

**NOTICE OF BINDING OPEN SEASON/SOLICITATION OF INTEREST**  
**ONEOK WesTex Transmission, L.L.C.**  
**OWT Northbound Expansion**  
**June 7, 2018**

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**Announcement of Open Season Solicitation of Interest**

In response to significant interest in Permian Basin natural gas outlets, **ONEOK WesTex Transmission, L.L.C.** (OWT) is holding a binding Open Season to solicit interest in an expansion project to increase transportation capability from the Permian Basin, including the OWT Waha Hub, to points on the north end of the OWT system. See Exhibit B-OWT Waha Hub Schematic for details on the interconnectivity of the OWT Waha Hub. Intrastate and NGPA Section 311 Firm Transportation Services (“311 service”) are included in the scope of this proposed expansion. The proposed project anticipates potential deliveries to firm 311 service points at ANR, CenterPoint, OkTex and Southern Star. Proposals for receipt and delivery points other than these noted on Exhibits B and C will be considered.

As currently contemplated, the project will consist of new compression facilities and other associated infrastructure. Total northbound current and expanded capacity on OWT is estimated to be up to 300,000 Dth/day depending upon path and receipt and delivery point(s) requested. Available capacity may be limited for certain transportation paths and / or certain receipt or delivery point constraints. See Exhibit C – Project Map for details on potential receipt point and delivery point locations.

OWT 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. Any transaction will be subject to completion and execution of a precedent agreement and / or transportation service agreement and service order.

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

### **Length of Open Season**

The Open Season is posted June 7, 2018. Requests for service will be accepted beginning June 8, 2018, at 8 a.m. CDT, concluding July 12, 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 OWT 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, <a href="mailto:Cliff.Allison@oneok.com">Cliff.Allison@oneok.com</a>
Monica Paul	(918) 732-1391, <a href="mailto:Monica.Paul@oneok.com">Monica.Paul@oneok.com</a>

OWT 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 OWT's website.

### **Subsequent Schedule**

OWT expects to contact bidders by no later than July 20, 2018, concerning requests for service. Where bidders and OWT have a mutual interest in proceeding with the proposed project, a precedent and / or transportation service agreement will be executed between the parties as quickly as project circumstances warrant.

### **Commencement of Service**

The target in-service will be as early as first quarter 2019 or as project circumstances warrant. If desired, earlier in-service dates will be considered. The proposed project and the service are dependent on OWT obtaining all necessary internal approvals and all external approvals, authorizations and permits, including satisfying all rules, regulations and requirements of governmental authorities having jurisdiction.

### **Request for Service Award Process**

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

In evaluating requests for service, OWT will utilize a net present value (NPV) analysis and will proceed with negotiations with parties having the highest net present value request for service to compensate OWT for transportation services and reimbursement for

new facilities. For purposes of its NPV evaluation, OWT 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 OWT 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. OWT will accept bids higher than the current Firm Section 311 maximum tariff rate of \$8.25 per dth/month, which will consist of the transportation rates and to recover the facility fee for the cost of new facilities.

OWT 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 in its value evaluation. OWT will exercise its discretion in this regard in a not unduly discriminatory manner. OWT will not accept requests for fuel below the existing Tariff rate of 1.5 percent.

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

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

### **Credit Requirements**

Shippers will be required to demonstrate creditworthiness or provide a credit alternative acceptable to OWT.

### **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. The binding request for service should contain each physical receipt and delivery point as well as the Maximum Daily Quantity. The OWT pool is not an acceptable physical receipt or delivery.

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

**ONEOK WesTex Transmission, 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. Receipt/Delivery Point/Rate information on attached page.
- G. Fuel and Use Quantity: 1.5 percent

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

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

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

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

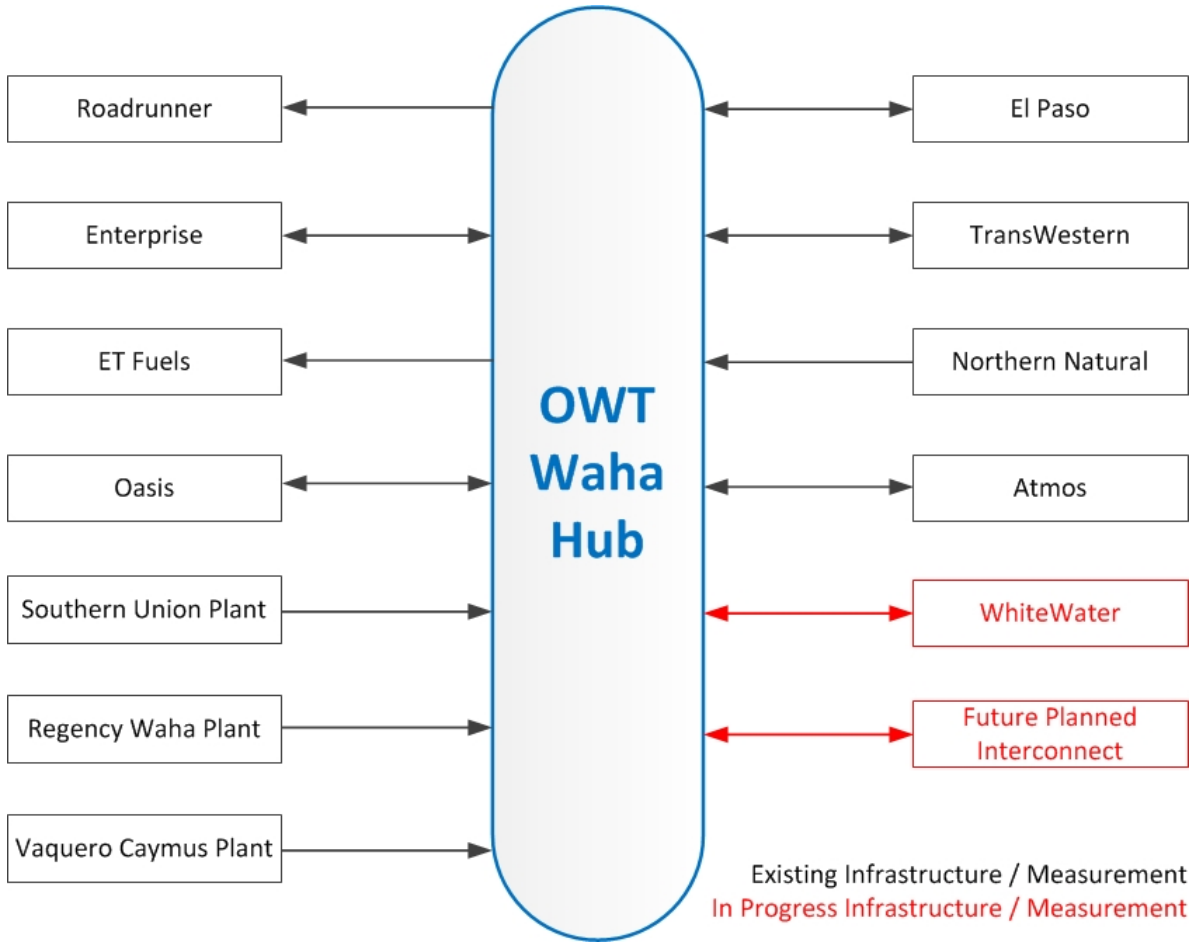
Email: \_\_\_\_\_

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>Rate</b>
<b>Total Receipt Quantity</b>			

**OPEN SEASON EXHIBIT B**  
**OWT Waha Hub Schematic**



# OPEN SEASON EXHIBIT C Project Map

