall be required to accept all such additional Expansion Capacity awarded to them in the Second Allocation. Once all such allocations have been completed, the total amount of Expansion

⁷ A Committed Shipper shall not be permitted to submit a revised Executed TSA in order to decrease the Minimum Volume Commitment the Committed Shipper elected in its Executed TSA.

Capacity allocated to a Committed Shipper shall be reflected in the Committed Shipper's Final TSA through a revision of Exhibit A.

IV. Credit Requirements

As further specified in the form TSA in Exhibit No. 3, each Committed Shipper shall provide financial data sufficient for PPL, in its sole discretion, to ascertain the Committed Shipper's credit-worthiness and, if PPL so determines, it may request financial assurance(s) from the Committed Shipper, which may be in the form of a letter of credit or a guaranty agreement, or such other security as may be acceptable to PPL.

V. Limitations and Reservations

The pipeline configuration to provide for the Expansion Capacity is subject to revision after the conclusion of the Open Season Period. Prior to the deadline for submission of Executed TSAs to PPL, PPL further reserves the right, in its sole discretion, to (1) modify any of the Open Season materials, including the Committed Rate, if necessary, as indicated by economic, engineering design, environmental, legal, or other factors, or (2) decide not to proceed with the transportation service commitment terms offered in the Open Season. Once the deadline for submission of Executed TSAs to PPL has passed, PPL further reserves the right, in its sole discretion, to decide not to proceed with the Roanoke Expansion project. In such an event, PPL will notify all interested shippers as soon as reasonably practicable.

This Open Season Notice and the other Open Season Documents are informal marketing documents, and the provision of these documents to a potential shipper does not establish a contractual relationship between or among PPL or any of its affiliates and any party who receives them. These procedures are intended to be used solely for the project discussed herein and are not intended to be in lieu of the requirements of FERC or any applicable federal and state laws.

VI. Conclusion

If you should have questions or comments regarding the Open Season, project timing, the configuration of the Expansion Capacity (including Origin Points, the Destination Point, and Mainline Delivery Points), or the service commitment options related thereto, please feel free to contact Jeff Kabin at any time at (713) 369-8567 or Jeff_Kabin@kindermorgan.com.

Disclaimer

This notification along with related Open Season materials is provided for informational purposes only. Notwithstanding anything contained herein to the contrary, this notification, all versions of the TSA and the Open Season conducted by PPL are not intended to constitute, nor shall they be construed to constitute, an offer or any binding obligation whatsoever on PPL to proceed with the expansion project contemplated by the Open Season until PPL has executed and delivered a fully executed Final TSA to one or more interested shippers and provided written notice that it has received sufficient commitments to proceed with the Roanoke Expansion project. PPL reserves the right, in its sole discretion, to modify, terminate or extend the Open Season, in whole or in part, including without restriction any ensuing discussions among the parties at any time, without advance notice. PPL further reserves the right to modify or supplement any of the documents associated with the Open Season without notice. In the event there is a conflict between the description of the terms of service for Committed Volume provided in this Open Season Notice and the description of the terms of service for Committed Volume provided in a fully executed Final TSA, the terms of the fully executed Final TSA shall control.

Under no circumstances shall PPL or any of its affiliated companies or any of their respective directors, officers, employees, agents, attorneys, advisers and representatives be responsible for any costs or expenses incurred by any recipient or for any other liability, howsoever arising, incurred by any recipient, in each case, in connection with any investigation or evaluation of the Roanoke Expansion project.