



Moving Ahead With Business

Dear Friends:

I hope this letter finds you and your Company to be in good health. This is certainly a busy and exciting time in the natural gas industry with all of the developments in recent years regarding gas supply, the Shale evolution, natural gas for vehicle



**Jerry Morris,
Southern Star
President and CEO**

fuels, increasing use of gas for electric generation, and many other ongoing changes. There may be as much “buzz” about the future of natural gas and its significant role in our nation’s energy strategy as I have heard in the past 25 years or so.

As you all are aware, pipeline integrity regulations and oversight from PHMSA and other agencies continue to occupy a front seat in our daily business activities and

long-term plans. We have for several years pursued a risk-based, systematic approach to improving our system via recoating, replacement, enhancing pigability. We are currently adding pig launchers and receivers as well as various gas supply interconnects.

We did have some impacts in Oklahoma from the severe weather of a few months ago. We have returned to normal operations in the Oklahoma City area, but will be required to drill under the Canadian River to replace a pipe attached to a bridge over the Canadian River that was destroyed.

On May 31, we announced a successful open season for our Straight-Blackwell Oklahoma supply expansion project, which could deliver approximately 225,000 dth/d of new supplies to our system. Also, on May 31, we submitted to FERC a “general rate case filing”, required by the provisions of our 2008 settlement. Please know that we will endeavor to work with you and your representatives, as well as FERC and interested state commissions, to achieve an unopposed settlement of the proceeding, as we were able to do in 2004 and also 2008.

In closing, I’d like to express my thanks for your friendships, for all of your business with Southern Star and for the trusting and cooperative manner in which we all operate. I hope to see you in the near future. Have a safe and enjoyable fall!

Best regards,

Staff Changes to Serve You

We have recently announced three Director appointments at Southern Star: Matt McCoy, Director of Marketing and Support, Denis Chege, Director of Engineering, Jeremy Troutman, Director of Pipeline Safety.

All have been playing key roles at Southern Star for a number of years in gas management, field operations and project engineering, and integrity services, and all are likely well known to some of your commercial, gas control, and operations employees.

As a result of Matt’s new position, our support functions will be totally focused on customer interactions. Groups under Matt’s direction include customer service, contract administration,



Matt McCoy
Director of
Marketing and Support

scheduling and billing, and gas management. All departments will be integrated for the benefit of the customer, and all employees along the chain will understand how they fit in the overall picture as they serve customers. “We want a united voice,” McCoy said. “We want the same message from everyone.”

Matt’s goal is for everyone who interacts with customers to understand their business and how they can best meet that customer’s needs. “I have a lot of history with customers,” he said. “I look forward to the continued development of that relationship.”

Please join us in congratulating Matt, Denis and Jeremy as they strive to support our vision “To Be the Best Pipeline in North America.”

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AGA Safety Award

The American Gas Association (AGA) recently recognized Southern Star as the winner of the 2012 AGA Safety



Achievement Award for achieving the lowest DART incidence rate among large-sized transmission companies. (DART stands for Days Away, Restricted or Transferred.)

“This is a significant achievement, and I am honored to be able to recognize your company’s safety record,” said Dave McCurdy, President and CEO of AGA, in a letter to Southern Star announcing the award.

The award was presented during the 2013 AGA Operations Conference and Biennial Exhibition in Washington D.C. on May 22.

DART uses a standard formula to compare industry-wide rates of days away from work, days of restricted work activity and days of job transfer due to work-related injury or illness.

“Your company’s excellent safety record enhances our industry’s record as a leader in safety,” McCurdy said. “Congratulations to you and your employees for your significant accomplishment.”

Safe Day 2013



The Owensboro Safety Awareness Team planned an outstanding Safe Day 2013 at Southern Star headquarters in June.

Presentations and displays included train and rail safety, water safety, fireworks safety, bike safety, self-defense, a roll-over simulator, a drunk driving simulator, fire safety trailers, an ambulance, a fire truck and a LifeFlight helicopter and more. One highlight was an electrical safety demonstration which showed how easily power lines can cause damage.

