



SOUTHERN STAR[®]

CENTRAL GAS PIPELINE

UNDERSTANDING YOUR SOUTHERN STAR INVOICE

TRAINING OBJECTIVES

- Overview of what information is used to allocate volumes and calculate charges to contracts.
- Details of statement and invoicing processes.
- “Leadoff Hitter” for trainings in specific areas.
- Interaction and feedback
- Follow up questions
- Training Library

TOPIC AGENDA



- Nominations
- Measurement
- Allocations & Balancing
- Charge Calculation
- CSI Invoice Layout
- Rate Schedules & Charge Types
- Capacity Release
- Discount Agreements
- Imbalances & Cashouts
- PPA's
- Payments/Ledger Balances
- Invoicing Contacts & Agents

COMMERCIAL DATA SEQUENCE

NOMINATIONS

- Gas Day 9 AM to 9 AM
- Shippers can use their contracts to nominate receipts and deliveries
- Nominations are made at the location level
- Cycles
 - Day Ahead
 - Timely & Evening
 - Intraday 1, 2 & 3
- Final scheduled quantity with Intraday 3

MEASUREMENT

- All gas is measured by MCF at the meter and each meter is tied to a quality analysis stream.
- Quality is measured by a gas chromatograph or spot sample analyzed monthly in a lab.
- The BTU for that stream is applied to the MCF at the meter to calculate dekatherms.
- Dekatherms are the units on which our contracts and charged commodities are based.

ALLOCATIONS

- All charges are assessed at the location level.
- Allocations are calculated based on the contractual scheduled quantities and total applied measurement for the location.
- Daily Allocated totals are used to calculate commodity charges for each contract.

ALLOCATION METHODS

- Operators can create a pre-determined allocation calculation for their locations.
 - They can set allocation rank orders or percent basis.
- Each location has its own set allocation method.
 - OBA, Swing, and "Nom Alloc", scheduled=allocated.
 - Default 1, 2, & 3 have pro-rata calculations based on the setup for the operator.

ALLOCATION TOTALS

- Daily allocation totals have gross and net totals.
 - For receipts, fuel is calculated on the gross total for transportation contracts.
 - The net total (with fuel reduction) is the gas available at the location for each contract.
- Previous day allocation totals are typically available around 11:15 once the gas day closes at 9:00.

BALANCING

- Balances always finish up after allocation processes run. First look at updated daily and cumulative transport and storage balances are available by 11:30.
- Transport imbalances are net receipts vs gross deliveries.
 - (+) imbalances are due SSC
 - (-) imbalances are due shipper

BALANCING

- Storage balances always show as negative; if your storage gets to 0 and you still owe us gas, a positive transport imbalance will be created.
- Monthly IM and IP balances do not calculate until we run final data closing the month.
- CSI038 and CSI039 are reports that are available for shippers to view shipper balances during the month.

INVOICE CHARGES

- Charges are calculated on a daily basis.
- Contract and agreement details are used to calculate daily reservation volumes and rates.
- Allocation details are used to calculate commodity charges.
- Balance details are used to calculate storage and potential cash out charges.

CSI INVOICE LAYOUT

The first page of the invoice will list the customer's name/billable party, information for the specific invoice, such as date and due date, and will list the contracts along with the amount due per contract and the total invoice amount due. It also lists the remittance information for making payments.

Southern Star Central Gas Pipeline, Inc.
Invoice Charge Summary by Contract
Accounting Date: March 2021

Page: 1
Invoice Date: 4/7/2021
Invoice ID: [REDACTED]
For Month of: March 2021
Due Date: 4/19/2021

Billable Party: [REDACTED]

Contract	Transport Production Inv Amt	Transport Market Inv Amt	Total Transport Invoice Amt	Total Storage Invoice Amt	Total Invoice Amt	Disputed
[REDACTED]	\$0.00	\$2,081.79	\$2,081.79	\$0.00	\$2,081.79	
	\$0.00	\$20,352.74	\$20,352.74	\$0.00	\$20,352.74	
	\$103.27	\$0.00	\$103.27	\$0.00	\$103.27	
Total	\$103.27	\$22,434.53	\$22,537.80	\$0.00	\$22,537.80	
Current Total Invoice Amt					\$22,537.80	
Check Amount						

