Implementation Update for Tennessee Sale of Offshore Facilities

The sale of Tennessee Gas Pipeline Company, L.L.C.’s ("Tennessee") offshore and onshore facilities in the Gulf of Mexico and southern Louisiana to Kinetica Partners, LLC and Kinetica Energy Express L.L.C. ("Kinetica"), will be effective as early as the Gas Day for July 1, 2013 ("Effective Date"), or the first of the subsequent month. The Effective Date depends on several conditions precedent, including FERC approval, and is subject to change, as is the date of any amendment, termination or other change described in this notice.

Tennessee greatly appreciates the cooperation it has received from its customers to effectuate this transaction. Our goal is to make this transition as smooth as possible. The implementation steps have been updated and are set forth below. Please call your Tennessee Account Manager or Contracts Representative if you have any questions.

This posting generally outlines changes that will occur with the transaction. Additional postings may follow with additional detail.

A. GENERAL INFORMATION:

1. As of the Effective Date, Tennessee will have five interconnect points with Kinetica. The interconnect points are Johnson’s Bayou 050089, Grand Chenier 050303, Egan 011034, Cocodrie 012883, and Port Sulphur 012882.

2. Copy the following link to go to Presentations to see an Overview Map:

3. Copy the following link to go to Presentations to see a list of affected meters:

B. CONTRACT CHANGES:

1. Firm Transportation Agreements:
   a. Each firm transportation agreement that currently has primary receipt and delivery points on the facilities to be sold will be relocated to a corresponding demarcation point as of the Effective Date. The Meter TQ will be shown at the corresponding new interconnect locations. Tennessee will internally electronically execute the amendments to the Exhibit A’s of all affected Firm Transportation Agreements to effectuate the primary meter modifications. Please see the attached meter list and corresponding demarcation locations. Tennessee will consider subsequent requests to further amend such primary points prior to the Effective Date pursuant to the terms of its tariff and any applicable negotiated or discounted rate agreements.
2. Capacity Release Agreements: Capacity release agreements with primary points on the facilities to be sold will need to be recalled as of the Effective Date to allow amendment of the base releasing contract.

   a. Shippers with releases through the Effective Date that do not change month-to-month may contact Tennessee (Dayna Owens 713-420-5952 or Sherry Noack 713-420-3764). Tennessee will create the new releases identical to the existing releases in every way, except for the amended primary points. Shippers with releases that change month-to-month may create their own releases within 15 days prior to the Effective Date.

3. The following agreements with points on the facilities to be sold will be affected:
   a. Operational Balancing Agreement (OBAs): LMSMA, LMSPA and LMSPL. Some OBA’s will be amended and some will be terminated following a 30-day notice.
   b. PTR and PTR-D Agreements: Bluewater, Sabine Pass and Grand Chenier. All will be terminated following a 30-day notice.
   c. Liquids Transportation Agreements (LTAs): Bluewater, Johnson Bayou and Grand Chenier. All will be assigned.

C. NOMINATIONS

Tennessee’s new interconnects with Kinetica will use a pipeline OBA for allocation purposes under Rate Schedule LMSPL. Shippers or Poolers nominating receipts from the new interconnects will no longer nominate interest owner information but must designate an upstream party (DUNS ID) for confirmation purposes. **IMPORTANT: Please remember to enter new nominations for the Effective Date using the corresponding interconnect rather than points on the attached list of affected meters.**

OTHER KINETICA INFORMATION:

If you need to speak with a representative from Kinetica about service upstream of Tennessee’s facilities, please contact Kathy Bates or Rick Sacco at 713-228-3347.