OPEN SEASON PROCEDURES

Kinder Morgan Interstate Gas Transmission LLC ("KMIGT"), a Colorado limited liability company will begin an Open Season at 8:00 a.m. Mountain Daylight Time ("MDT") on April 29, 2002 and will close the Open Season at 5:00 p.m. MDT on May 13, 2002. Any Precedent Agreements executed as a result of this Open Season shall be between each shipper and KMIGT and shall be binding.

KMIGT proposes to construct and operate pipeline facilities and compression on a segment of its interstate natural gas pipeline which extend from the Cheyenne Hub (Rockport) in Weld County, Colorado northeastward approximately 100 miles to KMIGT's Huntsman Storage facility in Cheyenne County, Nebraska. In addition, KMIGT proposes to construct and operate new injection/withdrawal wells and additional compression at its Huntsman Storage facility along with additional surface facilities to facilitate new storage capacity, injection and deliverability. These new facilities will create incremental storage capacity for up to 6,000,000 Dth, which has an associated injection capability of approximately 38,400 Dth per day and an associated withdrawal deliverability of approximately 62,400 Dth per day. Through these new facilities, KMIGT proposes to offer Cheyenne Market Center ("CMC") service which will allow for the injection, storage and withdrawal of natural gas supplies received and delivered at the Cheyenne Hub using facilities incremental to, and separate from, existing KMIGT transportation or storage services. The CMC service will not impact existing service nor will existing shippers be able to access CMC service without contracting for such service. The CMC service is further defined in Exhibit A, pro forma Rate Schedule CMC. Such pro forma rate schedule is subject to further revision and Federal Energy Regulatory Commission ("FERC") approval.

During the Open Season, any shipper interested in contracting for CMC service must execute and return a Precedent Agreement. Appendix A to the Precedent Agreement must include the following information:

- Negotiated Reservation Rate.
- Requested Maximum Storage Volume ("MSV").
- Minimum Acceptable MSV.
- Primary Term, which must be stated in whole year increments.
- Receipt and Delivery Points. If more than one primary receipt or primary delivery point is desired, the MSV for each primary receipt and delivery point pair must be specified. If shipper desires a primary receipt point or primary delivery point that is not listed on Appendix A, shipper should specify such desired points in the section marked "Other Primary Receipt or Primary Delivery Points" and must indicate whether or not the stated bid is contingent upon KMIGT's accommodation of such Other Primary Receipt or Primary Delivery Points. KMIGT will inform shipper whether, in its sole discretion, it can accommodate such requested receipt or delivery point(s). Attached hereto is a master point list of primary and

secondary receipt and delivery points which may be utilized in connection with this CMC service.

- Additional Service Attributes. If Shipper desires additional service attributes to those currently being offered by KMIGT under proposed Rate Schedule CMC, Shipper shall specify such desired attributes in the space provided on Appendix A and must indicate whether or not the stated bid is contingent upon KMIGT's accommodation of such requested attributes.

To the extent bids by a shipper or shippers exceed available capacity at any particular point, KMIGT may, in its sole discretion, propose additional facilities to accommodate such request(s), the cost of which would be borne by such shipper(s).

The Negotiated Reservation Rate, submitted on Appendix A to the binding Precedent Agreement, will be valid through the entire initial term of the resulting CMC Service Agreement, regardless of any recourse rates that are established for the facilities applicable to the CMC service. The Commodity Rate is currently estimated to be no more than $0.02 per Dth, in total for receipt and delivery, for service under Rate Schedule CMC and will be charged in addition to the Negotiated Reservation Rate.

In addition to the Negotiated Reservation Rate and Commodity Rate, shippers will be responsible for providing Fuel and Lost and Unaccounted for Gas ("FL&U") pursuant to KMIGT's CMC Rate Schedule. KMIGT currently estimates the initial FL&U rate to be no more than 3.2 percent, in total for receipt and delivery, for service under Rate Schedule CMC. ACA and any additional authorized surcharges that, subsequent to the date of the Precedent Agreement, become generally applicable under KMIGT's FERC Gas Tariff shall also be charged. The ACA rate is currently estimated to be $0.0021 per Dth.

Execution of Precedent Agreement

KMIGT will accept only one executed Precedent Agreement, including one Appendix A, from each entity under the common control of one parent corporation. Potential shippers may submit executed Precedent Agreements (please submit two complete originals) by registered or certified mail, courier, fax or hand delivery at any time during the Open Season to:

Kinder Morgan Interstate Gas Transmission LLC
Attention: Mr. Michael P. Crisman, Vice President
370 Van Gordon Street
P.O. Box 281304
Lakewood, CO 80228-8304
Fax: (303) 763-3515

All material received will be time and date stamped by KMIGT. Any executed Precedent Agreement received (or post-marked, if sent by registered or certified mail) after the close of the Open Season will not be considered. KMIGT may in its sole discretion, at any time during the Open Season, extend the closing date if no bids have been received at the time of any such extension. KMIGT has no obligation to accept bids that contain precedent agreements with terms that deviate from the terms of the form of the Precedent Agreement contained in these materials.

These Open Season materials are provided for informational purposes to enable shippers to obtain CMC service. However, the information contained herein or that which is provided in response to questions or requests for information about these procedures or the enclosed materials establish no contractual or other relationship between KMIGT and any party. The Precedent Agreement will set forth the parties contractual relationship.

Please direct any questions or requests you may having concerning this Open Season to: Randy Holstlaw, Marketing Manager (303) 914-4517; Max Lawton, Account Manager (303) 914-4622; or Joe Sterrett, Account Manager (303) 763-3246.

Evaluation of Project

A final determination regarding whether KMIGT is willing to proceed with this project based on the bids received will be made in KMIGT's sole discretion, subject to the Conditions Precedent and Shipper's Obligations contained in paragraphs 5 and 6, respectively, of the Precedent Agreement.

Bids, Allocation and Awarding of Capacity

Awards of capacity will be final and will bind those shippers who executed a Precedent Agreement. The total capacity offered and to be awarded in this Open Season is up to 6,000,000 Dth per year of MSV.

Bids will be assigned a Net Present Value ("NPV") based on the rate, volume and term submitted, with the term considered for purposes of establishing NPV capped at 10 years. For bids submitted for a term of less than 10 years, such bids will be assigned a value as if zero percent of the rate bid is applicable during all years between the actual term bid and 10 years. NPV will be calculated based on the expected in-service date of the facilities, using a 10 percent discount factor. KMIGT will award this capacity based on the highest combined NPV based on rate, volume and term, taking into account any shipper's minimum acceptable MSV, so as to produce the highest combined NPV for the sale of CMC service. Prior to discarding any bid, KMIGT will contact affected shippers to determine if they will accept awarded MSV's below their stated minimum.

If there are two or more shippers with bids containing equivalent NPV and there is insufficient project capacity to satisfy both bids, KMIGT will allocate the available capacity pro rata based on the MSV requested by those shippers. In the event that the pro rata share falls below a shipper's specified minimum acceptable MSV, then shipper's bid will be discarded; provided, that KMIGT will award capacity based on the highest combined NPV of any bid or combination of bids received, taking into account shipper's minimum acceptable MSV before discarding any bid for this reason, and provided further, that before discarding such a bid(s), KMIGT will contact the affected shipper(s) to determine if the shipper(s) agree(s) to a reduction in the minimum MSV.

The bid evaluation procedure set forth herein shall only consider bids to the extent that they provide for an objectively quantifiable payment by the Bidder. Bids can contain MSVs that vary from year to year, along with rates that vary in a similar manner. KMIGT will, at its sole discretion, consider bids that vary from a set monthly rate; however, KMIGT will only evaluate and include in a bid NPV those portions of a bid that are definitively quantifiable in KMIGT's sole discretion.

If KMIGT determines in its sole discretion that it has sufficient support to go forward with the project, shippers will be notified no later than two weeks after the close of the Open Season of their awarded capacity. One original Precedent Agreement signed by KMIGT will be returned to the successful bidder no later than two weeks after the award of capacity.

000066

Master Point List
Of
Primary and Secondary Receipt and Delivery Points for CMC Service

The available Primary Points for CMC service are:

Available Primary Receipt Points at the Cheyenne Market Center
Wyoming Interstate Company – Rockport in Weld County, Colorado
Xcel (PSCO) – Chalk Bluffs in Weld County, Colorado
Trailblazer Pipeline Company – Logan in Logan County, Colorado*
Colorado Interstate Gas Company – Weld in Weld County, Colorado

Available Primary Delivery Points at the Cheyenne Market Center
Wyoming Interstate Company – Rockport in Weld County, Colorado*
Colorado Interstate Gas Company – Arrowhead in Weld County, Colorado*
Xcel (PSCO) – Chalk Bluffs in Weld County, Colorado
Trailblazer Pipeline Company – Logan in Logan County, Colorado
Colorado Interstate Gas Company – Weld in Weld County, Colorado

KMIGT anticipates that the following points will be available on a secondary basis for CMC service:

Anticipated Available Secondary Receipt Points at the Cheyenne Market Center
Colorado Interstate Gas Company – Arrowhead in Weld County, Colorado
Huntsman Storage (Huntsman) in Cheyenne County, Nebraska

Anticipated Available Secondary Delivery Points at the Cheyenne Market Center
Huntsman Storage (Huntsman) in Cheyenne County, Nebraska

* Via displacement and subject to applicable flowing receipt or delivery volume at the point(s).

RATE SCHEDULE CMC
Cheyenne Market Center Service

1. AVAILABILITY

This Rate Schedule CMC is available to any entity (hereinafter referred to as "Shipper") which has requested firm Cheyenne Market Center Service pursuant to Section 3 of this Rate Schedule, and after review and acceptance of such request by Kinder Morgan Interstate Gas Transmission LLC (hereinafter called "Transporter"), has executed a Service Agreement with Transporter for service under this Rate Schedule. Such Service Agreement shall be in the form contained in Kinder Morgan Interstate Gas Transmission LLC 's FERC Gas Tariff, Volume No. 1-A, of which this Rate Schedule CMC is a part. Transporter is not obligated to provide service for which capacity is not available, or which would require the construction or the acquisition of new facilities, or the modification or expansion of existing facilities.

2. APPLICABILITY AND CHARACTER OF SERVICE

The firm service provided hereunder is a storage service with receipt of gas at the applicable Cheyenne Market Center receipt point(s), storage of gas in Transporter's storage facility up to the Maximum Storage Volume ("MSV") set forth in the Service Agreement, and the subsequent re-delivery of gas back to the applicable Cheyenne Market Center delivery point(s) on a uniform hourly basis, subject to the General Terms and Conditions of this Tariff and further provisions of the Service Agreement. Shipper will be responsible for arranging transportation service on any upstream or downstream pipeline(s) such that Transporter's performance of service under this Rate Schedule is not impaired. Transporter shall not be liable for actions of any upstream or downstream pipeline.

2.1 Receipt and Delivery Points:

a. Shipper may designate in the Service Agreement one or more primary points of receipt, each of which will have a Maximum Daily Receipt Quantity ("MDRQ") net of the Fuel Reimbursement Quantity.

b.Shi pper may designate in the Service Agreement one or more primary points of delivery, each of which will have a Maximum Daily Delivery Quantity ("MDDQ") net of the Fuel Reimbursement Quantity.

c. Points of receipt and delivery for CMC service, as well as for capacity release of CMC service, will be listed on Transporter's Cheyenne Market

Center Master Point List ("MPL") on its interactive website. Any MPL point that a Shipper does not select as a primary point shall be available to a Shipper, or replacement shipper, as a secondary point of receipt or delivery, as applicable.

1. Shipper may nominate from secondary points of receipt up to the aggregate MDRQ capacity, which has been reserved in the Cheyenne Market Center area.

2. Shipper may nominate to secondary points of delivery up to the aggregate MDDQ capacity, which has been reserved in the Cheyenne Market Center area.

3. To be valid points on the MPL, meters must have telemetered electronic flow measurement, flow control equipment, be designated by Transporter as Cheyenne Market Center Points, and be located on or within the area of facilities designated to provide service under Rate Schedule CMC, as defined herein.

d. Service provided at the primary and secondary points of receipt and primary and secondary points of delivery shall be provided on a firm basis subject to the nomination, scheduling, curtailment and interruption provisions of the General Terms and Conditions of this Tariff.

2.2 Interaction with other Transportation Services:

Shipper may utilize the service under this Rate Schedule CMC in conjunction with a separate transportation agreement, by nominating under a separate transportation agreement, a receipt from or delivery to a defined MPL point together with a nomination to use CMC Service. In addition to the applicable Reservation Charge paid under this Rate Schedule CMC and charges incurred under the separate transportation service agreement, shipper shall pay the applicable Commodity Receipt or Delivery Rate, as appropriate, and the FL&U factor(s) under this Rate Schedule CMC, for such activity. When this option is elected, the transportation service utilized shall be subject to the provisions of the applicable transportation rate schedule.

2.3 Service Termination:

In addition to the provisions of the General Terms and Conditions of this Tariff, Transporter may terminate any CMC Service Agreement if Transporter is required by the Commission or some other agency or court to provide firm service for others

000069

utilizing the system capacity or capability required for service under such CMC Service Agreement or if Transporter ceases (after receipt of any requisite regulatory authorization) to offer service of the type covered by the CMC Service Agreement. Transporter's ability to terminate any CMC Service Agreement under this provision is intended to ensure that the contract term does not extend beyond the regulatory authority to provide the service and that the contract is consistent with the regulatory authority to provide the service.

3. SERVICE DEFINITIONS

3.1 MAXIMUM DAILY RECEIPT QUANTITY ("MDRQ") – Shall mean the maximum quantity of natural gas that Transporter agrees to receive on any day at a Primary Receipt Point as specified in the executed Service Agreement.

3.2 MAXIMUM DAILY DELIVERY QUANTITY ("MDDQ") – Shall mean the maximum quantity of natural gas that Transporter agrees to deliver on any day at a Primary Delivery Point as specified in the executed Service Agreement.

3.3 MAXIMUM DAILY WITHDRAWAL QUANTITY ("WQ") - Shall mean the maximum quantity of natural gas that Transporter agrees to withdraw from its storage facilities on any day. The total of the MDDQs in the executed Service Agreement shall equal the Shipper's full WQ, which shall equal the product of 0.0104 multiplied by the MSV.

3.4 MAXIMUM DAILY INJECTION QUANTITY ("IQ") – Shall mean the maximum quantity of natural gas that Transporter agrees to receive from Shipper at the inlet side of Transporter's storage facilities for injection into storage on any day. The total of the MDRQs specified in the executed Service Agreement shall equal the Shipper's full IQ, which shall equal the product of 0.0064 multiplied by the MSV.

3.5 MAXIMUM STORAGE VOLUME ("MSV") – Shall mean the maximum quantity of natural gas Transporter agrees to store on behalf of the Shipper at the Transporter's storage facilities on any day. Shipper's MSV shall be as specified in the executed Service Agreement.