For questions concerning this invoice or statement, please contact Lisa Bryant 1-270-852-4626
If disputed quantities, please fax copy to 1-270-852-5014 or email Lisa.Bryant@southernstar.com
**** Interest will be charged on Past Due Balances ****

Remittance Address:
Southern Star Central Gas Pipeline, Inc.
ATTN: Treasury
P.O. Box 20010
Owensboro, KY 42304-0010

Electronic Funds Transfer Address:
JP Morgan Chase Bank, N.A.
ABA Wire: 0-210-0002-1 ACH: 0-830-0013-7
A/C# 637008871
Louisville, KY

The second page of the invoice contains information on the charge type acronyms, fuel percentages, adjustment types, etc. The company contacts from Southern Star for Customer service, billing and scheduling for the specific customer will also be listed on this page.

Customer: [REDACTED]

Southern Star Central Gas Pipeline, Inc.
Notes and Remarks
Accounting Date: March 2021

Page: 2
Invoice Date: 4/7/2021
Invoice ID: [REDACTED]

Allocation

Default1	Default 1
Default2	Default 2 - STS Swing
Default3	Default 3
Nom Alloc	Allocation as Nominated
OBA	OBA
Percent	Percent
Prorata	Prorata
Rank	Rank
Swing	Swing

Fuel Percentage

	Transportation	Storage
Production	0.0096	0.0324
Prod Backhaul	0.0009	
Market	0.0072	0.0324

Adjustment Types

Measurement Related
Reverse - Reversal of Measured Vol
Restate - Restate of Measured Vol

Allocation/Charges Related
Manual - Manual Adjustment
Shift - Receipt/Delivery Shift
Reverse - Reversal of Charge
Restate - Restate of Charge
Rate - Charge Adjustment of Rate
Min Bill - Minimum Bill Charge
Measurement - Measurement Volume Adjustment
Adjustment - Balance Adjustment
Sto Reimburs - Storage Netting Reimbursement

Charge Types

ACA	Annual Charge Adjustment
CMD	Commodity
CMP	Commodity Pooled Pt.
CSH	Cash Out
FOP	Flow Order Penalty
INJ	Injections - Storage
MC1	Modernization - Commodity
MR1	Modernization - Reservation
ORA	Authorized Overrun
ORC	Overrun Capacity-Non Chargeable
ORI	ORI-INJ
ORP	ORA Pooled Point
ORU	Unauthorized Overrun
ORW	ORA-WITHDRAWAL
PLD	Park & Loan Commodity
RDA	Reservation Delivery Credit - Storage
REA	Reservation Assignment Credit
REC	Reservation Capacity - Storage
RED	Reservation Deliverability - Storage
REF	Reservation Market Rate - Storage
RES	Reservation
REV	Reservation Volumetric
RFA	Reservation Market Rate Credit - Storage
RVA	Reservation Volumetric Credit
STF	Storage Fuel
WDR	Withdrawals - Storage

All Volumes are in dekatherms.

If you have any questions concerning this packet or any other services we may be providing, please contact:

Customer Service:	Scott Warren	1-270-852-4559
Gas Accounting/Invoicing:	Lisa Bryant	1-270-852-4626
Scheduling:	Shawn Brumfield	1-270-852-4629

Note:

The next section of the invoice will have specific information for each contract. It will list charge quantities, rates and amounts due for the applicable charge types.

Customer: [REDACTED]		Southern Star Central Gas Pipeline, Inc. Transportation Charge Summary Statement Accounting Date: March 2021					Page: 3 Invoice Date: 4/7/2021 Invoice ID: [REDACTED]			
Contract: [REDACTED]		FTS Market								
Line No	Charge Type	Release To Contract	Release To Customer	Contract MDTQ/MDQ	Adj Date	Adj Type	Charge Quantity	Rate Adj.	Rate	Amount Due
Reservation Charges										
0001	RES			400			12,400	*	0.160000	\$1,984.00
Total Reservation Charges										\$1,984.00
Commodity Charges										
0002	CMD			400			6,940		0.011500	\$79.90
0003	ORA			400			53		0.157700	\$8.40
Total Commodity Charges										\$88.30
Surcharges										
0004	ACA			400			6,993		0.001100	\$7.67
Total Surcharges										\$7.67
Modernization										
0005	MC1			400			53		0.034300	\$1.82
Total Modernization										\$1.82
Total Invoice Amount for [REDACTED]										\$2,081.79
FTS Market										

The invoice will also show receipts and deliveries per transportation contract, including the location, the gross and the net allocation with any imbalances.

