



Southern Star Reaching Milestones

Dear Friends:

We are well underway in 2013's winter heating season. At Southern Star, we pride ourselves on providing superior and reliable customer service with you as the central focus of our efforts. While this is a clear and understood expectation on our part, so is 100% compliance with all laws and regulations. Our goal at Southern Star is ZERO incidents in the areas of Employee Safety, Environmental, Pipeline Safety, and FERC Compliance. We have made tremendous strides toward meeting that goal in the past 24 months.



Rob Carlton,
Southern Star VP and
Chief Compliance Officer

During 2012, we completed our initial baseline integrity assessment in our High Consequence Areas as required by the government. With the efforts of many employees and departments and your cooperation and flexibility, we met the requirement. In the end, we assessed nearly 3,150 miles of our approximately 6,000 miles of pipeline. (See story below for more details.)

That is an astounding number. On behalf of our entire management and employee team, I want to express our gratitude and appreciation to all of you for helping us make Southern Star a safer, more reliable and more compliant pipeline than at any time in our history. We can all take great pride in knowing that the communities where we both do business are safer today because of what we have done and will do going forward.

While we met the initial goal, we cannot rest on our laurels. The next round of requirements is just around the corner. We know with your support and cooperation we will meet our goal of ZERO incidents in all our compliance and safety activities.

Have a great rest of the winter and early spring. I hope to see many of you in the near future.

Best Regards,

10-Year HCA Project Complete

When the Pipeline and Hazardous Materials Safety Administration (PHMSA) issued a 2002 ruling requiring gas pipeline transmission companies to assess all pipelines in High Consequence Areas (HCAs, or areas of high population density near a pipeline) by December 17, 2012, it seemed a daunting task for a fledgling company still learning to stand on its own two legs. Rather than jumping in right away, Southern Star took the next year to develop a comprehensive, sustainable plan to accomplish the project.

The finish line was still a long way off when employees began the work in 2003. As of December 2012, that finish line is finally in the rear-view mirror. All 138 miles of HCA pipeline are fully assessed, along with more than 3,000 miles of non-HCA pipeline.

Southern Star had no established procedure for this task when

we began in 2002. Much of the pipeline wasn't even capable of being inspected with a pig (Pipeline Inspection Gauge – a tool that is propelled through a pipeline to inspect and/or clean the pipe), so a solution for that had to be worked into the overall pipeline assessment plan.

“Every department touched (this) in some way, shape or form. It clearly has made us a safer and more reliable pipeline.”

Developing these procedures required a lot of time and effort from many employees. “Every department touched (this) in some way, shape or form,” Bob Bahnick, VP and Chief Operations Officer said. “It clearly has made us a safer and more reliable pipeline.”

Jeremy Troutman, Integrity Services Manager, said the company performed 171 individual HCA assessments, broken down as follows:

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HCA Project (cont.)



This map of a Southern Star pipeline in Kansas shows how the pipeline runs through a densely populated area, or HCA.

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- 65 in-line inspections (pigging)
- 41 pressure tests (using water, nitrogen or gas)
- 30 direct assessments (either digging up the entire segment to look at it or doing a cathodic protection survey)

- 14 replacements (swapping old pipe for entirely new segments)
- 21 abandonments (either in place or by sale)

The entire project cost more than \$100 million dollars, Troutman said. It required many late nights and early mornings and much patience, time and effort.

Meeting the 10-year goal does not mean the job is finished. Current regulations require analysis of HCA segments at least every seven years, and Troutman expects new regulations soon as a result of the Pipeline Safety, Regulatory Certainty, and Job Creation Act signed by President Obama in 2011. "Our goal is safety," Troutman said. "It's always a work in progress, always getting better. We're trying to find the problem before it finds us."

"This is a company outcome," said Rob Carlton, Vice President and Chief Compliance Officer. "A lot of people had a lot of input in making it happen. We've only just begun. This is an effort that will continue as long as we are in this business, making sure our pipeline is safe and reliable." 💧

Planning for Growth

One of the questions we are often asked at Southern Star is how we are positioning our company for growth. In other words, what opportunities to expand our business are available, and how can we take advantage of them?

To begin to answer that question, here's a look at some of our strategies and opportunities for growth in the coming year:



Strategic Planning

Our business development and strategic planning group has set up a platform to enable the company to respond quickly to opportunities and trends that we see in the natural gas industry. The group meets weekly to generate ideas, assess potential projects and begin funneling promising leads into the beginning stages of development.

The group's procedures and mechanisms for putting projects into development are serving us well as we survey avenues for expansion.

Expansion Opportunities

- In 2012, we placed four new incremental gas supply lines into service. We are currently assessing six other projects as viable new receipt points for expanding gas supply options.
- Most notably, the Mississippian Lime Play in Oklahoma and Kansas is offering more and more opportunities for partnerships with midstream companies as oil and gas production in the area continues to increase.
- Project development activities are continuing on the

Canadian Blackwell, Straight Blackwell and Kansas-Hugoton lines. We have a signed agreement with an anchor shipper on the Straight Blackwell line and expect that project to proceed. Additional open seasons may follow.