4. VALID REQUESTS FOR SERVICE

4.1 A request for service under this Rate Schedule CMC shall be valid as of the date received if it complies with this Section and contains adequate information on all of the items specified, subject to any necessary verification of such information and to the following:

000070

a. A request shall not be valid and Transporter shall not be required to grant any such request: (1) for which adequate capacity is not available on any portion of Transporter's System necessary to provide such service; (2) for which Transporter does not have the operational capability to effect receipt, transportation, storage or delivery on a firm basis consistent with the terms and conditions of this Rate Schedule CMC; (3) which would require the construction, modification, expansion, or acquisition of any facilities; provided, however, that Transporter may agree in its sole discretion to construct, modify, expand, or acquire facilities to enable it to perform such services; (4) unless and until Shipper has provided Transporter with the information required in Section 4.2 hereof; (5) if Transporter determines, based on the credit analysis referenced in Section 4.2(f), that Shipper does not possess sufficient financial stability to make it reasonably likely the service provided hereunder will be paid for on a timely basis; (6) if the service requested would not comply with this Rate Schedule CMC; or (7) if the service requested is at less than the applicable maximum rate; provided, however, that Transporter may agree to provide service hereunder at a discount or at a negotiated rate consistent with this Rate Schedule CMC. Nothing herein is intended to govern the curtailment of service once a request for service has been granted pursuant to this Section and while a CMC Agreement is in effect. Such curtailment is governed by the General Terms and Conditions of this Tariff.

b. Transporter shall promptly notify Shipper if it cannot satisfy an otherwise valid request, in whole or in part, due to lack of capacity or system capability or if the request is incomplete or does not comply with this Rate Schedule CMC.

(1) Any request shall be null and void unless it is substantially complete and complies with this Rate Schedule CMC. In the event a request is substantially but not entirely complete, Transporter shall inform Shipper in writing of the specific items needed to complete the CMC Service Agreement, after which Shipper shall have ten (10) days to provide the specified information. In the event such information is not received within ten (10) days, Shipper's request shall be null and void.

(2) Transporter shall tender a CMC Agreement to Shipper for execution when Shipper's written request for service is accepted. Unless waived by Transporter, a request for service shall be invalid if Shipper fails to execute a CMC Service Agreement hereunder within ten (10) days after a CMC Agreement has been tendered by Transporter for execution.

4.2 Requests for service hereunder shall be deemed valid only after the information specified in this Section is provided by Shipper via Transporter's Interactive Website or in writing to Transporter's Business Management Department, at One Allen Center, 500 Dallas

Street, Houston, Texas 77002, or Fax Number (713) 369-9305. The information required for a valid request shall be as follows:

a. GAS QUANTITIES

The request shall specify in Dth the Maximum Storage Contract Volume ("MSV"), the MDRQ for each primary point, which in aggregate shall equal the product of 0.0064 and the MSV, and MDDQ for each primary point, which in aggregate shall equal the product of 0.0104 and the MSV, with the MDRQ and MDDQ stated exclusive of the applicable Fuel Reimbursement Quantity. The availability of the MSV, MDRQ and MDDQ on any day are subject to the provisions of this Rate Schedule CMC and the General Term and Conditions of Transporter's FERC Gas Tariff.

b. RECEIPT POINT(S)

The request shall specify the primary point(s) at which Shipper desires Transporter to receive gas.

c. DELIVERY POINT(S)

The request shall specify the primary point(s) at which Shipper desires Transporter to deliver gas.

d.LI MITATION OF POINTS

A Shipper may request only those points listed on the MPL as designated CMC Receipt and Delivery Points.

e. TERM OF SERVICE

The request shall specify the date service is requested to commence; and the date service is requested to terminate. However, the term of service hereunder shall be no less than one (1) year, unless otherwise agreed to in writing by Transporter, and shall be set forth in the CMC Service Agreement between Shipper and Transporter.

000072

f. CREDIT

Acceptance of a request is contingent upon a satisfactory credit appraisal by Transporter in accordance with the General Terms and Conditions of this Tariff.

g. COMPLIANCE WITH CMC TARIFF

Submission of a request for service hereunder shall be deemed agreement by Shipper that it will abide by the terms and conditions of this Rate Schedule CMC, including, the applicable General Terms and Conditions of this Tariff.

h.COM MISSION-REQUIRED FILING INFORMATION

The following information is to be provided at the time a request for service hereunder is submitted, if available, or when an initial nomination for service under an executed CMC Agreement is submitted, and when any subsequent changes occur:

(1) Affiliation of the Shipper with Transporter;

(2) The identity of the Shipper, including whether it is a local distribution company, an interstate pipeline company, an intrastate pipeline company, an end user, a producer, or a marketer;

(3) The state(s) where the field or well producing the gas to be transported is located; and

(4) The state(s) of the ultimate end user of the gas.

i. SHIPPER CONTACT INFORMATION

Specify the person(s) to be contacted by Transporter in connection with the CMC Service Agreement.

000073

5. RATE

The applicable rates, including any surcharges applicable to CMC Service, are set forth in Volume 1-A of this FERC Gas Tariff, as revised from time to time. Unless otherwise agreed in writing between Transporter and Shipper under Section 36 of the General Terms and Conditions of this Tariff, the applicable rate shall not be in excess of the maximum rate nor less than the minimum rate.

5.1 Each Month Shipper shall pay to Transporter the following charges:
Shipper shall pay Transporter each month under this Rate Schedule CMC a two-part rate consisting of: (a) a Reservation Charge, which shall equal the result of the Shipper's MSV divided by 12 multiplied by the Reservation Rate; and (b) a Commodity Charge which shall equal the product of the Commodity Rate multiplied by each Dth of gas (net of fuel) received or delivered; plus (c) any Overrun charge if applicable.

5.2 Where a Shipper has agreed to pay a Negotiated Rate or a rate under a Negotiated Rate Formula, the rates assessed hereunder shall be governed by Section 36 of the General Terms and Conditions of this Tariff. A request for service at a Negotiated Rate or a rate under a Negotiated Rate Formula shall specify the Negotiated Rate or Negotiated Rate Formula on which the Shipper is willing to agree.

5.3 Shipper shall reimburse Transporter within five (5) days after costs have been incurred by Transporter for all fees required by the Commission or any regulatory body including, but not limited to, filing, reporting, and application fees to the extent such fees are specifically related to service for that Shipper hereunder and are not generally applicable fees.

5.4. If Transporter in its reasonable discretion, agrees to construct, acquire or modify any facilities to perform service hereunder, then as specified in an agreement between the parties, Shipper(s) shall reimburse Transporter for the cost of such facilities or facility modifications either:

a. As a contribution-in-aid of construction associated with such facilities, including a gross-up for applicable state and federal income tax expense; or

b. Transporter shall assess a monthly charge reflecting such facility costs including an obligation to reimburse Transporter, upon demand, if transportation service is terminated prior to the agreed upon reimbursement period.

C00074

5.5 The ACA charge, and any other applicable surcharges, will be assessed when applicable, as provided in the General Terms and Conditions of this Tariff, on volumes delivered by Transporter for Shipper under this Rate Schedule CMC.

5.6 a. Transporter shall have the unilateral right to file with any appropriate regulatory authority and make changes effective in: (1) the rates and charges applicable under this Rate Schedule CMC, including both the level and design of such rates and charges; or (2) the terms and conditions of this Rate Schedule CMC. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff, as may be found necessary, to assure that its provisions are just and reasonable.

b. If, at any time and from time to time, the Commission or any other governmental authority having jurisdiction in the premises allows or permits Transporter to collect, or to negotiate to collect, a higher rate for the service hereunder, the rate shall, subject to any contrary provision of the CMC Agreement or a separate discount agreement, be increased to the highest such rate. Should additional documentation be required in order for Transporter to collect such highest rate, Shipper shall execute or provide such documentation within ten (10) days after a written request by Transporter. If, at any time and from time to time, the Commission or any other governmental authority having jurisdiction in the premises requires Transporter to charge a higher or lower rate for service hereunder, the rate shall be increased or decreased to such level, subject to any contrary provision of the CMC Service Agreement or any discount or negotiated rate agreement.

5.7 Overrun Service.

a. Authorized Overruns shall be the quantity of Gas nominated and scheduled as service hereunder that exceeds the contract aggregate MDRQ, aggregate MDDQ, and/or MSV. Shipper shall pay for any Dth of Authorized Overrun, the product of the Authorized Overrun volume multiplied by the applicable CMC Overrun Service rate set forth on Sheet No. 4, unless otherwise agreed to in writing by Transporter. Inventory volume less than zero shall not be allowed. On any day which the inventory volume is less than zero, such negative inventory volume shall be charged the maximum CMC Overrun Service rate and automatically cashed out at 200% of the highest average daily price for gas at Cheyenne for the month as published in Gas Daily under the Daily Price Survey.

b. During times of system constraint or critical time under Section 29 of the General Terms and Conditions of this Tariff, Shippers will be subject to a daily Unauthorized Overrun charge as stated on Tariff Sheet No. 4 of Volume 1-A for any gas that is tendered to Transporter by Shipper for receipt or delivery which has not been nominated and confirmed by Transporter and that exceeds either the aggregate MDRQ, or the aggregate MDDQ, and/or the MSV as stated in the service agreement, unless otherwise agreed to in writing.

5.8 Fuel Reimbursement Quantity. The Fuel Reimbursement Quantity shall be that portion of Shipper's natural gas received by Transporter for transportation and storage which shall be retained by Transporter as compensation for gas used in rendering service, including Company-used Gas, and Lost and Unaccounted-for Gas. Shipper shall reimburse Transporter for the Fuel Reimbursement Quantity required in transporting and storing gas hereunder at the maximum rate set forth in Volume 1-A of this FERC Gas Tariff, unless otherwise agreed to in writing by Transporter.

6. SERVICE CONDITIONS

6.1 Redelivery of Stored Gas.

Available withdrawal quantities of gas will vary according to the percentage of Shipper's stored volume to the MSV. In order for the Shipper's full WQ to be available, a minimum inventory greater than fifteen percent (15%) of its MSV must be in the Shipper's storage account. If the Shipper's stored volume is equal to or less than 15% of its MSV, the Shipper's withdrawal rights will be reduced as follows:

Inventory ≤ 15% but > 5% of MSV	50% WQ rights
Inventory ≤ 5% of MSV	25% WQ rights
Inventory = 0	0% WQ rights

WQ Overruns will be charged during reduced withdrawal rights periods for quantities withdrawn in excess of the applicable reduced WQ amount.

000076

6.2 In-Ground Transfers of Storage Volume. Shipper may transfer, by sale or otherwise, all or a portion of its gas in place in storage under Rate Schedule CMC to or from another Shipper, subject to the following conditions:

a. To conduct an In-Ground Transfer the following are required:

(1) Both the transferee and transferor of the stored volume provide Transporter with verification of the transfer in writing, at least two days prior to the Date of Transfer;
(2) The In-Ground Transfer does not cause either Shippers' storage inventory balance to go below zero (0) or above MSV as specified in the applicable service agreement(s); and
(3) Transfers shall be effective as of the start of the Date of Transfer, assuming receipt of the verification required in Section 6.2a(1) above. Transporter shall recognize the transfer for purposes of computing available stored volume on and after the Date of Transfer.

b. Shippers will not be allowed to avoid overrun charges or any penalties via an In-Ground Transfer, unless otherwise agreed to in writing by Transporter.

c. In-Ground Transfers between CMC, FSS and NNS services shall be allowed if:

(1) The In-Ground Transfer does not cause Transporter's obligation to provide firm service to increase and the transfer does not otherwise adversely affect Transporter's operations, which determinations shall be made at Transporter's sole discretion;
(2) The In-Ground Transfer from an NNS or FSS Agreement can not be used to satisfy any cycling requirements applicable under NNS or FSS service; and
(3) The party receiving the In-Ground Transfer agrees to pay any applicable charges at the time of the transfer for which the party delivering the transfer has not previously paid.

d. Transfers between CMC and ISS service shall be allowed only if:

(1) The In-Ground Transfer does not cause Transporter's obligation to provide firm service to increase and the transfer does not otherwise adversely affect Transporter's operations;
(2) Shipper receives prior approval from Transporter for such transfer; and
(3) The party receiving the transfer agrees to pay any applicable transportation charges at the time of the transfer for which the party delivering the transfer has not previously paid.

000077

6.3 Shipper may not effectuate transfers to or from volumes stored under this Rate Schedule CMC that resolve transportation imbalances existing under FT, IT or NNS (including SCS rate convention customers) agreements.

7. GENERAL TERMS AND CONDITIONS

The provisions of the General Terms and Conditions of this Tariff, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part of this Rate Schedule CMC. To the extent that the General Terms and Conditions of this Tariff are inconsistent with the provisions of this Rate Schedule CMC, the provisions of this Rate Schedule CMC shall govern.

FORM OF CHEYENNE MARKET CENTER SERVICE AGREEMENT (APPLICABLE TO RATE SCHEDULE CMC)

This Agreement ("Agreement") is made and entered into by Kinder Morgan Interstate Gas Transmission LLC, a Colorado corporation ("Transporter") and by the Party(s) named in Article XIII ("Shipper").

In consideration of the premises and of the mutual covenants, the parties do agree as follows:

ARTICLE I
SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof and of Transporter's Rate Schedule CMC, Transporter agrees to receive from, or for the account of, Shipper for transportation on a firm basis quantities of natural gas tendered by Shipper on any day at the primary Receipt Point(s) up to the applicable Maximum Daily Receipt Quantity for such Receipt Point. Shipper shall not tender on any day, a quantity of natural gas in excess of the aggregate Maximum Daily Receipt Quantity or the Maximum Daily Receipt Quantity at any one primary point, without the prior consent of Transporter. Transporter agrees to store such received quantity of gas for the account of the Shipper, less the Fuel Reimbursement Quantity and other deductions, up to the Maximum Storage Volume as specified in Article XIII.

Transporter agrees to subsequently redeliver stored quantity of natural gas to, or for the account of, the Shipper at the primary Delivery Point(s) up to the applicable Maximum Daily Delivery Quantity for such Delivery point, the volume nominated by the Shipper, less the Fuel Reimbursement Quantity and other deductions, and Shipper agrees to accept or cause acceptance of delivery of these quantities; provided, however, that Transporter shall not be obligated to deliver on any day, a quantity of natural gas in excess of the aggregate Maximum Daily Delivery Quantity or the Maximum Daily Delivery Quantity at any one primary point.

ARTICLE II
TERM OF AGREEMENT

This Agreement shall become effective as of the date set forth below and shall remain in full force and effect in accordance with the terms of this Service Agreement. This Agreement may be extended for another primary term if agreed to by both parties in accordance with the provisions in the General Terms and Conditions of this Tariff on the Right of First Refusal Process.

000079

FORM OF CHEYENNE MARKET CENTER SERVICE AGREEMENT - continued

ARTICLE III
RATE SCHEDULE

Shipper shall pay Transporter for all services rendered and for the availability of such service at rates filed under Transporter's CMC Rate Schedule as set forth in Volume No. 1-A of the FERC Gas Tariff and as the same may be hereafter revised or changed. Unless otherwise agreed in writing between Transporter and Shipper, and pursuant to Section 36 of the General Terms and Conditions of this Tariff, the rates to be charged Shipper for transportation shall not be more than the maximum rate under Rate Schedule CMC, nor less than the minimum rate under Rate Schedule CMC.

