Cheyenne Connector
Binding Open Season
Tallgrass Energy Partners, LP (“Tallgrass”) is pleased to announce a binding open season (“Open Season”) for the Cheyenne Connector pipeline (“Project”). The Cheyenne Connector pipeline is a new, large diameter interstate natural gas pipeline providing the opportunity for natural gas market participants to move natural gas from supply connections in the Denver-Julesberg Basin (“DJ Basin”), located in Weld County, Colorado, to Rockies Express Pipeline LLC’s (“REX”) Cheyenne Hub (“REX Cheyenne Hub”). Tallgrass is developing the Project to connect growing DJ Basin production with the numerous downstream takeaway options at the REX Cheyenne Hub.

The Project consists of an approximately 70-mile large diameter interstate pipeline originating at receipt connections with processing facilities in the DJ Basin and delivering gas to the REX Cheyenne Hub. The Project has an anticipated capacity between 600 MDth/d and 1,300 MDth/d, for which Tallgrass currently has commitments of 600 MDth/d from two pre-arranged bidders. The Project will be a separate interstate pipeline entity regulated by the Federal Energy Regulatory Commission (“FERC”) subject to its own FERC Gas Tariff (the “Tariff”).

Separately, REX is developing the Cheyenne Hub Enhancement Project to enhance the firm interconnectivity capability of the various pipelines and local distribution (“LDC”) systems located in and around the Cheyenne Hub. The delivery to the REX Cheyenne Hub and the anticipated transformation of the REX hub facilities will provide customers significant diversity in terms of market access. Additional information related to the REX Cheyenne Hub Enhancement Project is available at the following link, http://pipeline.tallgrassenergylp.com/Pages/Notices.aspx?pipeline=501&type=NONCRIT.

It is currently anticipated that the Project will have an in-service date in Q3 2019, subject to the timely receipt of a FERC certificate of public convenience and necessity authorizing construction and operation of the Project, as well as all other applicable permits and approvals.

This announcement provides a description of the Project, applicable terms and conditions of the Open Season, the bid submission deadline, bid guidelines, and other relevant information concerning the Open Season.
The Cheyenne Connector pipeline will originate in the DJ Basin located in north central Colorado and will move gas in a northerly direction to the REX Cheyenne Hub. The following map depicts the anticipated route of the Project.
Supply Access

With over 800 mmcf/d of recently announced new processing capacity in the DJ Basin, Tallgrass believes that current pipeline capacity, even with foreseeable expansions, is inadequate to serve natural gas takeaway demand in the DJ Basin. The Project is designed to receive gas from multiple processing facilities in the DJ Basin located in Weld County, Colorado. These facilities are currently contemplated to include the Anadarko Lancaster Processing Facility and the DCP Mewbourn Processing Facility. Tallgrass may consider other potential receipt point locations based on prospective bidder requests in this Open Season. Prospective bidders interested in other potential receipt locations should contact Tallgrass as soon as possible before the Open Season Bid Submission Deadline.

Market Access

Once it is delivered to the REX Cheyenne Hub, natural gas transported on Cheyenne Connector will have access to over 6,000 MDth/d of takeaway capacity from the REX Cheyenne Hub on a multitude of pipelines serving both western and eastern markets of the United States. The REX Cheyenne Hub is a confluence of pipelines in Northern Colorado near Cheyenne, WY having interconnects with REX, Tallgrass Interstate Gas Transmission (TIGT), Trailblazer, Cheyenne Plains, Colorado Interstate Gas Company (CIG), Public Service Company of Colorado (PSCC) and Wyoming Interstate Company (WIC).

<table>
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<tr>
<th>Interconnected Pipeline</th>
<th>Anticipated REX Cheyenne Hub Take Away Capacity (MDth/d)</th>
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<tbody>
<tr>
<td>REX East Mainline</td>
<td>1,800</td>
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<tr>
<td>REX West Mainline</td>
<td>1,800</td>
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<tr>
<td>TIGT</td>
<td>86</td>
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<tr>
<td>TRAILBLAZER</td>
<td>860</td>
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<tr>
<td>CHEYENNE PLAINS</td>
<td>730</td>
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<tr>
<td>CIG</td>
<td>600</td>
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<tr>
<td>WIC</td>
<td>Receipt only</td>
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<tr>
<td>PSCC</td>
<td>200</td>
</tr>
<tr>
<td>Total</td>
<td>6,076</td>
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Through Cheyenne Connector’s interconnection with the REX Cheyenne Hub, shippers will gain access to the REX mainline, which is currently unavailable for DJ Basin production due to REX operating at a higher pressure than other pipelines in Cheyenne. The REX mainline provides access to markets in both the western and eastern regions of the United States that cannot be accessed by other pipes out of Cheyenne, providing new market access for DJ Basin natural gas.