- We are evaluating potential delivery points with off-system pipelines.
- As the power generation market, the industrial market and the transportation industry continue to increase their demand for natural gas, growth opportunities will be available in those areas.

New Business Development Representative



Meet Kyle Geiger, Southern Star's brand-new business development representative. Kyle will be based in the Kansas City area as he works to expand Southern Star's business in the Midwest.

Our presence in Kansas City will enable us to quicken our response times to current and potential customers, which will only improve our business relationships. We will also be able to take strategic advantage of short-notice business opportunities that may arise at any time.

Kyle's contact information is below. Feel free to get in touch with him with any ideas or questions you may have.

Kyle Geiger

Business Development Representative
 8195 Cole Parkway, Shawnee, KS 66227
 Office: 913-422-6300 • Cell: 913-777-1741
Kyle.Geiger@sscgp.com

StarLight: Kirk Kaufmann [Region Manager]

StarLight is a profile series to help you get to know Southern Star employees better. This edition features Kirk Kaufmann, East Region Manager. Kirk is based in Joplin, MO, and oversees the area that includes Welda and Independence, KS, and Joplin.



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

A: I was born in New Jersey and raised in Arizona. I earned an Associate's degree from Crowder College in Neosho, MO.

Q: Tell us about your family.

A: My wife Elizabeth is an RN and is from England. We have one son, Nick.

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

A: Hiking, camping, fishing and especially hunting.

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

A: My job involves helping the three work locations in the East Region meet their goals. The thing I like about my job is being able to make an impact.

Q: Who or what inspires you and why?

A: Family. My family inspires me for many reasons. My wife leaving her country to be with me and adopting my son are two big reasons.

Q: What makes you happy/angry?

A: Happy – being outdoors. Angry – ignorance.

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

A: I spent six years in the Navy, three of them stationed in the Middle East.

Q: How would you describe yourself in two words?

A: Highly charged.

Q: What would be impossible for you to give up?

A: Hunting.



Q: What is your favorite movie and favorite actor?

A: Movie: *Lawrence of Arabia*. Actor: John Wayne, but Clint Eastwood is catching up.

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

A: Chicken Paprikash. Pepsi.

Q: Beach or Mountains?

A: Mountains.

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

A: England, Ireland, Scotland, Germany, Bahrain, Qatar, Saudi Arabia, Oman, Kuwait, Spain, Thailand, Philippines, UAE, South Africa, Egypt, Mexico, Canada, France, Italy, Bangladesh and Pakistan.

Q: Who is your hero?

A: Frederick Selous or Theodore Roosevelt.

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

A: A cowboy – I grew up chasing horses and cows and rodeoing. 💧

2013 Southern Star Goals

Like most of you, we have goals for 2013. Here's a look at the areas where we are focusing as we strive for growth this year.

GOALS

- File Rate Case by May 31 with rates effective December 1
- Execute capital plan with zero incidents, on time and on budget
- Sustain customer survey performance rating of 9.1 or higher
- Grow the business and achieve key milestones on expansion projects
- Implement pipeline safety regulations in advance of the

effective date

- Achieve pipeline earnings (EBITDA) and pipeline net income targets

FUNDAMENTAL PERFORMANCE EXPECTATIONS

- Zero incidents in the areas of Employee Safety, Environmental, Pipeline Safety, and FERC Compliance
- Zero unplanned firm service interruptions
- 100% compliance with laws, regulations and policies
- Customer service with a passion
- A great place to work with the best employees anywhere 💧

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

Southern Star Goes to School

Thanks to Aaron Ewing, a heavy equipment specialist with Southern Star, third graders in Cherryvale, KS, learned all about natural gas pipelines last fall.

Ewing set up an educational activity for the third graders of Lincoln Central Elementary School. In two 45-minute



sessions with about 30 kids in each group, he gave them an overview of the natural gas industry. He explained how gas is transported in pipelines, which are identified with markers.

Ewing discussed the the importance of calling 811 and showed the class an 811 pirate video. He also took them outside to a mock work site, complete with backhoe, pipeline markers and safety fencing. The kids learned about pigs, saw a section of pipeline and sniffed a bottle of odorant to find out what natural gas smells like.

Back in the classroom, the kids ate dirt pudding, complete with a toothpick holding a miniature pipeline marker. Each student also took home a goodie bag filled with candy, a ruler and various 811 trinkets.



“This activity is a great approach to take for good public relations and a great way to educate our youth about the natural gas transportation industry,” said T.J. Mitchner, Team Lead, Independence.

If you would like a similar presentation at your child’s school, please call us to set it up! 💧

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 CSI and reports, useful tips, customer activities and more. 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 💧



Our Public Awareness Department would like to remind you of the importance of the 811 “Call Before You Dig” message. National Safe Digging Month is just around the corner in April, but don’t wait until then to share the importance of 811!

Please visit Southern Star’s website at www.sscgp.com

and click on the Pipeline Safety tab at the top of the page to learn more about our Public Awareness efforts.

If you have questions for us regarding public awareness or pipeline safety, please call our Public Awareness Department at 1-888-885-6008 or email us at PublicAwareness@sscgp.com. 💧

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.