This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Transporter's applicable Rate Schedules and of Transporter's General Terms and Conditions of this Tariff on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which Rate Schedules and General Terms and Conditions of this Tariff are by this reference made a part of hereof.

Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in: (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule CMC, (b) Transporter's Rate Schedule CMC, pursuant to which service is rendered, or (c) any provision of the General Terms and Conditions of this Tariff applicable to Rate Schedule CMC.

ARTICLE IV
PRIMARY RECEIPT POINT(S)

Natural gas to be received by Transporter for the account of Shipper shall be delivered by Shipper and received by Transporter on the outlet side of the measuring station(s) at the primary Receipt Point(s) specified in Appendix A, with the primary Receipt Point facility number, applicable MAOP, Maximum Daily Receipt Quantity, and provisions for incremental facilities as set forth in Appendix A.

000080

FORM OF CHEYENNE MARKET CENTER SERVICE AGREEMENT - continued

ARTICLE V
PRIMARY DELIVERY POINTS

Natural gas to be delivered by Transporter for the account of Shipper shall be delivered by Transporter and received by Shipper on the outlet side of the measuring station(s) at or near the primary Delivery Point(s) specified in Appendix B, with the primary Delivery Point facility number, applicable MAOP, Maximum Daily Delivery Quantity, and provisions for incremental facilities indicated for each such Delivery Point as set forth in Appendix B.

ARTICLE VI
QUALITY

All natural gas tendered to Transporter for transportation for the account of Shipper at the Receipt Point(s) shall conform to the quality specifications set forth in Section 4 of the General Terms and Conditions of this Tariff, as revised from time to time unless otherwise agreed to in writing. Transporter may refuse to take delivery of any gas for transportation that does not meet such quality specifications.

ARTICLE VII
INTERPRETATION

The interpretation and performance of the Agreement shall be in accordance with the laws of the State of Colorado.

This Agreement, and all its rates, terms and conditions, shall at all times be subject to modification by order of the FERC upon notice and hearing and a finding of good cause therefore. In the event that any party to this Agreement requests the FERC to take any action which could cause a modification in the conditions of this Agreement, that party shall provide written notice to the other parties at the time of filing the request with the FERC.

ARTICLE VIII
AGREEMENTS BEING SUPERSEDED

When this Agreement becomes effective, it shall supersede and cancel any other firm agreements between the parties for the same service.

000081

FORM OF CHEYENNE MARKET CENTER SERVICE AGREEMENT - continued

ARTICLE IX
CERTIFICATIONS

By executing this Agreement, Shipper certifies that: (1) Shipper has a valid right to deliver the gas to be transported by Transporter; (2) Shipper has, or will have, entered into all arrangements necessary for the commencement of deliveries to Transporter; and (3) Shipper has a transportation contract(s) or will enter into such a transportation contract(s) with the party ultimately receiving the gas, prior to the commencement of service.

ARTICLE X
ADDRESSES

Except as otherwise provided or as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties as follows:

(a) Transporter Addresses:

____
____
____
____

(b) Shipper: As shown in Article XIII or such other address, as either party shall designate by formal written notice.

000082

FORM OF CHEYENNE MARKET CENTER SERVICE AGREEMENT - continued

ARTICLE XI
SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of any successor(s), substantially as an entirety, to either Transporter or Shipper by merger, consolidation or acquisition. Either Transporter or Shipper may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, except as provided in Section 23 of the General Terms and Conditions of this Tariff, neither Transporter nor Shipper shall assign this Agreement or its rights hereunder.

ARTICLE XII
CAPACITY RELEASE

Shipper may release its capacity under this firm Cheyenne Market Center Service Agreement, up to Shipper's Maximum Storage Volume in accordance with the provisions of Rate Schedule CMC and the General Terms and Conditions of Transporter's FERC Gas Tariff. However, Shipper cannot separate the transportation component from the storage component under this CMS rate schedule. Segmentation is not permitted under this CMS rate schedule.

000083

FORM OF CHEYENNE MARKET CENTER SERVICE AGREEMENT - continued

ARTICLE XIII
SPECIFIC INFORMATION

Cheyenne Market Center Service Agreement between Kinder Morgan Interstate Gas Transmission LLC ("Transporter") and
______________________________ ("Shipper").

Contract Number:________________________

Contract Date: ___/___/____

Term:___________________

Termination Notice:______________

Shipper: _________________________________
____
____

Quantity:
Maximum Daily Injection Quantity (IQ): ____________Dth per day
Maximum Daily Withdraw Quantity (WQ): ____________Dth per day
Maximum Storage Volume (MSV): ____________ Dth

Rate:
The rate charged will be the maximum rates stated on the applicable Tariff Sheet No. 4, unless otherwise agreed to in writing.

Fuel Reimbursement Quantity:
As stated on applicable Tariff Sheet No. 4, unless otherwise agreed to in writing.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representative.

Kinder Morgan Interstate Gas Transmission LLC

By: _________________________________

Title:______________________________

Shipper

By:_________________________________

Title:______________________________

000084

FORM OF CHEYENNE MARKET CENTER SERVICE AGREEMENT - continued

APPENDIX A
RECEIPT QUANTITY AND POINT(S)

To the Cheyenne Market Center Service Agreement between Kinder Morgan Interstate Gas Transmission LLC ("Transporter") and
____ ("Shipper").

Contract Number: ________________ Date: ___________________

Primary Receipt Point(s)	PIN	MAOP	Maximum Daily Receipt Quantity	Provision for Incr. Facility

Total Maximum Daily Receipt Quantity: __________ equals (IQ)

Kinder Morgan Interstate Gas Transmission LLC

By:______________________________

Shipper

By:______________________________

000085

FORM OF CHEYENNE MARKET CENTER SERVICE AGREEMENT - continued

APPENDIX B
DELIVERY QUANTITY AND POINT(S)

To the Cheyenne Market Center Service Agreement between Kinder Morgan Interstate Gas Transmission LLC ("Transporter") and
______________________________________ ("Shipper").

Contract Number: ________________ Date: ___________________

Primary Delivery Point(s)	PIN	MAOP	Maximum Daily Delivery Quantity	Provision for Incr. Facility

Total Maximum Daily Delivery Quantity: __________ equals (WQ)

Quality Waivers:

This Appendix B supersedes and cancels any previously effective Appendix B to this Cheyenne Market Center Service Agreement.

Kinder Morgan Interstate Gas Transmission LLC

By:______________________________

Shipper

By:______________________________

000086

PRECEDENT AGREEMENT
Between
Kinder Morgan Interstate Gas Transmission LLC
And

____

(Negotiated Rate Form of Agreement)

This Precedent Agreement dated this ______ day of ________________, 2002 states an agreement between Kinder Morgan Interstate Gas Transmission LLC ("KMIGT"), a Colorado limited liability company and ________________________________ ("Shipper"). KMIGT and Shipper hereby agree to enter into an agreement for the services described herein, provided the conditions set forth in this Precedent Agreement are met in accordance herewith. The commitment provided by Shipper via this Precedent Agreement and potentially other similar agreements will be used as support for the construction and operation of facilities designed to meet Shipper's requirements for firm natural gas service pursuant to Rate Schedule CMC. Accordingly, KMIGT and Shipper agree to the following:

RECITALS:

WHEREAS, KMIGT proposes to construct and operate pipeline facilities and compression on a segment of its interstate natural gas pipeline which extends from the Cheyenne Hub (Rockport) in Weld County, Colorado northeastward approximately 100 miles to KMIGT's Huntsman Storage facility in Cheyenne County, Nebraska. In addition, KMIGT proposes to construct and operate new injection/withdrawal wells and additional compression at its Huntsman Storage facility along with additional surface facilities to facilitate new storage capacity, injection and deliverability. Through these new facilities, KMIGT proposes to offer Cheyenne Market Center ("CMC") service which will allow for the injection, storage and withdrawal of natural gas supplies received and delivered at the Cheyenne Hub incremental to, and separate from, existing KMIGT transportation or storage services. The CMC service is further defined in Exhibit A, Pro-forma Rate Schedule CMC, which is subject to further revision and Federal Energy Regulatory Commission ("FERC") approval; and,

WHEREAS, KMIGT is willing to continue its efforts to develop the interstate pipeline facilities required to support the new CMC service, and to proceed with obtaining all of the necessary governmental authorizations to construct the required facilities, provided that KMIGT receives sufficient commitments for firm service; and,

WHEREAS, this Precedent Agreement has been executed as evidence of the agreement between KMIGT and Shipper that, upon satisfaction of the conditions precedent set forth below, the parties will enter into a CMC Service Agreement providing for firm service to be provided by KMIGT for Shipper.

NOW, THEREFORE, in consideration of the mutual covenants and agreement contained herein, and intending to be legally bound, KMIGT and Shipper agree as follows:

1. Effective Date and Term

This Precedent Agreement shall become effective on the date of its execution by both parties and shall remain in effect until the earlier of: (a) the effective date of the CMC Service Agreement, or (b) either Shipper's or KMIGT's exercise of its termination rights pursuant to this Precedent Agreement.

2. Services

As conditioned herein, KMIGT agrees to cause the construction of the pipeline and storage facilities necessary to satisfy the market demand indicated by its evaluation of bids received during the Open Season announced on April 29, 2002. KMIGT agrees to provide Shipper, as conditioned herein, with CMC service to meet Shipper's needs as set forth on the attached Appendix A, if accepted by KMIGT. The construction and operation of these interstate facilities shall be subject to the jurisdiction of the FERC.

3. Rates

Shipper shall pay the Negotiated Reservation Rate stated on Appendix A for the entire term set forth on Appendix A. The Commodity Rate, Fuel and Lost and Unaccounted for Gas ("FL&U"), ACA and any other additional authorized surcharges will be charged in accordance with Rate Schedule CMC contained in KMIGT's then effective FERC Gas Tariff. The Commodity Rate is estimated to be no more than $0.02 per Dth in total for receipt and delivery subject to final determination by the FERC. FL&U is estimated to be no more than 3.2 percent in total for receipt and delivery and shall be assessed in addition to the Negotiated Reservation Rate and Commodity Rate.

4. Volume, Term, Receipt and Delivery Points

The contract Maximum Storage Volume ("MSV"), minimum acceptable MSV, and primary term are as elected by Shipper on the attached Appendix A. The term specified on Appendix A and the payment of reservation charges will begin with the actual date the project is placed in service, unless otherwise agreed to in writing by KMIGT. The Primary Receipt and Primary Delivery Point(s) are set forth on Appendix A. To the extent "Other Primary Receipt or Primary Delivery Points" are specified on Appendix A, Shipper must indicate whether or not the stated bid is contingent upon KMIGT's accommodation of such Other Primary Receipt or Primary Delivery Points. However, KMIGT is not obligated to accept any Precedent Agreement which lists points under, and makes a bid contingent upon, "Other Primary Receipt or Primary Delivery Points" on Appendix A.

000088

5. **Conditions Precedent**

Performance by KMIGT and Shipper of the duties and obligations assumed by each in this Precedent Agreement are expressly subject to the following conditions precedent:

(a) All requisite and final governmental approvals must be obtained and maintained on terms acceptable to KMIGT, including approval of construction, rates and terms and conditions of service;

(b) All rights-of-way and other surface rights required to site and maintain the pipeline and storage facilities along the route described herein must be obtained on terms and conditions acceptable to KMIGT;

(c) Sufficient firm capacity subscription must exist at acceptable rates, in KMIGT's sole opinion, to proceed with the project;

(d) The project must remain economically viable, in KMIGT's sole discretion;

(e) Receipt of board of directors' approval of this Precedent Agreement from both KMIGT and Shipper no later than twenty (20) days after awarding of capacity by KMIGT to Shipper; and

(f) Shipper shall have and maintain such credit as is required under the KMIGT FERC Gas Tariff, to satisfy Shipper's financial obligations under this Precedent Agreement.

6. **Shipper's Obligations**

(a) Shipper agrees that it will execute a CMC Service Agreement, within five (5) business days after: (i) fulfillment of the conditions precedent set forth in paragraph 5, and (ii) tender by KMIGT. This CMC Service Agreement will be in accordance with the KMIGT FERC Gas Tariff Rate Schedule CMC as finally approved and accepted by the FERC and the terms of this Precedent Agreement; and

(b) Upon request by KMIGT, Shipper agrees to support any notification, tariff filing, application or certificate filing made to the FERC or any other governmental body to obtain any necessary authorizations to construct facilities or to provide services as set out herein; and

(c) Shipper must provide evidence of credit worthiness as set forth in Section 22.7 of KMIGT's existing FERC Gas Tariff along with the submission of its Precedent Agreement.

000089

7. **Timing**

KMIGT anticipates having this project ready for service on or about August 1, 2004 conditioned upon receipt of all necessary regulatory and other approvals by December 1, 2003. However, if KMIGT is unable to commence the service as contemplated hereunder by August 1, 2004, KMIGT will proceed with due diligence to commence the service for Shipper at the earliest practicable date thereafter.

8. **Termination Rights**

(a) Shipper shall have the right to terminate this Precedent Agreement prior to the execution of the CMC Service Agreement if: (1) KMIGT shall not have filed an application for a certificate of public convenience and necessity with the FERC prior to July 1, 2003; or, (2) the Open Season shall result in a reduction in the MSV below Shipper's minimum acceptable MSV as set forth on Appendix A; or, (3) the construction of the pipeline and storage facilities shall not have commenced by September 1, 2004.

(b) KMIGT shall have the right to terminate this Precedent Agreement prior to the execution of the CMC Service Agreement if: (1) FERC shall deny the certificate application; or, (2) FERC shall attach conditions or modifications to any order or certificate which results from the certificate application which, in KMIGT's sole judgment are unacceptable; or, (3) FERC fails to issue a certificate in response to the certificate application prior to August 1, 2004; or, (4) KMIGT determines, in its sole discretion, the project is not economically viable to proceed; with such determination to be made no later than thirty (30) days following KMIGT's receipt of a final order from FERC acting upon its certificate application.

(c) Any such termination shall be effected by delivery by the terminating party of written notice to the other party within twenty (20) business days after the relied upon occurrence. Notice of termination delivered later than twenty (20) business days after the relied upon occurrence shall not be effective.

9. **Authorities**

Performance hereunder shall be subject to all valid laws, orders, decisions, rules and regulations of duly constituted governmental authorities having jurisdiction or control of any matter related hereto. Should either of the parties, by force of any such law, order, decision, rule or regulation, at any time during the term of this Precedent Agreement be ordered or required to do any act inconsistent with the provisions hereof, then for the period during which the requirements of such law, order, decision, rule or regulation are applicable, this Precedent Agreement shall be deemed modified to conform with the requirement of such law, order, decision, rule or regulation; provided, however, nothing herein shall alter, modify or otherwise affect the respective rights of the parties to terminate this Precedent Agreement under the terms and conditions hereof.

000090

10. **Assignment**

This Precedent Agreement, in whole or in part, may be assigned by KMIGT to a wholly- or partially-owned affiliate, special purpose joint venture, partnership, or other affiliated entity, including a parent company or partnership. Shipper may assign this Precedent Agreement and any of the rights or obligations and any associated CMC Service Agreement to any wholly-owned affiliate which satisfies the credit worthiness standards of KMIGT and which is a successor to the business for which the CMC Service Agreement was initially secured. Once the pipeline is in-service, Shipper may release its capacity under the CMC Service Agreement pursuant to the terms of KMIGT's CMC Rate Schedule and the General Terms and Conditions of its FERC Gas Tariff without any loss of the benefit of the negotiated rates agreed to hereunder. In the case of any proposed assignment of the Precedent Agreement, prior approval of KMIGT is required, which approval shall not be unreasonably withheld.