Contract: █████ FTS Market

Adj Date	Adj Type	SSC Loc	Location Name	Rec Loc	Customer	Upstream/Downstream Contract	Package ID	Alloc Mthd	Gross Rcpt Noms	Allocated Receipts	Fuel %	Fuel Qty	Net Alloc Receipts
Current Month Receipt Volumes													
		999051	Mkt Pool	227662	█████	█████		Nom Alloc	6,398	6,398	0.0072	43	6,355
Total Current Month Allocated Receipt Volumes:									6,398	6,398		43	6,355
Total Allocated Receipts:									6,398	6,398		43	6,355

Contract: █████ FTS Market

Adj Date	Adj Type	SSC Loc	Location Name	Del Loc	Customer	Upstream/Downstream Contract	Package ID	Alloc Mthd	Gross Delivery	Allocated Deliveries	Rate Adj.	ACA
Current Month Delivery Volumes												
		133	Agp St Joe	172758	█████	█████		Default1	0	0	*	
		133	Agp St Joe	172758				Default1	1,215	1,853	*	*
		29001	Atchison	4920				Default3	3,100	3,100	*	*
		113852	Marshall	13197				Default3	0	0	*	
		113852	Marshall	13197				Default3	2,040	2,040	*	*
Total Current Month Allocated Delivery Volumes:									6,355	6,993		
Total Allocated Deliveries:									6,355	6,993		
█████ - Market												
Prior Months Ending Balance										0		
Prior Period Adjustments										0		
Adjusted Beginning Balance										0		
Current Month Imbalance										638		
No Notice Injection to (+) or Withdrawal from (-) Storage										0		
Netting Transfer to Shipper Level Imbalance										(638)		
Net Month End Balance: (+) Due SSCGP (-) Due Customer										0		

Storage contracts will have a similar summary page for contractual, commodity and balance charges. It will list charge quantities, rates and amounts due for the applicable charge types.

Contract:			FSS	Production						
Line No	Charge Type	Release To Contract	Release To Customer	Contract MSQ	Adj Date	Adj Type	Charge Quantity	Rate Adj.	Rate	Amount Due
<u>Reservation Charges</u>										
0001	RED						2,325,000	0.032500		\$75,562.50
Total Reservation Charges										\$75,562.50
<u>Commodity Charges</u>										
0002	REC						19,691,673	0.001700		\$33,475.91
0003	WDR						206,042	0.013200		\$2,719.75
Total Commodity Charges										\$36,195.66
<u>Modernization</u>										
0004	MR1						2,325,000	0.010800		\$25,110.00
Total Modernization										\$25,110.00
Total Invoice Amount for										\$136,668.16

The daily balance page shows all injections, withdrawals and balancing details per day. Commodity charges should tie to net injections and withdrawals. REC charges are assessed to the ending balance of each day.

