

# **UTICA MARCELLUS TEXAS PIPELINE LLC**

## **NOTICE OF OPEN SEASON**

Utica Marcellus Texas Pipeline LLC, a Kinder Morgan subsidiary (“Carrier”), is conducting a binding open season (“Open Season”) for potential development of a pipeline system (“UMTP System”) designed to transport propane, butanes, natural gasoline, Y-grade, or condensate (“Products”) in batches from points of origin in Harrison and Tuscarawas Counties, Ohio to destinations on the Texas Gulf Coast.

### **A. Overview of Project**

The UMTP System will include (i) the acquisition and conversion of approximately 964 miles of existing 26”/24” pipeline owned and operated by Tennessee Gas Pipeline Company, LLC (“TGP”) (an affiliate of Carrier), beginning at TGP’s Station 216 in Columbiana County, Ohio and terminating at TGP’s Station 40 in Natchitoches Parish, Louisiana, (ii) the construction of a pipeline operations storage facility in Tuscarawas County, Ohio (“Carrier Storage Facility”), (iii) the construction of laterals extending from the Carrier Storage Facility into Harrison County, Ohio, (iv) the construction of pump stations, and (v) the construction of new 20” pipeline from TGP’s Station 40 in Natchitoches, Louisiana to storage facilities and other delivery points along the Texas Gulf Coast.



The UMTF System will have an initial design capacity of up to 430,000 barrels per day; however, the final scope of the UMTF System may change based on the results of this Open Season.

**B. Origin Facilities**

The proposed points of origin will be located at the tailgates of the Scio and Hopedale fractionators in Harrison County, Ohio, and the tailgate of the Lewis Processing Facility and the Kinder Morgan UMTF tank farm located in Tuscarawas County, Ohio (collectively the “Origin Points”). The Carrier Storage Facility will be connected to the Origin Points via 8-16” laterals. More details regarding origin facilities will be provided to those entities that have executed a confidentiality agreement and provided a bona fide non-binding indication of interest.

**C. Delivery Facilities**

The points of delivery will be, based on customer demand, the inlets to Mont Belvieu storage caverns, a Kinder Morgan marine terminal facility, condensate tankage near an existing condensate system operated by Kinder Morgan, and/or other 3<sup>rd</sup> party storage and pipeline facilities along the Texas Gulf Coast. More details regarding delivery facilities will be provided to those entities that have executed a confidentiality agreement and provided a bona fide non-binding indication of interest.

**D. Batched System**

In order to optimize the operations of the UMTF System, Products will be batched in sequence according to the like composition of the Products and subject to the other terms and conditions referenced in Carrier’s Rules and Regulations Tariff (“Rules Tariff”). Products may be transported in commingled batches and Carrier shall have no obligation to deliver to a Shipper the same molecules of Product received from such Shipper. Carrier shall be obligated to deliver at the delivery points for a Shipper’s account Product that meets the quality specifications in the Rules Tariff. Additional details regarding transportation terms and conditions will be provided to those entities that have executed a confidentiality agreement and provided a bona fide non-binding indication of interest.

**E. Open Season Procedures**

1. Open Season Documents.

The following documents are being provided as part of this initial open season notice:

- Exhibit No. 1: Notice of Open Season
- Exhibit No. 2: Form Confidentiality Agreement
- Exhibit No. 3: Non-binding Indication of Interest Form

Those entities wishing to receive further documentation regarding this Open Season must first submit (i) an executed Exhibit No. 2 with no modifications other than entity name and contact information (each, a “Confidentiality Agreement”), and (ii) a fully completed, bona fide Non-binding Indication of Interest Form to the following:

Mike Sims  
Director – Business Development  
Kinder Morgan Energy Partners, L.P.  
1001 Louisiana St, Suite 1000  
Houston, TX 77002  
[mike\\_sims@kindermorgan.com](mailto:mike_sims@kindermorgan.com)

The Confidentiality Agreement will apply to all potential Shippers and exceptions or modifications for individual potential Shippers will not be considered. For those entities so executing a Confidentiality Agreement and providing a bona fide Non-binding Indication of Interest, the following documents will be sent:

- (i) a more detailed Map of the proposed route;
- (ii) a Binding Open Season Terms and Procedures, which includes a “Summary of Commercial Terms of TSA”, and
- (iii) Form Transportation Services Agreements for Tier I and Tier II Anchor Shippers, each of which includes a *pro forma* FERC Rules Tariff (each, a “TSA”).