11. **Choice of Law**

AS TO ALL MATTERS OF CONSTRUCTION AND INTERPRETATION, THIS PRECEDENT AGREEMENT SHALL BE INTERPRETED, CONSTRUED AND GOVERNED BY THE LAWS OF THE STATE OF COLORADO, WITHOUT REGARD TO THE CHOICE OF LAW RULES OF THAT STATE.

12. **Further Assurance**

KMIGT and Shipper shall enter into such additional agreements as may be necessary in furtherance of this Precedent Agreement.

Accepted and Agreed to as the date hereof:

Kinder Morgan Interstate Gas Transmission LLC

Name: ____________________________

Title: ____________________________

____________________________________ **(SHIPPER)**

Name: ____________________________

Title: ____________________________

000091

APPENDIX A
To The
PRECEDENT AGREEMENT
Between
Kinder Morgan Interstate Gas Transmission LLC
("KMIGT")
And

____

("Shipper")

The available Primary Points for Cheyenne Market Center Service are:

Available Primary Receipt Points at the Cheyenne Market Center
Wyoming Interstate Company – Rockport in Weld County, Colorado
Xcel (PSCO) – Chalk Bluffs in Weld County, Colorado
Trailblazer Pipeline Company – Logan in Logan County, Colorado*
Colorado Interstate Gas Company – Weld in Weld County, Colorado

Available Primary Delivery Points at the Cheyenne Market Center
Wyoming Interstate Company – Rockport in Weld County, Colorado*
Colorado Interstate Gas Company – Arrowhead in Weld County, Colorado*
Xcel (PSCO) – Chalk Bluffs in Weld County, Colorado
Trailblazer Pipeline Company – Logan in Logan County, Colorado
Colorado Interstate Gas Company – Weld in Weld County, Colorado

Other Primary Receipt or Primary Delivery Points

If Shipper desires a primary receipt point or primary delivery point other than those identified above, Shipper shall specify such desired primary points in the space provided below and the related MSV quantity. If the Shipper's bid is contingent upon KMIGT accommodating Shipper with respect to such primary receipt point(s) or primary delivery point(s), Shipper must so indicate by checking the space provided below. KMIGT will inform Shipper whether, in its sole discretion, it can accommodate such requested primary receipt or primary delivery point(s).

____
____
____
____
____

______ Check here to indicate if this bid is contingent upon the points identified under "Other Primary Receipt or Primary Delivery Points" above being accommodated by KMIGT under CMC Service.

* Via displacement and subject to applicable flowing receipt or delivery volume at the point(s).

000092

Additional Service Attributes

If Shipper desires additional service attributes to those currently being offered by KMIGT under proposed Rate Schedule CMC, Shipper shall specify such desired attributes in the space provided below. If the Shipper's bid is contingent upon KMIGT accommodating Shipper with respect to such requested attributes, Shipper must so indicate by checking the space provided below. Those Shippers who desire additional attributes must submit below two bids, one for the CMC Service as a Negotiated Reservation Rate and the other as a separate bid for any additional requested service attributes. KMIGT will inform Shipper whether, in its sole discretion, it can accommodate such requested attributes.

____

____

____

____

_____ Check here to indicate if this bid is contingent upon the attributes identified above being accommodated by KMIGT under CMC Service.

Shipper must indicate the requested Maximum Storage Volume ("MSV") and associated quantities from each Receipt Point to each Delivery Point in the spaces provided below including for any "Other Primary Receipt or Delivery Points" listed by Shipper above. The Receipt Point capacity shall be equal to 0.0064 Dth per day per Dth of MSV and the Delivery Point capacity shall be equal to 0.0104 Dth per day per Dth of MSV.

EXAMPLE:

	MSV	Receipt Point	Receipt Point Capacity (Dth/d)	Delivery Point	Delivery Point Capacity (Dth/d)
1.	1,000,000	WIC	6,400	TPC-Logan	10,400
2.	700,000	WIC	4,480	Xcel	7,280
3.					
4.					
Total	1,700,000		10,880		17,680

In accordance with the Open Season Procedures, Shipper makes the following elections:

000093

	MSV	Receipt Point	Receipt Point Capacity (Dth/d)	Delivery Point	Delivery Point Capacity (Dth/d)
1.					
2.					
3.					
4.					
Total					

Shipper also makes the following elections for the Minimum Acceptable MSV and associated quantities from each Receipt Point to each Delivery Point:

	Minimum MSV	Receipt Point	Receipt Point Capacity (Dth/d)	Delivery Point	Delivery Point Capacity (Dth/d)
1.					
2.					
3.					
4.					
Total					

To the extent bids by a shipper or shippers exceed available capacity at any particular point, KMIGT may, in its sole discretion, propose additional facilities to accommodate such request(s), the cost of which would be borne by such shipper(s).

Primary Term: ______________ (not less than one year in whole year increments)

Negotiated Reservation Rate of ______________ per Dth of MSV capacity (bid must be submitted to four decimal places (hundredths of cents))

Additional Attributes: ______________ per Dth (bid must be submitted to four decimal places (hundredths of cents))

To be completed by KMIGT and returned to Shipper

Date Bid Received: ________________________

Time Bid Received: ________________________

Awarded MSV: ________________Dth Date: ______________________

000094

KINDER MORGAN

CREDIT APPLICATION FOR SERVICE AND CAPACITY RELEASE PRE-QUALIFICATION

___ Natural Gas Pipeline Co. of America ___ Kinder Morgan Interstate Gas Transmission ___ Trailblazer Pipeline Company
___ Canyon Creek Compression Company ___ Other: ______________________________

General Information

Shipper Name ____

Shipper Address ____

DUNS# __ __ - __ __ __ - __ __ __ __ FEIN __ __ - __ __ __ __ __ __ __

Contact Person ______________________________ Telephone No. (____)__________________

Business Entity: __ "S" Corporation __ "C" Corporation __ Partnership __Other FAX No. (____)__________________

Type of Business ______________________________ Number of years in business__________

List parent corporation of Shipper (if Shipper is a subsidiary company) or general partners (if shipper is a partnership)______

____

Shipper's Bank Reference (or other financing source)

Bank Name ______________________________ Bank Account No. ______________

Address ____

Loan Officer's Name ______________________________ Telephone No. (____)______________

Additional information

Shipper's estimate of activity under all services:

Estimate Monthly Volume for all Services
__CMC __ DSS __ NSS __FTS __ ITS __BESS __NNS __ISS __FSS __SCS __ICS __FCS ________(MMBtus)

Estimated Monthly Transportation/Storage Charges for all services $________________
Estimated Term (in months) of Capacity Release Request ________________

Is Shipper:

- Operating under federal bankruptcy laws? __Yes __No
- Subject to liquidation or debt reduction procedures under state laws? __Yes __No
- Subject to pending liquidation or regulatory proceedings in state or federal courts which could cause a substantial deterioration of Shipper's financial condition? __Yes __No
- Subject to any collection lawsuites or outstanding judgments which would affect shippers ability to remain solvent? __Yes __No
- Are there any overdue amounts owed Kinder Morgan? __Yes __No

Please enclose current financial statements, annual reports, 10-K or other reports to regulatory agencies, or any reports from credit reporting agencies which are available.

Please provide date when requested service or capacity release pre-qualification is required. __________________(Date)

Incomplete applications will be declined. Allow 10 days for credit review and approval process.

______________________________ ______________________________
Shipper's Signature Date

Return this Credit Application and Supporting Financial Information to:
Telephone: 303 914-4774
Facsimile: 303 763-3155

Kinder Morgan Inc
370 Van Gordon Street
P. O. Box 281304
Lakewood, CO 80228-8304
Attention: Robert F Bowers

000095

Kinder Morgan

Trailblazer Pipeline Expansion

ing New Brunswick's pitch will be several in the Canadian energy industry, including Toronto-based Enbridge Inc. and Quebec-based Gaz Metropolitain.

Although critics of New Brunswick's nationalism push believe that future investments by mostly U.S. companies will drop, the E&P outlook for the East Coast basins continues to be strong, said Hamm. Currently, there are 26 exploration licenses offshore Nova Scotia and Newfoundland. He said success in similar deepwater regions is running between 10-25%.

However, in the short-term, new licenses to explore offshore Nova Scotia will be delayed. The Canada-Nova Scotia Offshore Petroleum Board announced the delay earlier this month, after originally scheduling a call for bids in June. Nova Scotia followed an announcement by Newfoundland to call off its 2002 offshore land sale, citing the recent boundary decision that will require new licenses to be issued in about 20 prospects (see *NGI*, April 8).

Despite the delay, Hamm and Grimes said that exploration should actually pick up, because it settles any questions about which province holds the rights. The decision drew a line down the middle of both provinces' proposed boundaries along the 6,000 square kilometer seabed, home to an estimated 7 Tcf and 700 million bbl.

"Given the recent decision [on the boundary]...and the progress of White Rose, now is the time more than ever to take advantage of opportunities," Grimes said.

Hamm said the province's economic growth strategy launched in 2000, is starting to pay off for Nova Scotia. He said since he took office in 1999, private investment in Nova Scotia's oil and gas industry has doubled to more than C$1.5 billion in committed exploration. It also is home to the largest offshore gas project of its kind in North America today, and more than 2,000 Nova Scotians are "directly employed" in the industry. Work commitments for development offshore Nova Scotia have come from Imperial Oil Resources Canada, Gulf Canada Resources, Exxon Mobil Canada Inc. and Conoco Canada Ltd.

Carolyn Davis, Houston

FERC Gives Nod for Horizon to Begin Service

The staff of the Federal Energy Regulatory Commission last week gave Horizon Pipeline Co. the green light to place in service its 70-mile pipeline that will transport 380 MMcf/d of natural gas from the Joliet Hub in Illinois near Chicago to the northeastern part of the state near McHenry, IL.

The new facilities, which were certificated by FERC in July 2001, include 28.5 miles of 36-inch diameter pipeline, and 42 miles of pipeline owned by Natural Gas Pipeline Co. (NGPL) on which NGPL will lease 380 MMcf/d of capacity to Horizon. The project included the installation of an 8,900 horsepower compressor unit to expand NGPL's system by the 380 MMcf/d.

Horizon had committed to paying NGPL just over $2 million annually for the 20-year lease. The life-of-the-contract total of $41 million was estimated to be less than half of the $90 million that Horizon had said it would cost to build the 42 miles of pipe.

The line, which had a price tag of about $75 million, was designed and constructed to be capable of economic expansion in the future to serve markets in southern Wisconsin.

Alex Steis

Kinder Morgan Completes Trailblazer Expansion, Acquisition

Trailblazer Pipeline, expanded and 100% owned by Kinder Morgan Energy Partners LP, went back into service Tuesday carrying KMP's expectations of significant growth in its natural gas pipelines business segment with the increased capacity to carry gas out of the fast-growing Rockies supply area.

KMP announced last week it had completed its previously announced $68 million purchase of Enron Trailblazer Pipeline Co.'s 33.3% stake in the pipeline. The court overseeing Enron's bankruptcy approved the transaction on May 2, 2002. And Tuesday Trailblazer placed into service its previously announced $59 million expansion project, which increases transportation capacity on the pipeline by 60% to 846,000 Dth/d, and which has already been fully subscribed by customers.

In the first quarter of 2002, KMP paid $12 million to CIG Trailblazer Company (an affiliate of El Paso Corp.) in exchange for the stake in Trailblazer Pipeline Co. that CIG would have obtained through participation in the expansion.

KMP now owns 100% of the 436-mile interstate natural gas pipeline that runs from Rockport (Weld County), CO to Beatrice (Gage County), NE.

"We are delighted to have sole ownership of Trailblazer Pipeline Co., which provides a critical link between the rapidly growing Rocky Mountain supply basins and eastern markets and has consistently generated significant cash flow," said Richard D. Kinder, chairman and CEO of KMP. "The acquisition is expected to be immediately accretive to cash available for distribution to unitholders, and completion of the expansion project should result in significant growth on the pipeline. The additional 324,000 Dth of pipeline capacity has already been fully subscribed by customers in the form of long- term, firm-transportation contracts."

The expansion project began in August of 2001, as growth in Rocky Mountain natural gas supplies created the need for additional pipeline transportation infrastructure. The expansion project included installing two new compressor stations and adding 10,000 additional horsepower at an existing compressor station.

KMP first acquired an interest in Trailblazer in the fourth quarter of 1999, when it purchased a 33.3% interest from an affiliate of Columbia Energy, and acquired another 33.3% interest from Kinder Morgan, Inc., the parent company of its general partner.

KMP is the nation's largest pipeline maste- limited partnership with an enterprise value of over $9 billion. It owns and operates more than 25,000 miles of pipelines and over 70 terminals. Its pipelines transport more than two million bbl/d of gasoline and other petroleum products and up to 7.8 Bcf/d of natural gas. Its terminals handle over 55 million tons of coal and other dry-bulk materials annually and have a liquids storage capacity of approximately 55 million barrels for petroleum products and chemicals. KMP is also the leading provider in the U.S. of CO_2, which is used in enhanced oil recovery projects.

The general partner of KMP is owned by Kinder Morgan, Inc., one of the largest midstream energy companies in America. Combined, the two companies have an enterprise value of approximately $19 billion. *Ellen Beswick*

Millennium's Hudson River Crossing Rejected by NY

Just when it was expecting to see the light at the end of a long tunnel, Millennium Pipeline suffered another setback last week. Although it was able to come to an agreement with the city of Mount Vernon, NY, over a key routing issue, setting the stage for a final green light from FERC after five years of review, pipeline officials ran into trouble pushing the New York State Department's (DOS) Division of Coastal Resources for a final decision on its route through sensitive Haverstraw Bay on the Hudson River.

Secretary of State Randy A. Daniels said the DOS determined that the proposed route for Millennium is "inconsistent with the policies of the New York State Coastal Management Program." The 442-mile gas pipeline, as proposed, would transport up to 700,000 Dth/d of gas across Lake Erie and New York's Southern Tier to Consolidated Edison's distribution system at a connection in Mount Vernon in Westchester County.

"As proposed, the pipeline project is simply not consistent with Gov. Pataki's firm commitment to protecting the Hudson River and the state's critical coastal resources," said Daniels. He said Millennium sponsors now can either revise their proposal or appeal the determination to the U.S. secretary of commerce.

The DOS has been sitting on the project's application since 1997 despite a statutory limitation for review of only six months. When Millennium officials on Thursday told the DOS its time definitely was up, they got a quick note back rejecting the project's route across the Hudson.

Millennium officials said they now intend to appeal the ruling to the Commerce Department, which will take at least 180 days to make its decision. Construction currently is set to begin next spring, so the project could remain on schedule if the Commerce Department grants its appeal, said spokesman Karl Brack.