Contract: [REDACTED] SS		Production:							
Available MSQ: 2,475,000		Available MDWQ: 75,000							
						Prior Month Ending Balance:		(737,003)	
						Prior Period Adjustments:		0	
						Adjusted Beginning Balance:		(737,003)	
Day	Net Injection Qty	Fuel Qty	Net Withdraw Qty	Transfer Quantity	Ending Balance	MSQ Overrun	MDQ Overrun	MDWQ Overrun	
01	0	0	0	0	(737,003)	0	0	0	
02	0	0	10,000	0	(727,003)	0	0	0	
03	0	0	10,000	0	(717,003)	0	0	0	
04	0	0	0	0	(717,003)	0	0	0	
05	0	0	0	0	(717,003)	0	0	0	
06	0	0	0	0	(717,003)	0	0	0	
07	0	0	0	0	(717,003)	0	0	0	
08	0	0	0	0	(717,003)	0	0	0	
09	0	0	0	0	(717,003)	0	0	0	
10	0	0	0	0	(717,003)	0	0	0	
11	0	0	0	0	(717,003)	0	0	0	
12	0	0	0	0	(717,003)	0	0	0	
13	0	0	0	0	(717,003)	0	0	0	
14	0	0	0	0	(717,003)	0	0	0	
15	0	0	20,000	0	(697,003)	0	0	0	
16	0	0	20,000	0	(677,003)	0	0	0	
17	0	0	35,000	0	(642,003)	0	0	0	
18	0	0	45,000	0	(597,003)	0	0	0	
19	0	0	35,000	0	(562,003)	0	0	0	
20	0	0	5,000	0	(557,003)	0	0	0	
21	0	0	5,000	0	(552,003)	0	0	0	
22	0	0	1,042	0	(550,961)	0	0	0	
23	0	0	10,000	0	(540,961)	0	0	0	
24	0	0	10,000	0	(530,961)	0	0	0	
25	0	0	0	0	(530,961)	0	0	0	
26	0	0	0	0	(530,961)	0	0	0	
27	0	0	0	0	(530,961)	0	0	0	
28	0	0	0	0	(530,961)	0	0	0	
29	0	0	0	0	(530,961)	0	0	0	
30	0	0	0	0	(530,961)	0	0	0	
31	0	0	0	0	(530,961)	0	0	0	
Totals	0	0	206,042	0	(19,691,673)	0	0	0	
Ending Balance					(530,961)				

RATE SCHEDULES

- Every rate schedule is charged per day by charge type and zone (Production or Market)
 - FTS – Firm Transport (RES, CMD)
 - TSS – Transport and Storage Bundle (RES, CMD, RED, REC, INJ, WDR)
 - STS – Small Customer Transport (CMD)
 - ITS – Interruptible (CMD)
 - FSS – Firm Storage (RED, REC, INJ, WDR)
 - FS1 – Market Based Storage (REF, INJ, WDR)
 - ISS – Interruptible Storage (CMD, INJ, WDR)
 - PLS – Park and Loan

TRANSPORTATION CHARGE TYPES

Reservation

RES – Reservation

Billed for firm transport reservation

REA – Reservation Assignment Credit

Credit for reservation capacity released to another contract

REV – Reservation Volumetric

Capacity released volumetrically opposed to traditional reservation

RVA – Reservation Volumetric Credit

Credit for volumetric release going back to original capacity holder

MR1 – Modernization - Reservation

Billed on all RES charges at max rate

Commodity

CMD – Commodity

All chargeable deliveries, firm or interruptible

ORA – Authorized Overrun

All deliveries over contractual capacity, assessed on daily totals

MC1 – Modernization – Commodity

Surcharge billed on all max rate commodity not within confines of reservation, ORA or Max interruptible

ACA- Annual FERC Charge Recovery

Surcharge billed on all *physical* deliveries

STORAGE CHARGE TYPES

Reservation

RED – Reservation Deliverability

Firm charge assessed to maximum daily withdrawal quantity

RDA – Reservation Delivery Credit

Credit for released RED back to original capacity holder

REC – Reservation Capacity

Daily ending balance capacity charge

ORA – Storage Overrun

Charge assessed for daily ending balances above contractual max storage quantity

MR1 – Modernization - Reservation

Surcharge assessed to max rate RED.

Commodity

INJ – Injections

Charge on daily net injections into storage

WDR – Withdrawals

Charge on daily net withdrawals from storage

ORI – Injection Overrun

Charge on daily injections over contractually allowed amount

ORW – Withdrawal Overrun

Charge on daily withdrawals over contractually allowed amount

MC1 – Modernization - Commodity

Surcharge assessed to any storage overrun commodities

CAPACITY RELEASE

- All capacity release charges will be allocated and charged similarly to original capacity holders.
- Awarded capacity and rates will be applied to the contractual reservation volumes and charges for each contract.
- Original capacity holders will be credited the same reservation charges based on the details of the award.

