

**NOTICE OF BINDING OPEN SEASON/SOLICITATION OF INTEREST**  
**ONEOK Gas Transportation, L.L.C.**  
**June 28, 2018**

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**Announcement of Open Season Solicitation of Interest**

In response to significant interest in Oklahoma natural gas outlets, **ONEOK Gas Transportation, L.L.C.** (OGT) is holding a binding Open Season to solicit interest in a project to create additional firm transportation capability, including intrastate and NGPA Section 311 Firm Transportation Services (“311 service”), on its pipeline system. The proposed project anticipates the expansion of OGT for incremental receipts from the Sooner Trend Anadarko Canadian Kingfisher (“STACK”) region for deliveries to firm 311 service points at PEPL Seiling, NGPL Woodward, Southern Star Mutual and OkTex Caprock. Intrastate service delivery points are also available including Western Trail and other on-system markets. Other firm 311 service delivery points and / or intrastate delivery points will be considered. As currently contemplated, the project will consist of new compression facilities and other infrastructure. The incremental throughput capacity on OGT currently is estimated to be up to 300,000 Dth/day depending on the results of the Open Season. Expansion capacity is less than 300,000 for certain transportation paths and / or certain receipt or delivery point constraints. See Exhibit B – Project Map for details on potential receipt point and delivery point locations.

OGT invites parties interested in obtaining some or all of this proposed capacity to submit in confidence a binding request for service during this Open Season period. The request for service will constitute an offer that may be accepted by OGT as a part of this binding Open Season process as further described below. Any accepted offer and transaction will be subject to completion and execution of a precedent agreement and/or transportation service agreement.

Based on the Open Season results, OGT will refine facility designs, cost estimates and project economics. In accordance with the terms of this announcement, OGT will install new facilities to accommodate awarded transportation capability. The amount of awarded capacity will be determined at OGT’s discretion, depending on bidders’ aggregate level of commitment and the economic viability of any potential expansion(s).

**About**

OGT is an Oklahoma intrastate pipeline system transporting natural gas across the state of Oklahoma with numerous receipt and delivery points along its entire length. OGT currently offers firm and interruptible intrastate and 311 service. OGT is interconnected with 46.0 BCF of storage owned and operated by ONEOK Gas Storage, L.L.C..

**Length of Open Season**

The Open Season is posted June, 28, 2018. Requests for service will be accepted beginning June 29, 2018, at 8 a.m. CDT, concluding July 27, 2018, at 5 p.m. CDT. Parties should send their binding request for service via email to Cliff Allison @ [cliff.allison@oneok.com](mailto:cliff.allison@oneok.com) or to OGT via registered mail at ONEOK Plaza 100 W. 5<sup>th</sup> Street, Suite 1200 Tulsa, Oklahoma 74103, attention: Cliff Allison.

Parties should submit questions concerning this Open Season to:

Cliff Allison (918) 588-7718, [Cliff.Allison@oneok.com](mailto:Cliff.Allison@oneok.com)  
 Monica Paul (918) 732-1391, [Monica.Paul@oneok.com](mailto:Monica.Paul@oneok.com)

OGT may, in its sole discretion, modify the terms of the Open Season and/or extend the duration of the Open Season at any time during the Open Season, upon notice given by means of a posting to OGT’s website.

**Subsequent Schedule**

OGT expects to contact bidders by no later than August 15, 2018, concerning requests for service. Where bidders and OGT have a mutual interest in proceeding with the proposed project, a binding precedent and/or transportation service agreement will be executed between the parties as quickly as project circumstances warrant.

**Rate Information**

OGT reserves the right to define and maintain the economic viability of the project. OGT’s decision to proceed with the project is at its sole discretion and is subject to receiving a sufficient level of capacity subscriptions, obtaining the necessary governmental authorizations to construct and operate the project and other conditions as set forth in the precedent agreement. Rates for service are identified in the table below.

Term:	Minimum 5 years
Mainline Facility Fee:	To Be Bid In Open Season (Exhibit A)
OGT Firm Transport Demand Rate:	OGT Maximum Tariff Rate, Currently \$0.0482/Dth/day
Commodity Rate:	OGT Maximum Tariff Rate, Currently \$0.00012 per Dth delivered
OGT Fuel and Use Quantity:	Tariff Rate - Currently 1.5% for quantities delivered

Rates identified in the table above are currently effective rates for both 311 and intrastate service and are subject to change.