"Frankly, this moves the process forward," said Brack. "We feel there's a very strong and substantive record that shows that all the alternatives have been analyzed and that this routing as proposed has been evaluated by a host of agencies from FERC to the [state Department of Environmental Conservation] and that this is the best alternative. [FERC] in weighing the same alternatives made a determination that they would create more environmental impact to use the other alternatives and in fact the route they ultimately certified was the preferred route. We agree."

Millennium said Thursday that it reached agreement with city leaders on a revised route through Mount Vernon that will lead to a new connection with Con Edison's distribution system. The Mount Vernon route dispute had been the major hurdle for the project. FERC issued Millennium an interim certificate in December on condition that it resolve the routing dispute and obtain required state approvals.

The new route in Mount Vernon relocates the line away from a residential area to a more industrial and commercial area of the city. "We believe this new route responds directly to a number of concerns Mount Vernon city officials and residents raised about the project, while still addressing this region's need for new economical sources of clean energy," said Millennium Chairman David Pentzien.

The revised route was forged during a series of meetings and negotiations under the guidance of FERC's dispute resolution service. The discussions involved the major, city council, citizens and Millennium and ConEdison representatives. *Rocco Canonica*

Sempra's North Baja Line Fully Subscribed

The North Baja natural gas transmission pipeline from the Arizona-California border and along the northern edge of Baja California, Mexico is now fully subscribed for its 500 MMcf/d capacity over the next 25 years, creating an "energy annuity" for Sempra Energy and its partners in the project, Sempra's CEO Steve Baum told a group of financial analysts at the company's day-long meeting last Thursday in San Diego.

Baum and other Sempra senior executives told analysts that the company longer term would be shifting investment from some of its troubled assets in South America to Mexico where they feel the company's experience and geographical proximity gives it an edge over competitors who are proposing various liquefied natural gas (LNG), pipeline and power plant projects in the neighboring nation to the south that has become the second biggest trading partner with the U.S. (Canada is No. 1.)

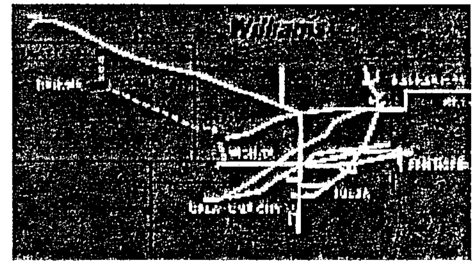
The 215-mile pipeline becomes a major strategic resource whose capacity can be doubled to serve proposed power plants and the eventual LNG terminal(s) proposed to be built in the extreme north end of Baja, along its Pacific Coast, Baum said. He said Sempra is creating an "integrated energy infrastructure" in the Southwest, along with partners from both sides of the border.

In response to questions about the company's exposure deeper in Latin America, Sempra officials acknowledged that the company's Argentina gas distribution pipeline interests are projected to have earnings cut in half this year (from $2^

Williams Gas Pipeline
Western Frontier System Presentation
May 13-14, 2002

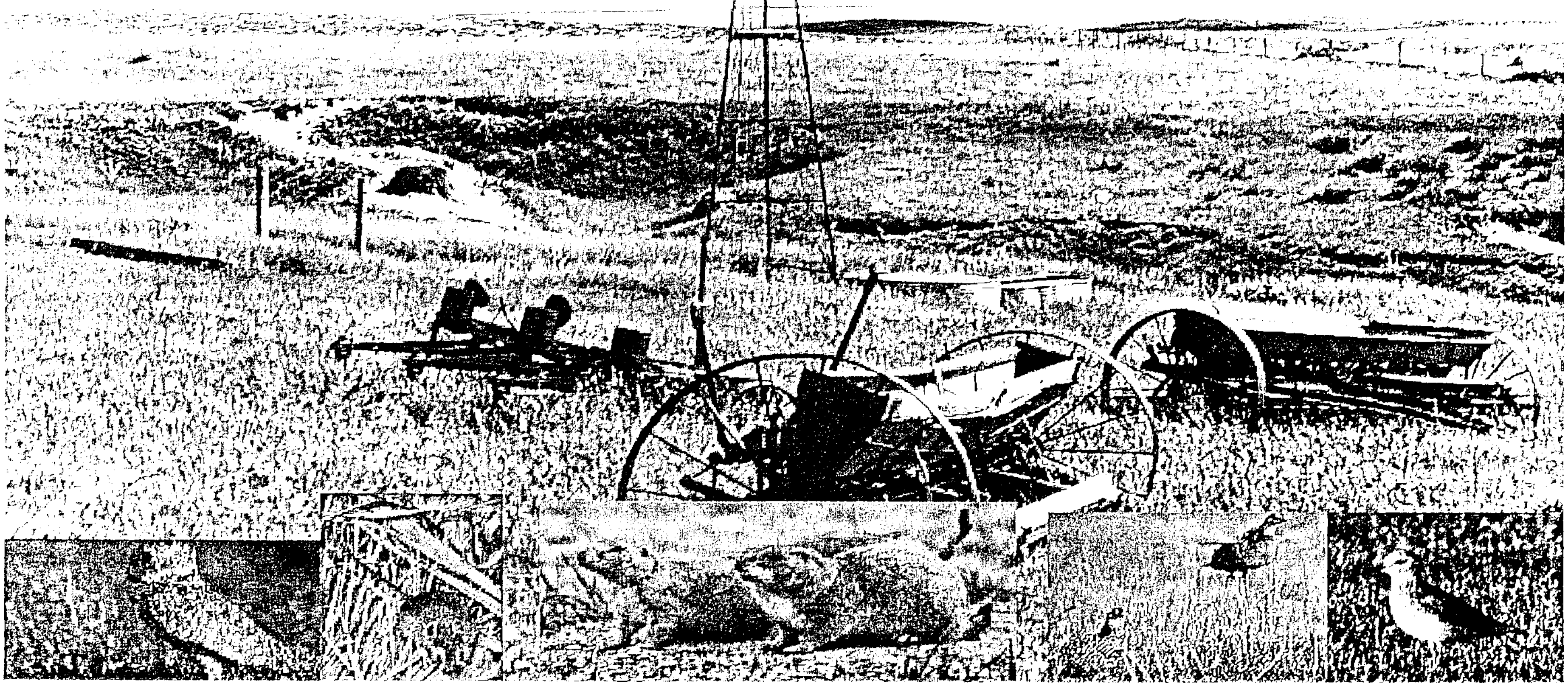
WILLIAMS GAS PIPELINE

One National Pipeline



WESTERN FRONTIER
PIPELINE, L.L.C.

Customer Focus Meetings March 13th-14th, 2002



Williams.

000100

Customer Focus Meeting Agenda

- **Introduction and Opening Comments-** ***Jerry Morris, Director of Business Development***
- **Western Frontier Project Status-** ***Donny King, Manager of Business Development***
- **Summarizing Comments-** ***Dean Jones, Vice-President-Customer Services and Rates***
- **Questions and Answer-** ***All***
- **Wrap-Up and Closing Remarks-*****Dean Jones***

WESTERN FRONTIER
PIPELINE, L.L.C.

- **Short-Term Focus/Current State of Affairs**
  - Recession
  - Cautious Capital Markets
  - "Enronitis"
  - Industry in Flux
  - Storage Levels High
  - Gas Prices Low
  - Warmest Winter on Record
  - "Don't Worry, Be Happy"

Williams

WESTERN FRONTIER
PIPELINE, L.L.C.

- **Long-Term Focus/Future State of Affairs**
  - Decline In Hugoton and Anadarko Basins
  - Bountiful Supplies In The Rockies
  - Rockies Have Excellent Production Economics
  - Production/Transport Capacity Imbalance from Rockies
  - Current Market Will Need Supply
  - New Growing Markets
  - Capital Investment Risks
  - We Need To Focus On The Long-Term Future, But "The Future Is NOW"

Williams.

WESTERN FRONTIER
PIPELINE, L.L.C.

- **Current Western Frontier Status**
  - Subscription to Date, As Filed = 165,000 MMBtu/d
    - Marathon - 75,000 MMBtu/d
    - Entergy - 75,000 MmBtu/d
    - Utilicorp - 15,000 MMBtu/d
  - Subscription to Date, As Amended = 100,000 MMBtu/d
    - Williams Energy Marketing and Trading
  - Add'l Subscription Needed = 275,000 MMBtu/d
  - Total Subscription Required = 540,000 MMBtu/d

Williams will *NOT* be pursuing Western Frontier on a "If you build it, they will come" strategy

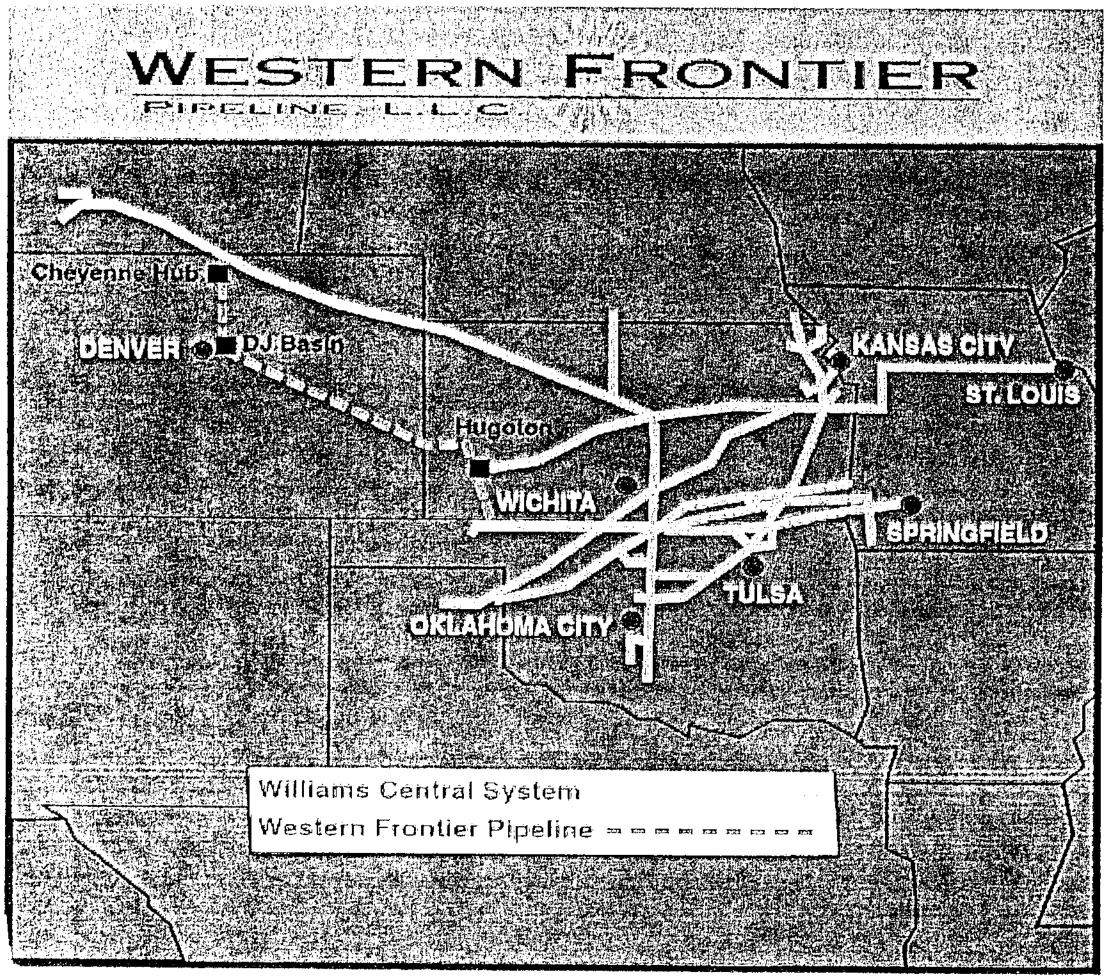
Williams

WESTERN FRONTIER
PIPELINE, L.L.C.

- **Western Frontier Project Overview**
- **Gas Supply Outlook**
  - *Rockies*
  - *Mid-Continent*
- **Mid-Continent Market**
  - *Existing*
  - *Growth*
- **Western Frontier Status**
- **Conclusions**
- **Questions**

Williams

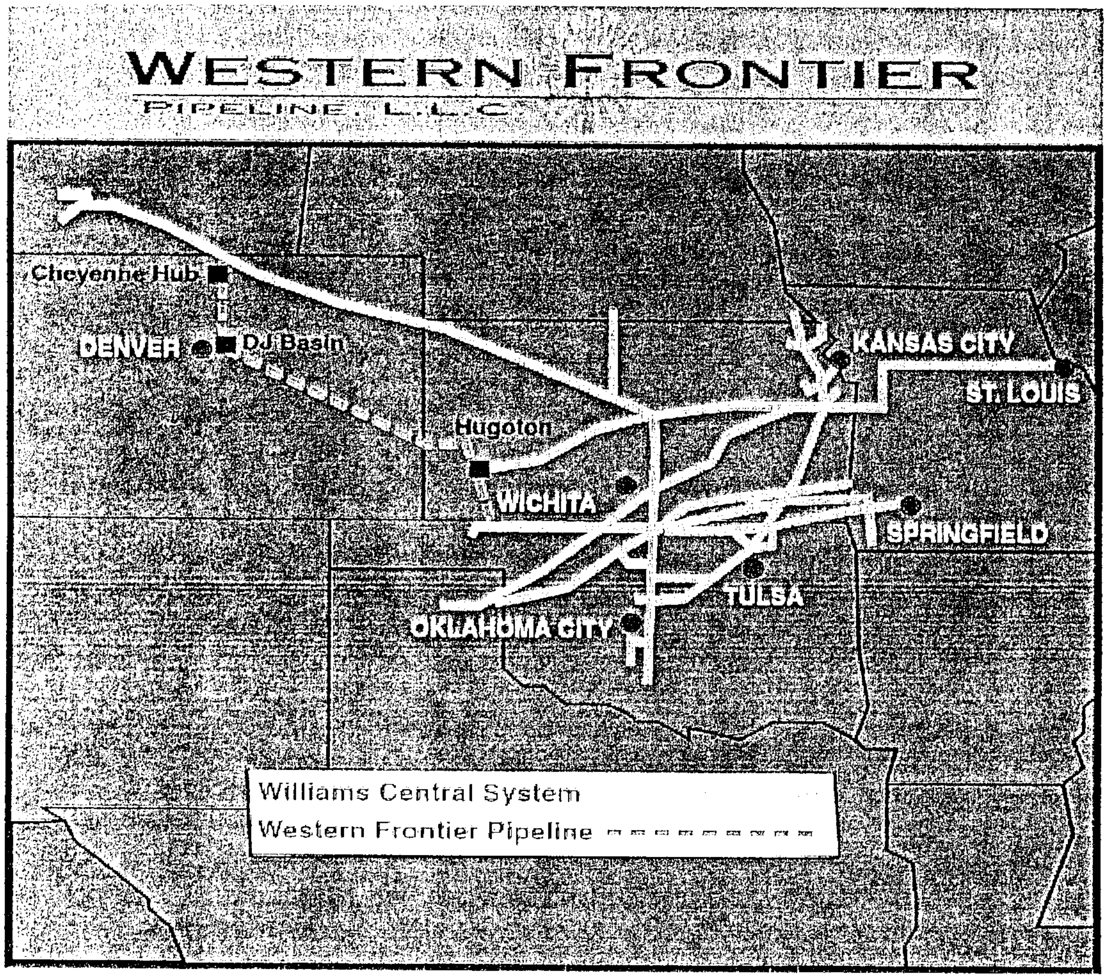
WESTERN FRONTIER
PIPELINE, L.L.C.