Tallgrass has secured binding financial commitments to the Project, in the form of Precedent Agreements, from two pre-arranged bidders that, in aggregate, are sufficient for Tallgrass to proceed with the Project. The pre-arranged bidders have each made the following commitments to the Project:

i. **Maximum Daily Quantity (“MDQ”):** 300,000 Dth/d

ii. **Primary Receipt Point(s):** Designated physical point(s) of receipt into Cheyenne Connector as described above or future point(s).

iii. **Primary Delivery Point:** REX/Cheyenne Connector (PIN TBD);

iv. **Transportation Service Commencement:** Ten (10) years beginning on the in-service date of the Cheyenne Connector pipeline, which is currently anticipated to be in Q3 2019 (the “In-Service Date”).

v. **Primary Term:** 10 years;

vi. **Monthly Negotiated Reservation Rate:** $4.25833 per Dth of MDQ ($0.14 per Dth/d on a 100% load factor basis).

In addition, based on the pre-arranged bidders’ volume, rate, and term commitments to the Project, each pre-arranged bidder would qualify as a “Base Shipper.” In order to qualify as a Base Shipper, a shipper must be awarded at least 275,000 Dth/d of firm capacity in this Open Season for a reservation rate at least as high as $4.25833 per Dth per month, and the shipper must maintain a MDQ of at least 275,000 Dth/d of capacity, not have defaulted on its obligations under its Precedent Agreement and all applicable service agreements for service on the Project.

Base Shippers shall be granted a seven year Favored Nations right that provides for a rate reduction in the event that Cheyenne Connector enters into another contract for firm transportation service at a rate less than a specified rate, excluding non-firm transport, firm contracts for terms greater than 11 years, short term (365 days or less) contracts, multi-year
seasonal contracts, contracts resulting from turned-back capacity, and expansions. Additionally, Base Shippers shall be granted contractual roll-over and ROFR rights.

A confidential copy of the applicable Precedent Agreement template (for a regular shipper or a Base Shipper) will be provided upon written email request to CheyenneConnector@tallgrassenergylp.com. Please note that the pre-arranged bidders have the right to match higher bids as described below in the Bid Evaluation and Award Process in order to maintain the MDQ of their commitment to the Project.

With the exception of the reservation rate applicable to a negotiated rate bid, all transportation rates, including recourse rate reservation bids, commodity, Fuel and Lost and Unaccounted For ("FL&U") as applicable, and such other applicable fees and surcharges, will be subject to the approved and effective Tariff rates and surcharges for firm transportation service on the Project in effect during the term of the contract. Cheyenne Connector currently anticipates the FL&U rate to be 0.05%.

All bids submitted in this Open Season will be considered binding on the bidder. Therefore, by submitting a bid in this Open Season, each bidder acknowledges and agrees that it will execute a binding Precedent Agreement (reflecting the terms of its bid) within ten (10) days after receiving a copy for execution by Cheyenne Connector. A confidential copy of the applicable Precedent Agreement template (for a regular shipper or a Base Shipper, as applicable) will be provided upon written email request to CheyenneConnector@tallgrassenergylp.com. Prospective Open Season bidders should note that Cheyenne Connector reserves the right not to accept any proposed changes to the form of Precedent Agreement template. Each shipper awarded capacity in this Open Season will be required to establish credit with Cheyenne Connector in a manner consistent with the binding Precedent Agreement.

Cheyenne Connector reserves the right to consider only Conforming Bids in this Open Season. To qualify as a “Conforming Bid,” a bid must be submitted before the Open Season Bid Submission Deadline (as defined herein) and must meet each of the following minimum criteria:

i. **MDQ:** between 10,000 Dth/d and 1,300,000 Dth/d. Transporter may agree, on a not unduly discriminatory basis, to include allowances for pre-determined changes in MDQ (e.g. to ramp-up volumes), during the term of the bid. Transporter, in its determination for awarding capacity, will consider any pre-determined MDQ changes in its award calculations.

ii. **Transportation Service Term:** Required minimum primary term of ten (10) years commencing on the In-Service Date.
iii. Monthly Negotiated Reservation Rate: Bidders should specify a monthly negotiated reservation rate of at least $4.25833 per Dth of MDQ ($0.14 per Dth per day on a 100% load factor basis). Alternatively, prospective bidders may elect the applicable maximum Tariff recourse rate (i.e., the “max” rate), currently estimated to be $5.91588 per Dth per month. Prospective Open Season bidders should note that the actual recourse rate may change based on the final Project scope and subscriptions, as well as FERC approval of said rate.

iv. Primary Receipt Point(s): Designated physical point(s) of receipt into Cheyenne Connector as described above or future point(s); and

v. Primary Delivery Point: REX/Cheyenne Connector (PIN TBD).