This creative, educational day made Southern Star a safer company. “If it prevents one accident in someone’s life, it’s worth all the effort,” said President and CEO Jerry Morris.

CSI Enhancements

In response to your feedback, we’ve made several changes to improve CSI during 2013. Here’s a quick refresher:

1. Improved Cut Notice Communication in CSI

This enhancement is a change in the format of cut notifications. They now consist of a text version of the cut notification in the body of an email along with the grid version of the cut notification as an attachment to the email. The cut quantity has also been added to the notification. This update should provide more flexibility as many of you use the data in different ways.

2. Capacity Release - save option for offers on every page

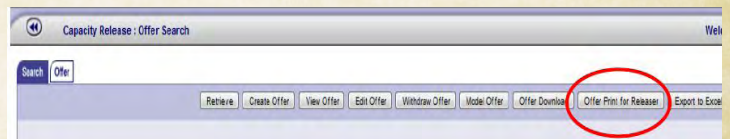
This enhancement provides a new “Save Offer” button on every page of the Offer Detail screens located in the Capacity Release section of CSI. This change allows you to save an offer earlier in the process.



3. Offer Print for Releaser -

A new “Offer Print for Releaser” option is available on the “My Offers” screen in the Capacity Release area. This option displays all the information from the Offer and provides additional information not available on the Offer Download, including:

- For Prearranged Offers, Bid Quantities and Rates
- Minimum Term, Rate, and Quantities are displayed even if the applicable Undisclosed value is selected.



We hope these changes have been effective for you as you go about your everyday work. If you have any other questions or suggestions, please let us know how we can continue to serve you better.

StarLight: Stacy Catlin [Region Manager]

StarLight is a profile series to help you get to know Southern Star employees. This edition features Stacy Catlin, who recently transferred from the West Region to become the Central Region Manager. Stacy is based in Wichita, KS, and oversees the area that includes Wichita, Hesston and Lyons, KS.

Q: Where were you born and where did you go to college?

A: I was born in Harvey, North Dakota, and earned a B.A. in political science with a minor in economics from the University of Northern Colorado.

Q: Tell us about your family.

A: My wife's name is Selena and we have four kids -- Macy, Allison, Trevor and Eli.

Q: What are your interests and hobbies outside of work?

A: Coin Collecting, playing almost any type of sports and just relaxing and spending time with my kids

Q: What do you like the most about your job?

A: I like getting to travel around the area and talk with each of the employees to better understand the work and projects that they have going on, and seeing if there are ways that I can improve it for them.

Q: Who or what inspires you and why?

A: People that don't ever give up. They set a goal and continue to pursue it through good times and bad.

Q: What is one thing most people do not know about you?

A: - I am actually 6'4", but I crouch down to 5'8" so that people aren't intimidated by me.

Q: How would you describe yourself in three words?

A: Competitive, fun and persistent

Q: What is your favorite movie and favorite actor?

A: *The Natural*, which also starred my favorite actor - Robert Redford.



From left: Allison, Trevor, Selena, Stacy, Eli and Macy Catlin.

Q: What is your favorite food, and is Pepsi or Coke better?

A: Crab legs. Coke.

Q: What makes you happy/angry?

A: Happy - Coming home and having the kids meet me at the door to give me a hug and tell me they missed me, whether I just left that morning or have been gone for a week.

Q: Have you ever visited a foreign country? If so, which one?

A: Mexico, while on spring break in college.

Q: Who is your hero?

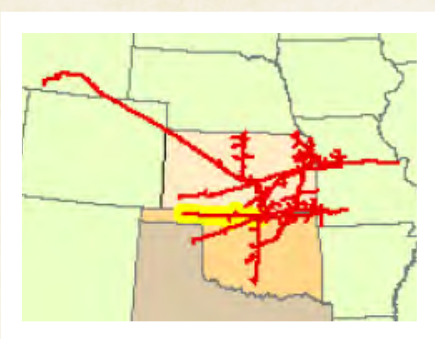
A: Bill Bates, who played strong safety for the Dallas Cowboys in the 1980's.