- Supply Access Proposed
  - Cheyenne Hub
  - DJ Basin
- Market Liquidity
  - Central Kansas Hugoton
  - Pipeline Hub
  - Central Straight-Blackwell

Williams

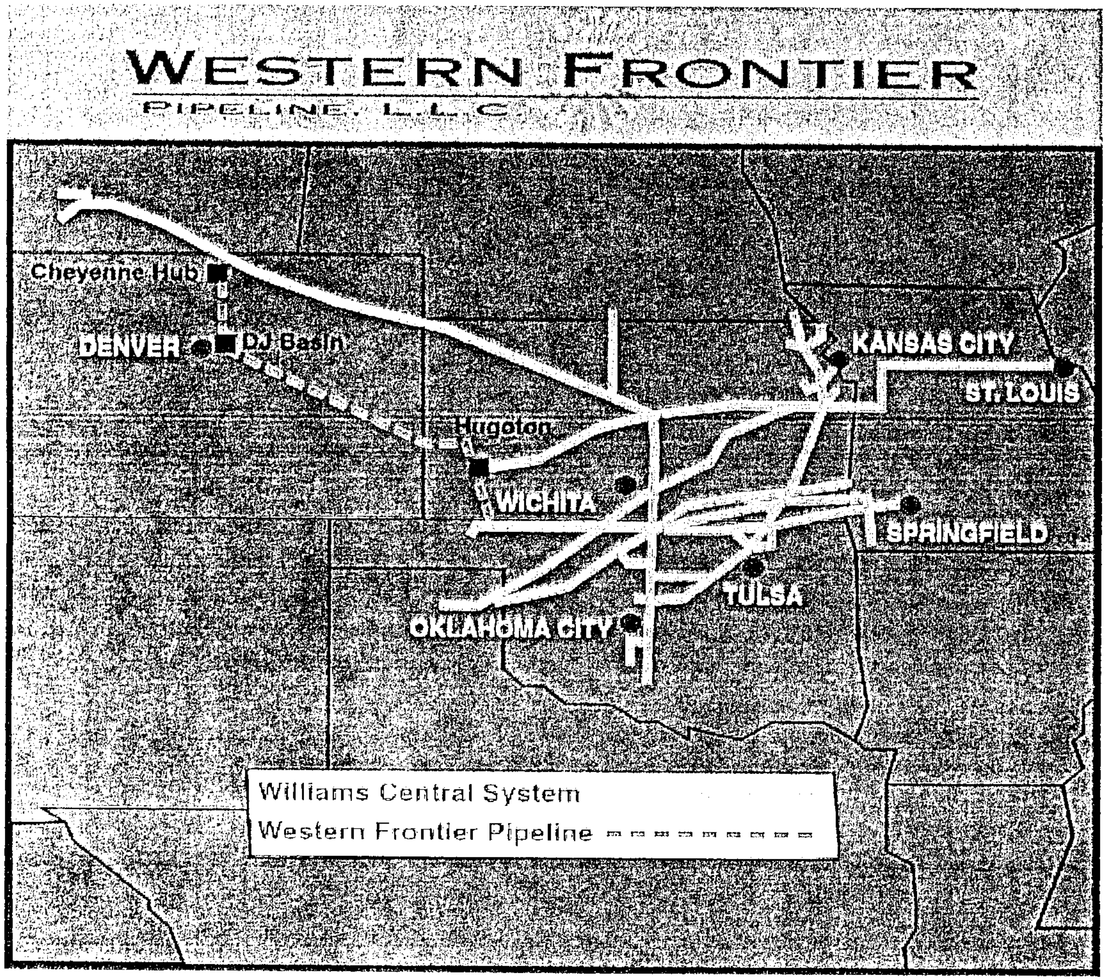
WESTERN FRONTIER
PIPELINE, L.L.C.



- 540,000 MMBtu/day
- 400 Mile 30" Pipeline
- 30,000 Horsepower
- In-Service Nov. 2004
- Capital Investment $365MM

Williams

WESTERN FRONTIER
PIPELINE, L.L.C.

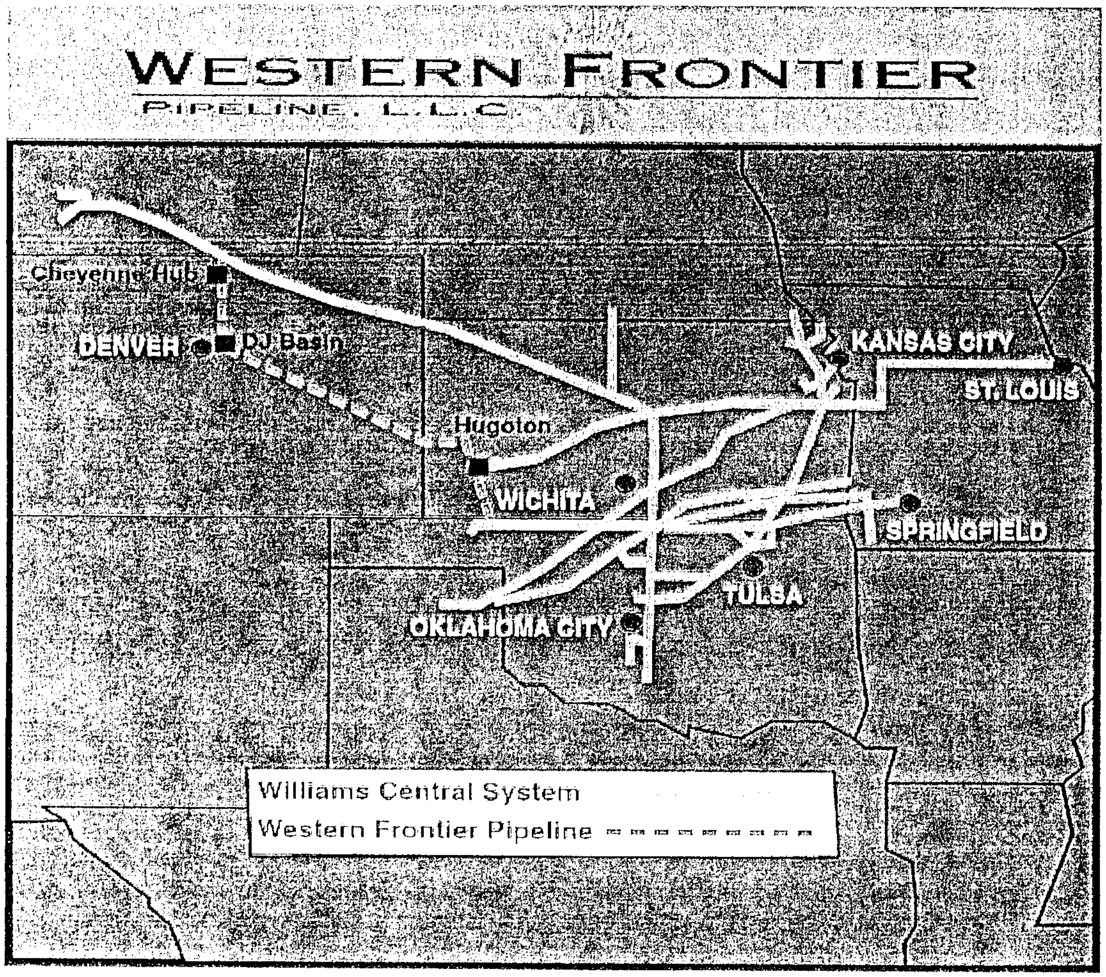


- Pipeline Hub-Interconnects Proposed
  - Northern Natural
  - NGPL
  - ANR
  - PEPL
  - Central Straight-Blackwell
    - Provides Access to Oklahoma Intrastate Markets
    - Potential Seamless Transaction to Markets on Central

Williams

WESTERN FRONTIER

PIPELINE, L.L.C.



Negotiated Rates – 10 Year Term

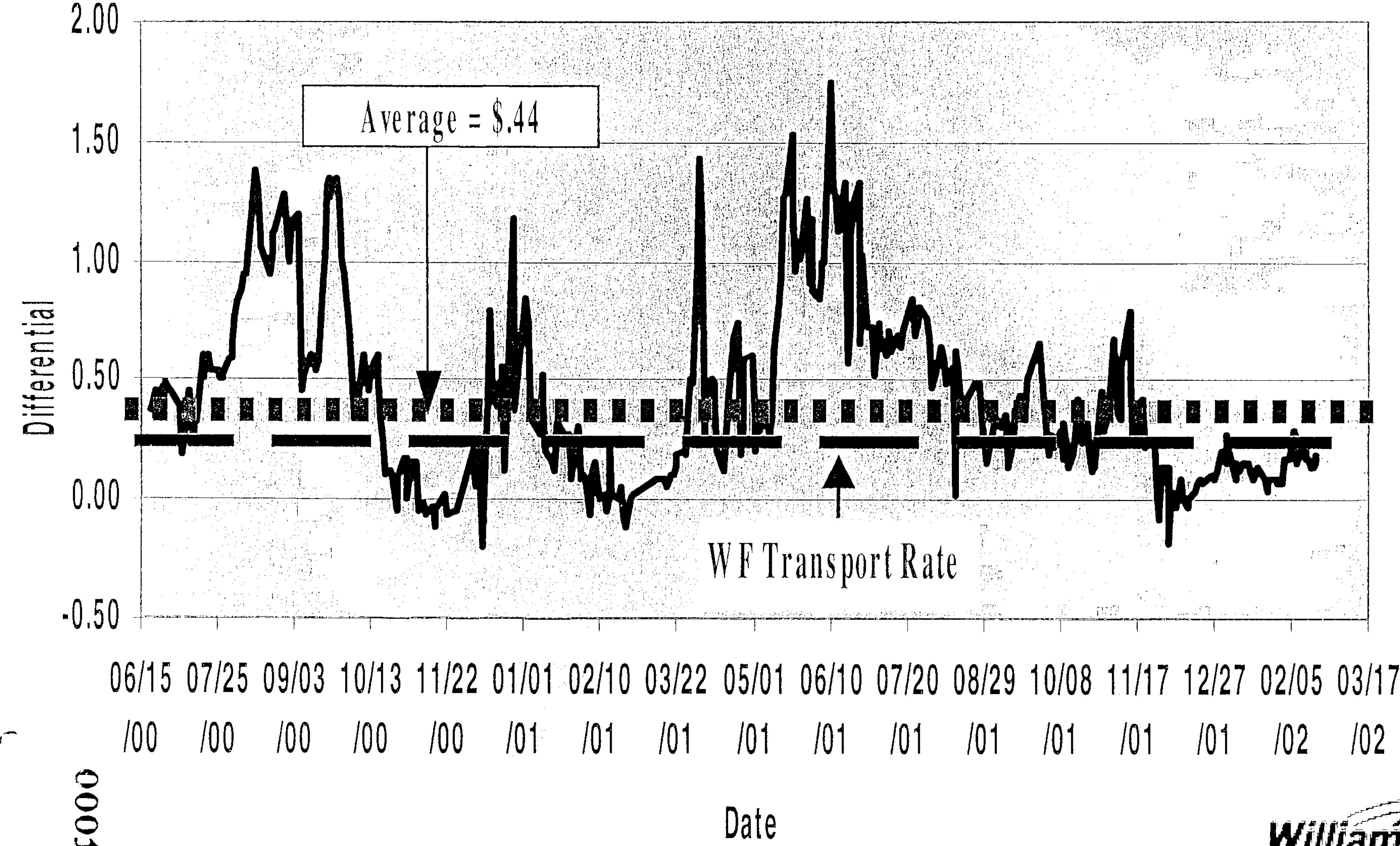
- Kansas Hugoton 100% LF
  - $0.25/MMBtu
  - 0.45% Fuel
- Pipeline Hub 100% LF
  - $0.30/MMBtu
  - 0.53% Fuel

Filed Rates

- Kansas Hugoton 100% LF
  - Demand - $0.35/MMBtu
  - Commodity - $0.0027
  - Fuel - 0.45%
- Pipeline Hub 100% LF
  - Demand $0.4294/MMBtu
  - Commodity - $0.0054
  - Fuel - 0.53%