Open Season bids failing to meet all of these minimum criteria will be deemed “Non-conforming Bids,” and Cheyenne Connector shall have no obligation to consider Non-conforming Bids in this Open Season. Cheyenne Connector may, but is not required to, consider Non-conforming Bids if acceptable to Cheyenne Connector in its sole discretion. This acceptance process will be conducted in a not unduly discriminatory manner.

Cheyenne Connector will award capacity in this Open Season based on the Net Present Value (“NPV”) of acceptable bids received by Cheyenne Connector. For the purpose of this Open Season, the NPV of each bid shall be calculated utilizing a discount factor of 3.96% applied to the bid recourse or negotiated reservation rate to the bid MDQ. Bids of negotiated rates exceeding the applicable recourse rate shall be evaluated at the maximum rate only.

Cheyenne Connector reserves the right (i) to reject bids that are Non-conforming Bids; (ii) not to award capacity for any bid received at less than the applicable maximum (i.e. recourse) rate; and (iii) to aggregate acceptable bids (including bids with prorated capacity, to the extent applicable) to determine the highest aggregate NPV to Cheyenne Connector. Cheyenne Connector may, but is not required to, consider bids that are Non-conforming Bids if such bid is acceptable to Cheyenne Connector in its sole discretion. This acceptance process will be conducted in a not unduly discriminatory manner.

Cheyenne Connector will treat Open Season bids as confidential, and will not disclose bid information except as required by applicable law or regulation. Notwithstanding the foregoing, Cheyenne Connector may disclose bid information (without disclosing the identity of the bidder) as necessary to effectuate a pre-arranged bidder’s right to match, as applicable.

In addition to the bid reservation rate, Cheyenne Connector shippers would also pay all other applicable Tariff rates and charges, including without limitation commodity rates, ACA, Fuel and L&U (as applicable), and other applicable surcharges. These rates and charges will be assessed per Cheyenne Connector’s approved Tariff, and may later include incremental
charges for transportation, FL&U, and other surcharges on new facilities including laterals, as applicable.

To participate in this Open Season, prospective shippers should complete an Open Season Bid Form. In the event that Cheyenne Connector receives binding bids in the Open Season that, together with the pre-arranged bidders’ bids, result in a total aggregate capacity exceeding 600,000 Dth/d, Cheyenne Connector may, but is not obligated to, expand the capacity of the Project to accommodate some or all of the requested capacity in excess of 600,000 Dth/d.

Open Season Schedule

This Open Season will begin at 1:00 p.m. Central Time (“CST”) on September 12, 2017. Prospective bidders are advised to submit their completed Open Season Bid Form(s) by 4:00 p.m. Central Time (“CST”) on September 26, 2017. Tallgrass reserves the right to amend, revise or extend the duration of the Open Season by providing notice on Tallgrass’s website, http://www.tallgrassenergylp.com/pipelines/CheyenneConnector.

All prospective bidders must email bids to CheyenneConnector@tallgrassenergylp.com by 4:00 p.m. CST on September 26, 2017. Bidders will be contacted by Tallgrass no later than 4:00 p.m. CST on Friday, September 29, 2017.

Contact

Tallgrass welcomes your bid in the Cheyenne Connector Pipeline Project. Please feel free to contact us to further discuss this Open Season by submitting questions in writing to the following address:

CheyenneConnector@tallgrassenergylp.com
COMPANY NAME: ______________________________________
CONTACT NAME: ________________ CONTACT PHONE #: ________________
CONTACT E-MAIL ADDRESS: ________________________________
TOTAL REQUESTED TRANSPORTATION QUANTITY: ______ Dth/d
TERM START DATE: __________ TERM END DATE: ___________
MONTHLY NEGOTIATED RESERVATION RATE:
  $_______/DTH PER MONTH
  - OR -
MARK HERE _____ IF ELECTING TO PAY THE APPLICABLE TARIFF
RE COURSE RATE CURRENTLY ESTIMATED TO BE $5.91588 PER DTH PER
MONTH (I.E., THE “MAX” RATE)

PLEASE WRITE IN REQUESTED RECEIPT POINT(S) AND INCLUDE RECEIPT VOLUME
ON THE LINE NEXT TO EACH SELECTION.

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<tr>
<th>INTERCONNECT NAME</th>
<th>VOLUME (Dth/d)</th>
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BY SIGNING BELOW, THE BIDDER ACKNOWLEDGES THAT IT IS SUBMITTING A
BINDING BID IN THE OPEN SEASON AND IT REPRESENTS AND WARRANTS THAT IT
IS DULY AUTHORIZED TO DO SO.

SIGNATURE

__________________________________________
NAME

__________________________________________
TITLE