Q: Who did you want to be when you were a kid and why?

A: Bill Bates - he wasn't the strongest, fastest or even most talented player in the NFL, but through heart and determination he was still a very successful defensive back that played for many years on the best team in football. 💧

Straight Blackwell Expansion

Southern Star is pleased to announce the expansion of firm transportation capacity on our Straight Blackwell line segment in western Oklahoma.



This announcement follows a successful binding Open Season last fall, which resulted in two conforming bids. Southern Star has now successfully executed precedent agreements with two shippers for a total of 225,000 Dth/d of firm transportation service.

"This project helps us serve the growing Oklahoma production corridor with access to markets in Oklahoma, Kansas and Missouri and access to other intrastate and interstate pipelines," said President and CEO Jerry Morris. "These new regional supplies support our effort to add to the reliability, security and diversity of gas supply on our gas transportation system."

"We continue to pursue innovative and efficient ways to address customer needs and look for ways to grow our system," Morris said. "We're excited by the opportunities to better serve our customers."

The firm transportation agreements and the in-service date for the facilities will be effective October 1, 2014. 💧

"We can't become what we need to be by remaining what we are." -- Max DePree

811 Run

Southern Star and TransCanada hosted an 811 5K Run/Walk at Shawnee Mission Park in Kansas City, Kansas, on Saturday August 10.

Ninety-nine runners, walkers, adults, kids, babies, strollers and dogs paid an entry fee of \$8.11 to enter the race. (Okay, the babies, strollers and dogs didn't pay.) "It was awesome," said Brad Carter, Southern Star's public awareness specialist. "We had a really good time. Everybody said it turned out really well."

Southern Star plans to sponsor the race again next year. If you're in the Kansas City area, we'd love for you join us – watch for info next summer! 💧



StarLinks

Our goal is to stay connected to you! We want to provide access to the information you need in the easiest way possible. Whether you're at your desk or in the field, here's how to stay linked to Southern Star:

Between the Lines – A quarterly newsletter keeping you up-to-date on the latest Southern Star happenings.

Corporate Website – www.sscgp.com. Keep up with news and information from Southern Star.

Customer Service Portal - portal.sscgp.com. Find all the info you need to know, with access to our Informational Postings and Customer Activities web sites at csi.sscgp.com. Also optimized for mobile devices so you can view on the run.

Daily Activity Report - A daily email overview of current system information. It's a great way to stay connected – sign up on the portal!

DAILY ACTIVITY REPORT	Get daily updates sent to your inbox
<input type="text" value="Name"/>	<input type="text" value="Email Address"/>
<input type="button" value="Subscribe"/>	
Subscribe to the Daily Operations Overview email on the portal!	

Contact List - On the portal, download a list of Southern Star field personnel arranged by region so you'll have our contact info at your fingertips.

Call - Customer Service: 888-816-3558

811 Ads

For National 811 day this year, Southern Star joined with 52 other companies as part of a nationwide media effort to promote 811. The national television and radio ads were made by the Common Ground Alliance Educational Group.



ad was on included "The Today Show", "CBS Sunday Morning" and MLB games.

You can see the tv ad at <http://bit.ly/1dnzNUn>. 💧

A total of 75 markets showed the Call Before You Dig ads on 105 stations, including ABC, NBC, CBS, Univision and Spanish Radio. Programs the

Southern Star Central Gas Pipeline

Vision
To be the Best Pipeline in North America

- Mission**
- Operate safely, reliably and efficiently
 - Provide exceptional customer service
 - Maximize shareholder value
 - Ensure workforce excellence

Phone Numbers

Emergency Phone Number
800-324-9696

Customer Service
888-816-3558

CSI Help Desk
270-852-5123

Contact us at 888-816-3558 or Ben.Hoak@sscgp.com with any questions, comments or feedback.