Williams

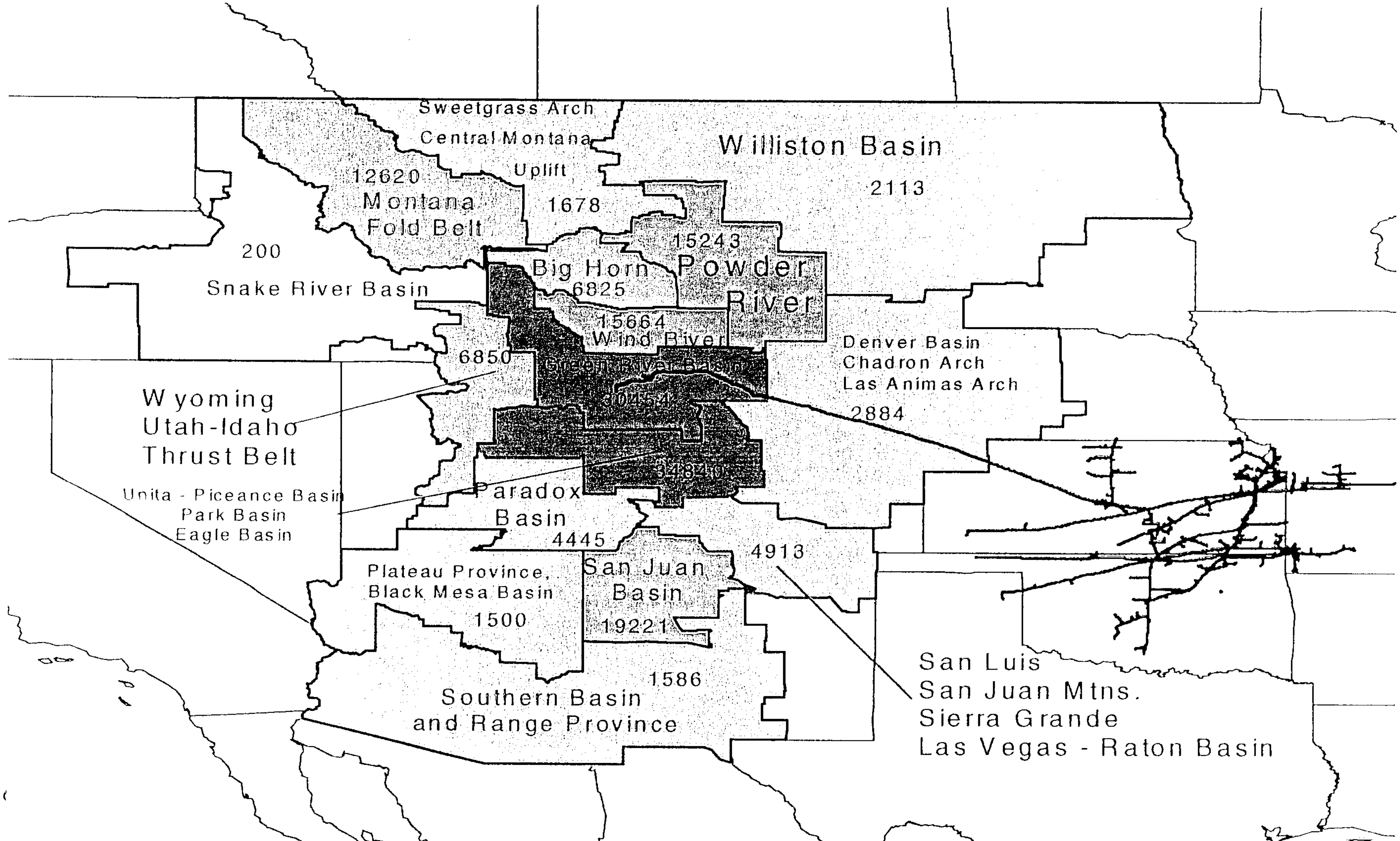
Williams MidContinent vs. Cheyenne Hub



Williams

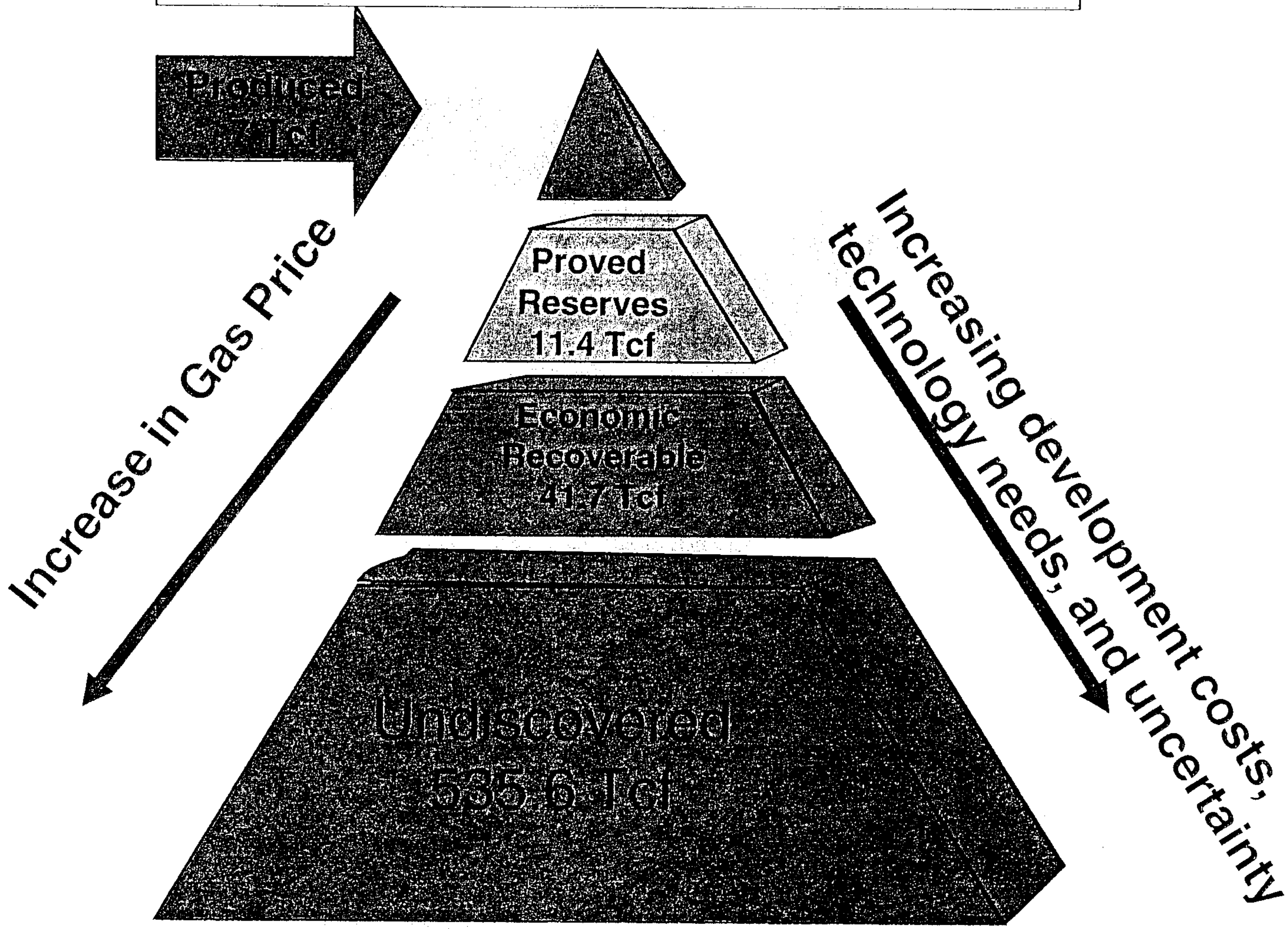
- **The National Petroleum Council Has Estimated the Following Amounts of Recoverable and Potential Gas Reserves**
  - **Gulf Coast 182.3 Tcf with 58% Produced**
  - **Midcontinent 292 Tcf with 54% Produced**
  - **Gulf Off-Shore 331.8 Tcf with 30% Produced**
  - **Rockies 329.8 Tcf with 15% Produced**

Potential Reserves - Bcf



Williams

WESTERN FRONTIER
PIPELINE, L.L.C.



Coalbed Methane Resources For U.S. Rocky Mountains

Williams

BARRETT RESOURCES CORPORATION

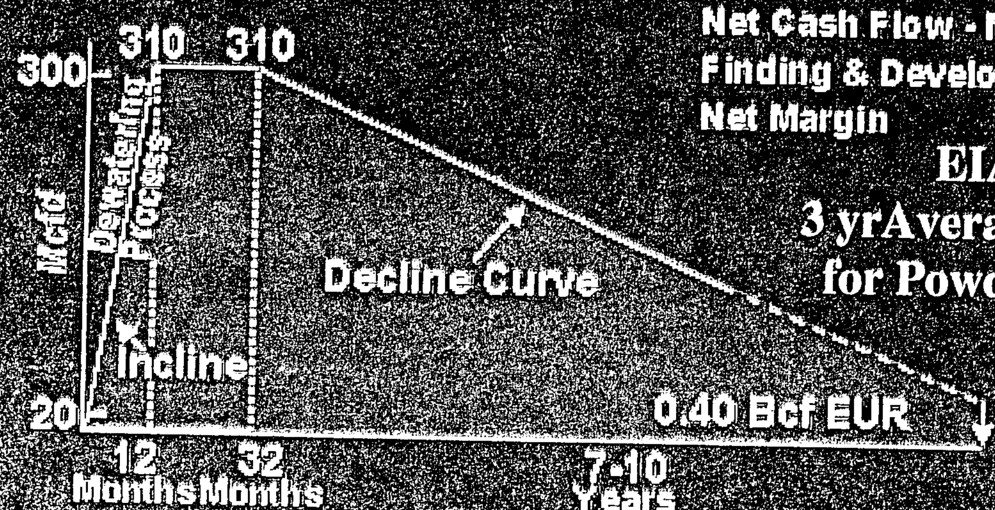
Average Wyodak PUD Well
.4 Bcf EUR (80 Acre Spacing)
Powder River Basin

Finding Costs

D & C	$40,000
Hook-up	40,000
Total Well Cost	$80,000
Leasehold Cost	10,000
Total Development Cost	$90,000
Net Reserves	328,000
Finding & Development Cost	$0.27

Illustrative Economics

NYMEX Gas Price (MMbtu)	$3.50
Basis Adjustment	0.50
Rocky Mountain Gas Price (per MMbtu)	$3.00
BTU Adjustment - 930 MMbtu/Mcf	0.21
Fuel Shrinkage - 6.25 - 8.25%	0.23
Transportation/Gathering/Compression	0.40
Net Realized Gas Price - Mcf	$2.16
Production taxes - 12.5%	0.27
Lifting Costs - $700/well/month	0.10
Net Cash Flow - Mcf	$1.79
Finding & Development Cost	0.27
Net Margin	$1.52



EIA reports
3 yrAverage Finding cost
for Powder River 97-99 *$0.16/MCF*

$0.94/MCF - $1.70/MCF
Onshore Offshore

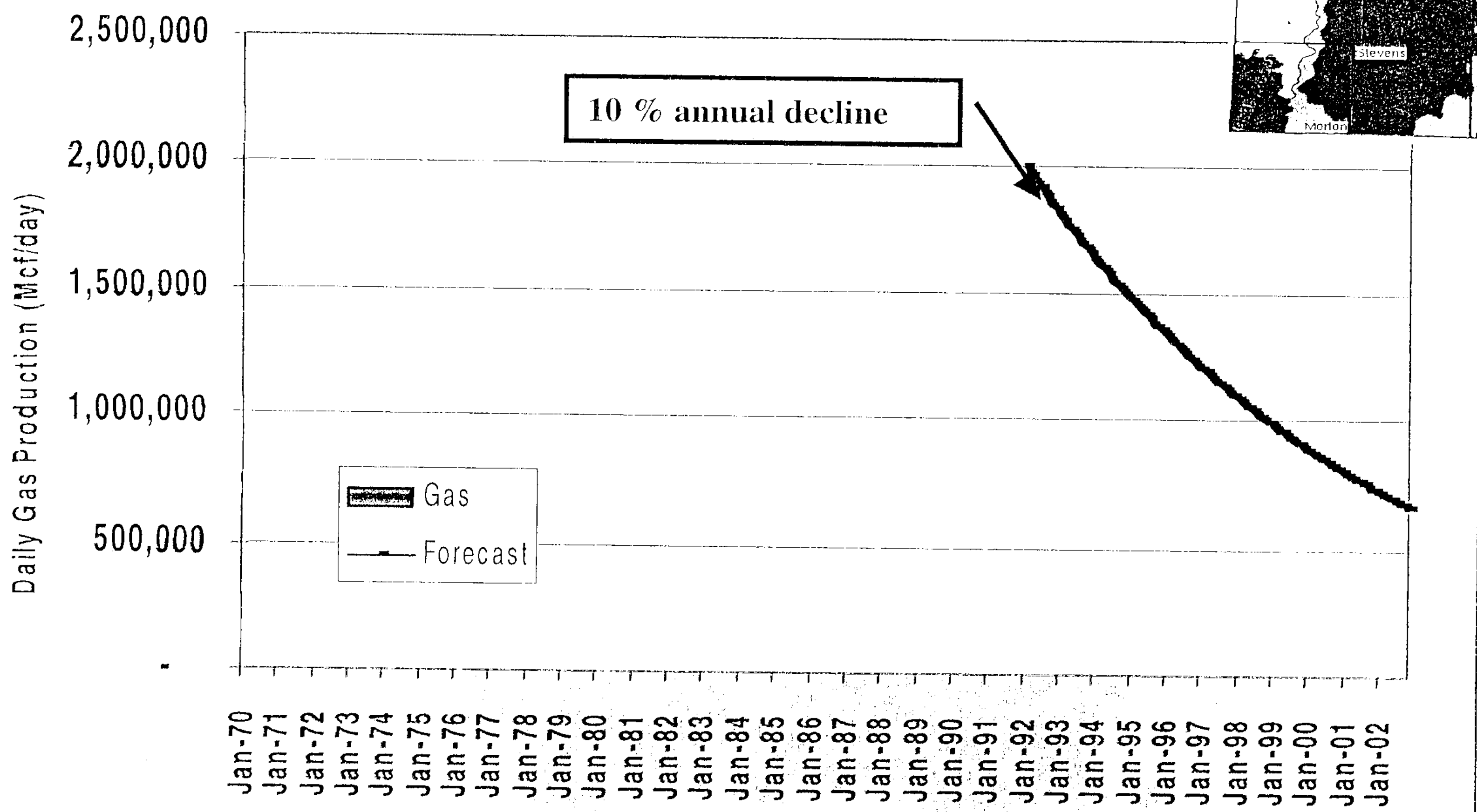
Williams.

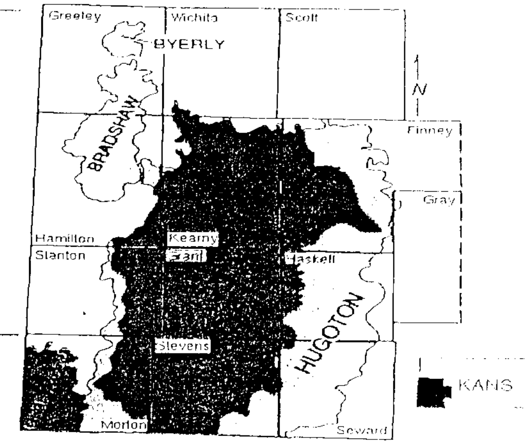
000114

Cheyenne Hub Capacity Balance (MDth/d)

– Medicine Bow	936	
– WIC	785	
– CIG	590	
– DJ Basin	50	
– Total Into Hub		2,361 up to 3,425
– Trailblazer	905	
– KN Weld	40	
– Pony Express	125	
– CIG	425	
– Front Range	270	
– PSCO	50	
– Total Out of Hub	1,815	

Hugoton Kansas Field Production

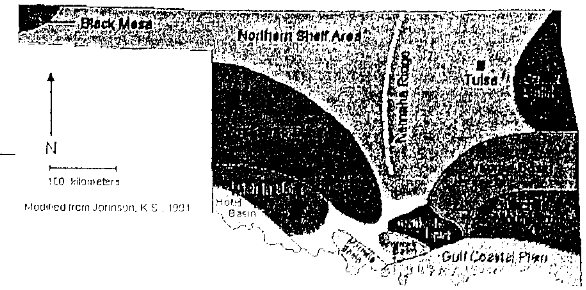




Williams.