All of the above documents combined shall be referred to as the “Open Season Documents”.

Delivery of the Open Season Documents to potential shippers does not constitute an offer by Carrier to proceed with developing the UMTF System or provide transportation services, but enables potential shippers to review, complete, execute and return copies of a TSA to Carrier so as to be eligible to receive transportation service as “Anchor Shippers” if development of the UMTF System proceeds, Carrier executes the TSAs of such shippers, and any conditions precedent in the TSAs are satisfied.

Changes to those Open Season Documents that are confidential will be notified directly only to potential shippers who have signed and delivered Confidentiality Agreements and a bona fide Non-binding Indication of Interest pursuant to this Notice of Open Season.

2. Term of the Open Season.

This Open Season will close at 5:00 p.m. CST on Tuesday, September 15, 2015; provided, that Carrier may at any time during the Open Season extend the Open Season, in Carrier’s sole discretion. Notice of any Extensions of the Open Season will be posted to <http://www.kindermorgan.com/>. An entity that desires to become an Anchor Shipper must execute and deliver to Carrier, consistent with the terms of the confidential Binding Open Season Terms and Procedures, two copies of the applicable TSA for each form of commitment selected on or before the close of the Open Season. Carrier reserves the right to terminate this Open Season, in its sole and absolute discretion, at any time. Notice of termination of the Open Season will be posted to <http://www.kindermorgan.com/>.

F. Additional Open Seasons

If the committed capacity of the UMTF System is not fully subscribed during this Open Season, or any extensions thereof, or if additional capacity is added to the UMTF System after the close of this Open Season, or any extensions thereof, Carrier may, at its option, hold one or more additional open seasons in which interested shippers would be given an opportunity to commit to transport a specified volume of batched propane, butanes, natural gasoline, Y-Grade, and/or condensate for a specified term, at rates and on terms that may vary from the terms offered in this Open Season. In addition, at the expiration of any TSA term, to the extent permitted by law, Carrier may, at its option, again offer in an open season the capacity that was

the subject of the expired TSA in exchange for committed volumes at rates and other terms that may vary from the rates and the other terms offered in this Open Season.

**G. Credit Qualification**

At Carrier's request, a potential shipper that submits a TSA may be required to provide to Carrier, at the time required by Carrier prior to execution of the TSA by Carrier, evidence that such potential shipper satisfies the minimum credit ratings required by the financial assurance provisions of the TSA or that it can and will provide the financial assurances required by the TSA. In determining a potential Anchor Shipper's credit qualification, Carrier will factor in the size of such potential shipper's minimum volume commitment under its TSA.

An Anchor Shipper whose credit is initially approved pursuant to the procedures in this Open Season will remain subject to the financial assurances provisions of the TSA.

**H. Regulatory Matters**

This Notice of Open Season is intended to be used solely for the services discussed herein and is not intended to be in lieu of the requirements of the Federal Energy Regulatory Commission or any other applicable federal or state laws.

**I. Waiver and Acknowledgment**

To the extent permitted by applicable law, by submitting an executed TSA, a potential shipper will be deemed to have (a) waived any and all claims it has or might have against Carrier or its affiliates arising from the Open Season, such potential shipper's participation in the Open Season or any decision, determination or action by Carrier pursuant to the Open Season, and (b) acknowledged and agreed that all of the costs and expenses it incurs in connection with its participation in the Open Season are to be borne exclusively by such potential shipper.

**J. Information Requests**

Potential shippers should direct any questions about this Open Season to the following:

Mike Sims  
Director – Business Development  
Kinder Morgan Energy Partners, L.P.  
1001 Louisiana St, Suite 1000  
Houston, TX 77002  
Office: 713-420-4731  
Cell: 281-923-2231  
[mike\\_sims@kindermorgan.com](mailto:mike_sims@kindermorgan.com)