DISCOUNT AGREEMENTS

- Pre-set agreement to apply a reduced reservation rate for selected capacity on a firm contract.
- If locations are indicated for reservation discounts, they must be followed, or max tariff rates will be applied for all volumes not following the terms of the discount agreement.

CAPACITY RELEASE FROM DISCOUNTS

- All capacity release contracts from discounted contracts must follow the same points or we will charge the original contract holder max tariff rates on their contract. (MR1 will also be currently applied).
- The offer screen gives the releaser the ability to select a discount indicator that makes them, as the releaser, or the replacement contract holder, as the responsible party to pay the difference between the discounted rate and the max tariff rate.

TRANSPORTATION IMBALANCES

◆ IM & IP Contracts

- ◆ All shipper imbalances are maintained in each zone.
- ◆ Shippers have an IM contract (Mkt) & IP contract (Prod).
- ◆ Monthly activity & cumulative imbalances on transport and pooling contracts roll up to the IM or IP for each shipper.

◆ Net Receipts vs Gross Deliveries

- ◆ Excess deliveries over receipts will show as a positive imbalance due Southern Star
- ◆ Excess receipts over deliveries will show as a negative imbalance due to the shipper (similar to storage balances).

CASHOUTS

- ❖ Southern Star calculates a monthly tolerance level for each imbalance contract.
- ❖ Tolerances for each contract are calculated at 5% of the gross deliveries for the whole month for that imbalance contract, with a floor of 1,000 DTH.
- ❖ Contracts are considered out of tolerance if imbalances are over that calculated total, whether short or long.
- ❖ Imbalance contracts that are out of tolerance for **two** consecutive months will be cashed out in that second month.
- ❖ Short imbalances will be sold by SSC to the shipper. Sales of short imbalances are made at calculated rates above SSC's spot price.
- ❖ Long imbalances are purchased by SSC from the shipper. Purchases of long imbalances are made below SSC's spot price.

PRIOR PERIOD ADJUSTMENTS

- Once invoices are sent, the data for that month is closed.
- If any volumes, rates or other items need to be changed for a closed month, PPA's will need to be created to correct totals in the current accounting period.
- Per tariff, we are only allowed to go back 6 months for any customer requested PPA's.

PAYMENTS/LEDGER BALANCES

- Invoices are due 10 days from Invoice Date. Payments can be made via check or wire transfer.
- All customer cumulative charge/payment balances are held in the ledger. CSI only holds data for each accounting date.
- If there is a remaining balance after the current month due date, customers will receive a statement from the Treasury Department listing line items that are still owed and included in the cumulative balance.

INVOICING CONTACT TYPES

- Each customer will have a variety of customer contact types depending on the type of role and permissions necessary. Invoices are mailed or emailed monthly to the Invoice Primary, Secondary, and OBA contacts. There can only be one Invoice Primary, but no limit to Invoice Secondary Contacts. Contacts with Invoice View permissions can log into CSI and view their invoice. If you have any questions pertaining to contact types, contact Contract Administrators, Julie Price or Drew Bittel. Only the customer's Security Administrators can make changes to any of the contact types.

☐ Capacity Release	☐ Confirm-After Hours	☐ Confirm-Pri
☐ Confirm-Sec	☐ Contracting - Pri	☐ Contracting - Sec
☐ Credit Rep	☐ Critical Notice	☐ Invoice OBA Primary
☐ Invoice OBA Secondary	☐ Invoice Primary	☐ Invoice Secondary
☐ Invoice View Only	☐ Measurement	☐ Nom-After Hrs
☐ Nom-Primary	☐ Nom-Secondary	☐ OFO
☐ Service Request Approver	☐ Service Request Initiator	☐ View Only General

AGENCY RELATIONSHIPS

- Customers can name another party to act as an Invoicing Agent on their behalf. The customer will determine which role(s) will be performed by the Agent.

INVOICING

- ☐ Agent to receive/view invoices
- ☐ Agent to pay invoices
- ☐ Agent to monitor imbalances