WILLIAMS GAS PIPELINE

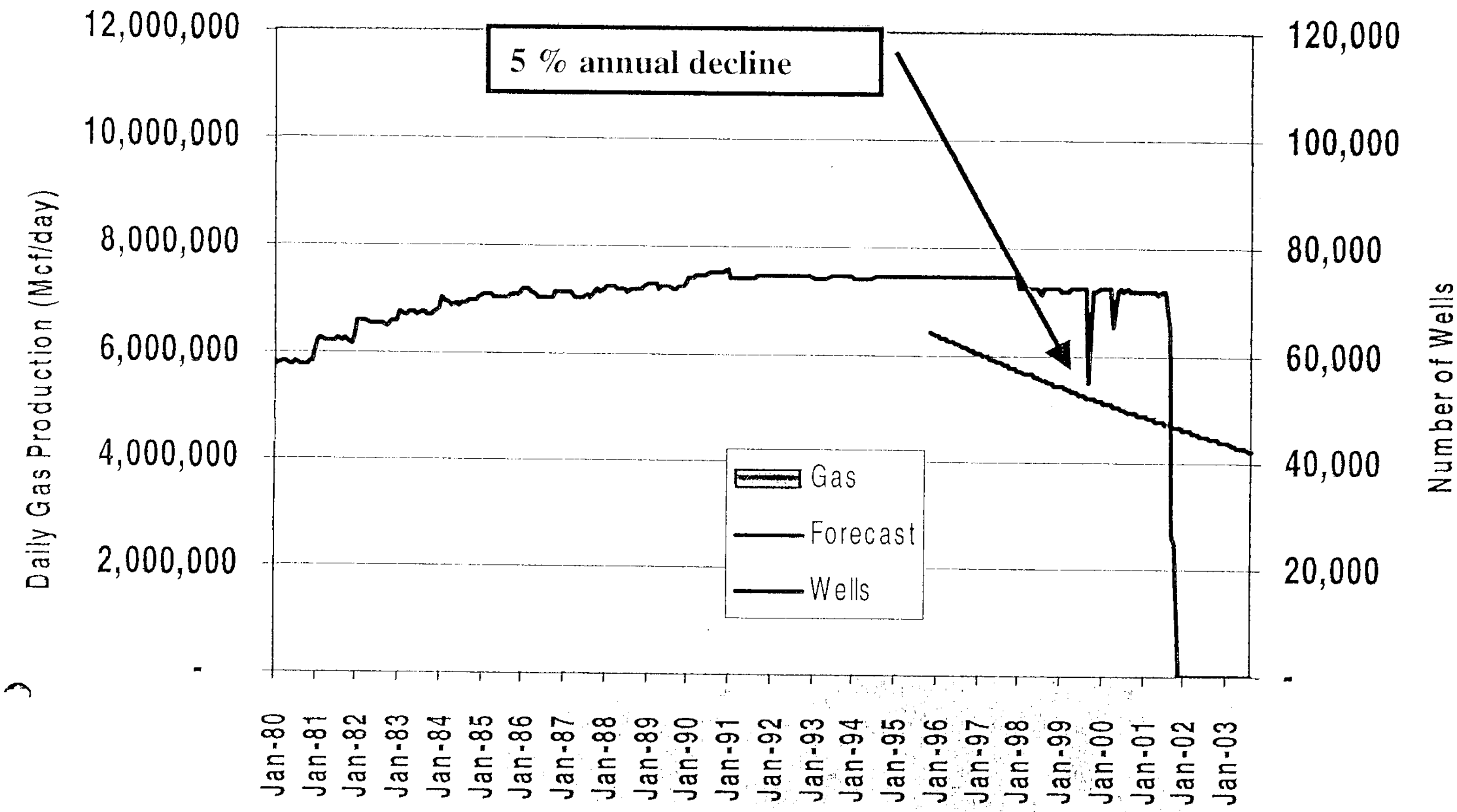
Generalized geologic provinces of Oklahoma



Click on an area (below) for information and images from that region.
This map and its contents are under construction.

Anadarko Basin Production

Kansas, Oklahoma, Texas



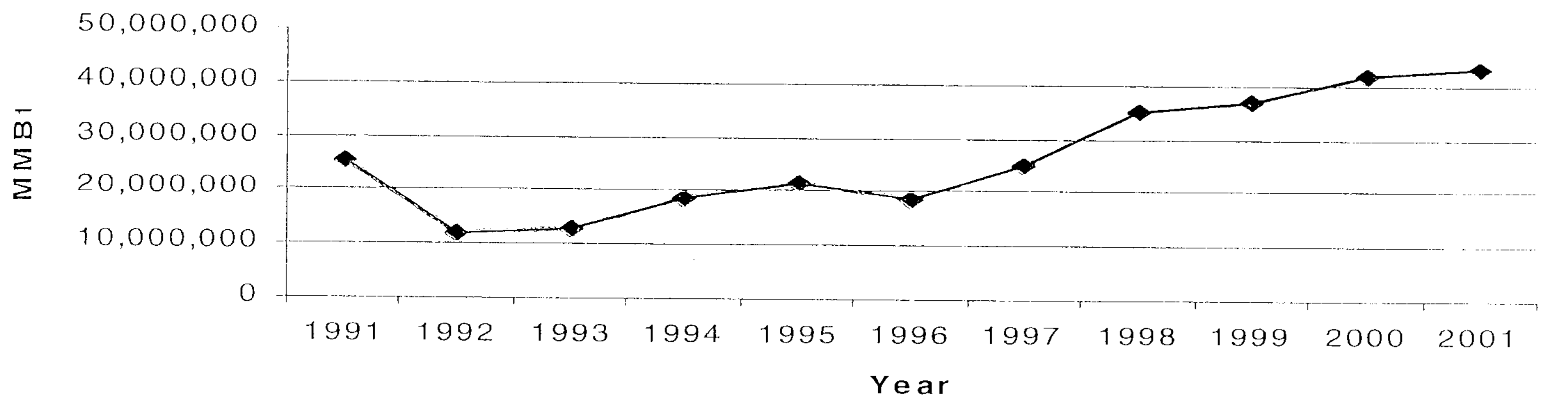
- Gas Daily February 2001 Quote for Midcontinent Region

"The Midcontinent is so mature that it doesn't matter how much you drill, you won't increase production," per Anadarko Energy Services.

Williams Central System Markets

- Storage 42 Bcf Working Capacity- Fully Subscribed
- Local Distribution Systems & Industrials
  - Avg. Daily Demand 1,000,000 MMBtu/d
  - Peak Daily Demand 2,000,000 MMBtu/d
- Power Generation Markets
  - Existing: 4,469 MW – 1,135,960 MMBtu/d

Central Pipeline - PowerGen Growth



  - Under Construction: 1,250 MW – 240,200 MMBtu/d
  - Final Negotiations : 1,050 MW – 268,000 MMBtu/d
  - Proposed : 2,650 MW – 491,720 MMBtu/d

Williams

000119

WESTERN FRONTIER
PIPELINE, L.L.C.

- **Project Activities Completed**
  - Western Frontier Website Available (http://westernfrontier.williams.com)
  - Expenditure Authorization of $15MM
  - Management Support for Project with Sound Economic Foundation
  - Land offices in Denver, Co and Garden City, KS
  - Implemented Communication Program
    - Landowners
    - Governments and Governmental Agencies
    - Communities
    - Environmental and Special Interest Groups
    - Open Houses held at six locations along the route to inform the public

WESTERN FRONTIER
PIPELINE, L.L.C.

- **Project Activities Completed**
  - Control Survey
  - Aerial Photography
  - Detailed Land Survey
  - Biological and Archeological Study
  - FERC Filing Submitted Oct. 24th, 2001
  - Certification Process Ongoing
  - Title Work 90%
  - Survey Permission 95%

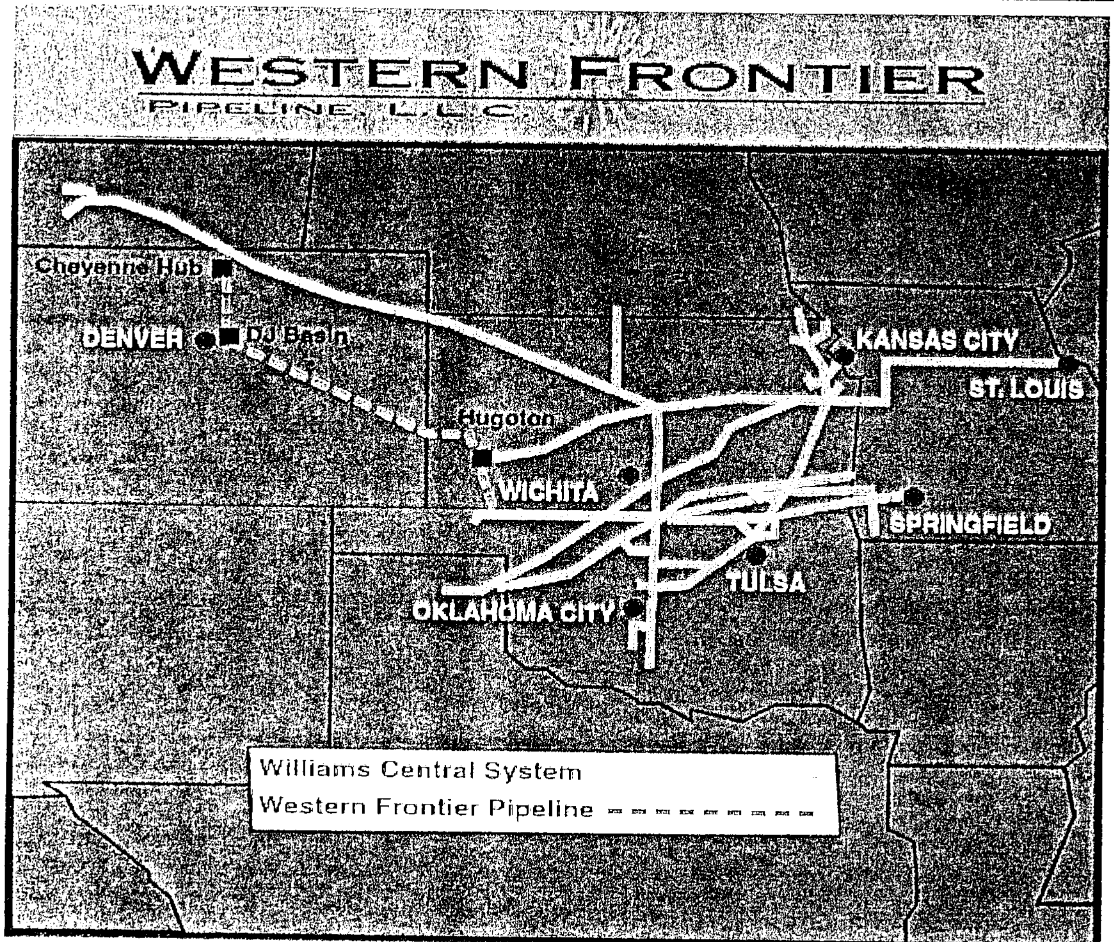
Williams

WESTERN FRONTIER
PIPELINE, L.L.C.

- **Why Western Frontier?**
  - Mid-Continent Supply Basins Declining
    - Anadarko 5% Annually
    - Hugoton 7-10% Annually
    - Need for Supply Diversification
  - Rockies Supply Deliverability Increasing Substantially
  - Limited Takeaway Capacity Out of the Rockies
  - Average Differential Between Rockies-Cheyenne Hub and Mid-Continent Inception to Present= $.44
  - Diverse Market Access Providing Liquidity
  - Substantial Mid-Continent Existing and Growing Markets

Williams

WESTERN FRONTIER PIPELINE, L.L.C.



Negotiated Rates – 10 Year Term

- Kansas Hugoton 100% LF
  - $0.25/MMBtu
  - 0.45% Fuel
- Pipeline Hub 100% LF
  - $0.30/MMBtu
  - 0.53% Fuel

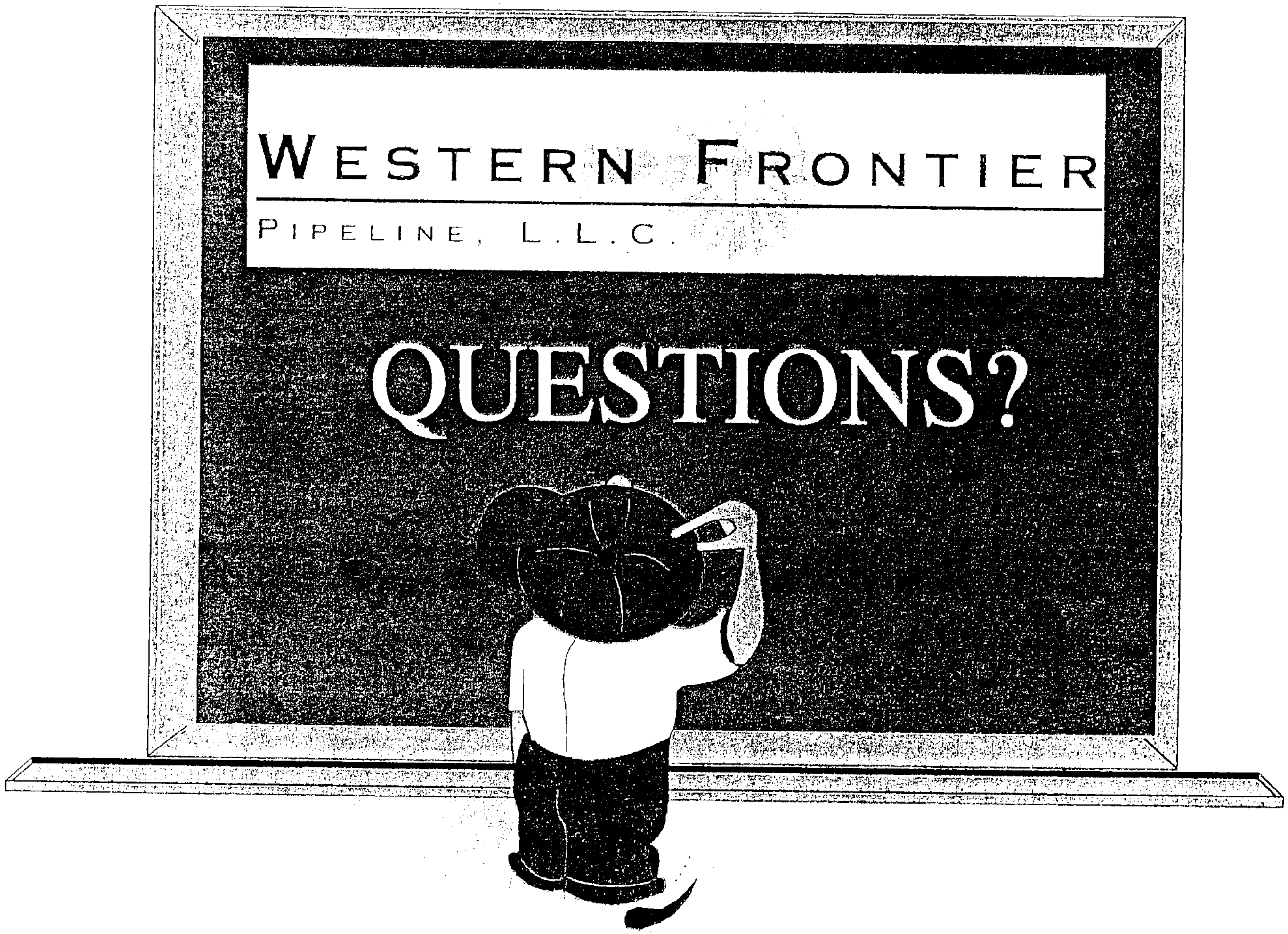
Filed Rates

- Kansas Hugoton 100% LF
  - Demand - $0.35/MMBtu
  - Commodity - $0.0027
  - Fuel - 0.45%
- Pipeline Hub 100% LF
  - Demand $0.4294/MMBtu
  - Commodity - $0.0054
  - Fuel - 0.53%

- ***Binding Agreements by April 15th, 2002***

Strong Support for Western Frontier is Provided by Combining the Low Cost and Magnitude of Rockies Reserves, with Declining Deliverability and Market Growth in the Mid-Continent

Williams



Williams

ASSESMENT OF THE VARIOUS PIPELINE EXPANSION ALTERNATIVES TO SERVE MGE'S KANSAS CITY, MISSOURI MARKET

July 18, 2001

Highly Confidential

Attachment 1 - 8

Highly Confidential