OGT may, in its sole discretion, deem a nonconforming request for service “acceptable” and accept the request for service and / or include the request for service as part of the firm capacity allocation process. OGT will exercise its discretion in this regard in a not unduly discriminatory manner.

### **Submission of Binding Request for Service**

To respond to this Open Season, bidders should submit a binding request for service in a form substantially similar to that contained in Exhibit A. A minimum term of five years shall be required. Shippers will be required to demonstrate creditworthiness or provide a credit alternative acceptable to OGT. The binding request for service should contain each physical receipt and delivery point, as well as the transportation quantity at each point, and the total transportation quantity. The OGT pool is not an acceptable receipt or delivery point for a request for service. Parties submitting a request for service must include an indication if they would accept a lesser quantity in the event such capacity is awarded on a pro rata basis.

Upon receipt of the binding requests for service, OGT, at its sole discretion, shall determine whether to proceed and, if so, in what manner. OGT has no obligation to negotiate with or enter into any transaction with any party that submits a binding request for service. OGT may consider a non-conforming request for service in its sole discretion if the party submitting the request for service otherwise agrees to adhere to the processes described herein.

### **Declaration of Interest Award Process**

Upon conclusion of the Open Season period, OGT will evaluate requests for service for transportation service commencing as outlined in the “Commencement of Service.” If, after evaluating the requests for service, OGT determines the level of interest is sufficient to warrant economically viable support for the proposed project, then OGT will proceed to obtain precedent and/or firm transportation service agreements.

In evaluating requests for service, OGT will utilize a net present value (NPV) analysis and will proceed with negotiations with parties having the highest net present value request for service. For purposes of its NPV evaluation, OGT may consider the aggregate NPVs of two or more requests for service. In the event of equal NPV calculations on requests for services or a combination of requests for service, capacity will be awarded on a pro rata basis to achieve the highest overall NPV as determined by OGT on a not unduly discriminatory basis. Factors used in evaluating the NPV of a request for service include the rate, term, effective date and sufficient volumes to support the proposed expansion.

OGT will begin the negotiation of precedent agreements and/or transportation service agreements and service orders with individuals submitting a request for service in this Open Season prior to negotiating with any other party excluding anchor tenants with prearranged deals.

If all capacity created by the proposed expansion is not initially subscribed to Open Season bidders, and if OGT in its sole discretion is interested in proceeding, OGT reserves the right to market this capacity post-Open Season.

OGT reserves the right to negotiate precedent agreements and/or transportation service agreements and service orders that will obligate OGT and the successful bidder(s) to execute a transportation service agreement upon satisfaction of the conditions set forth in the precedent agreement. This includes OGT's right to negotiate binding precedent agreements with any party submitting a post-Open Season request for service without an additional Open Season.

**Commencement of Service**

Service will commence as early as third quarter 2019 on the full 300,000 Dth/day or as project circumstances warrant. If desired, earlier in-service dates will be considered. The proposed project and the service are dependent on OGT obtaining all necessary internal approvals and all external approvals, authorizations and permits, including satisfying all rules, regulations and requirements of governmental authorities having jurisdiction.

**ONEOK Gas Transportation, L.L.C.**  
**OPEN SEASON EXHIBIT A**

- A. Bidder Name: \_\_\_\_\_
- B. Effective Date: \_\_\_\_\_
- C. Term: \_\_\_\_\_
- D. Total Requested Maximum Daily Quantity (Dth/d): \_\_\_\_\_
- E. Willing to accept pro rata quantity? (Yes or No) \_\_\_\_\_
- F. Mainline Facility Fee: \_\_\_\_\_
- G. Firm Transportation Rate: OGT Maximum Tariff Rate, Currently \$0.0482 Dth/day
- H. Commodity Rate: OGT Maximum Tariff Rate, Currently \$0.00012 per Dth delivered
- I. Fuel Use and Line Loss quantity: Tariff Rate, Currently 1.5% for quantities delivered
- J. Receipt/Delivery Point/Rate information on attached page

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

**OPEN SEASON EXHIBIT A - CONTINUED  
RECEIPT/DELIVERY POINT INFORMATION**

<b>Receipt Point Name</b>	<b>Delivery Point Name</b>	<b>Maximum Daily Quantity</b>	<b>Mainline Facility Fee</b>
<b>Total Receipt Quantity</b>			

# OPEN SEASON EXHIBIT B OGT Expansion Area

