



FERC Docket No. PF08-19-000

## **BIONOL CLEARFIELD PIPELINE PROJECT OPEN SEASON**

T. W. Phillips Pipeline Corp. (“T. W. Phillips”) is pleased to announce its Binding Open Season effective May 30, 2008 through June 20, 2008, to solicit binding shipper commitments for firm year-round transportation service on its proposed Bionol Clearfield Pipeline located in Clearfield County, Pennsylvania. T. W. Phillips is requesting bids for long-term service (five years or more).

### **Project Description**

T. W. Phillips Pipeline Corp. proposes to construct, own, operate and maintain a new natural gas pipeline in Clearfield County, PA, consisting of approximately 8 miles of 6-inch diameter coated steel pipeline and appurtenant facilities. The pipeline would run from a metering station at the interconnection with Columbia Gas Transmission Corp.’s (“Columbia”) existing 16-inch diameter pipeline in Boggs Township, Clearfield County, PA, to a new ethanol production plant owned by Bionol Clearfield, LLC (the “Anchor Shipper”) to be located in the Borough of Clearfield, Clearfield County, PA. The new pipeline is designed to provide firm transportation delivery capacity to serve all of the natural gas requirements of the new ethanol plant. However, if there is sufficient interest by other shippers for capacity in this pipeline, T. W. Phillips could increase the diameter of the pipeline to serve the incremental capacity requirements. The targeted in-service date for this pipeline project is the third quarter of 2009, subject to the approval of the Federal Energy Regulatory Commission (“FERC”). A map showing the pipeline route and additional project information are available at our website ([www.bionolpipelineproject.info](http://www.bionolpipelineproject.info)).

### **Project Service and Rates**

T. W. Phillips intends to offer firm transportation service pursuant to a monthly reservation tariff rate. The monthly recourse tariff rate level for this transportation service capacity is presently estimated to be \$9.5615 per Dth/day (an effective 100-percent load factor rate of 31.44¢ per Dth). Unless T.W. Phillips and shippers enter into a negotiated rate transportation agreement, shippers entering into maximum rate agreements will be subject to the recourse rate ultimately established by FERC.

All shippers shall also pay in kind for fuel and any other losses or charges allowed by the FERC, such as the Annual Charge Adjustment.

T. W. Phillips reserves the right to use negotiated-rate authority, as allowed by the FERC, to meet specific individual shipper needs.

### **Anchor Shipper and Standard Shippers**

T. W. Phillips currently has an “Anchor Shipper” and thus all other shippers will be referred to as “Standard Shippers”. The Anchor Shipper is a shipper that has made a binding commitment for long-term service of a magnitude and value that is essential to the economic viability of the project. As stated above, T. W. Phillips has executed a Service Agreement with an Anchor Shipper, Bionol Clearfield, LLC. T. W. Phillips has committed to provide capacity to the Anchor Shipper equal to (i) a maximum Hourly Flow Rate of 520 MMBtu and (ii) a maximum Daily Volume of 10,000 MMBtu. The existing Anchor Shipper has entered into a binding negotiated rate agreement, which provides for annual rate adjustments and includes contractual rollover rights.



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T. W. Phillips is willing to negotiate deals of comparable value for Standard Shippers offering binding commitments of comparable value to the project.

A Standard Shipper is a shipper that makes a binding service request before the end of the open season. Such commitments do not support the initial economics of the project in the same manner as the commitment made by the Anchor Shipper. Accordingly, T. W. Phillips does not guarantee that Standard Shippers will receive negotiated rates or other terms provided to the Anchor Shipper. T. W. Phillips will evaluate the circumstances at the time a Standard Shipper makes its commitment. Of course, any shipper at any time may elect to contract at the recourse rates, provided capacity is available.

### **Limitations and Reservations**

T. W. Phillips reserves the right, in its sole discretion, to decline to proceed with the Bionol Clearfield Pipeline Project or to resize or reconfigure the project as it deems appropriate. T. W. Phillips also reserves the right to reject any and all bids that do not satisfy the requirements set forth in this Binding Open Season Notice. T. W. Phillips may, but is not required to, reject any request for service in which the Binding Service Request Form is incomplete, is inconsistent with the terms and conditions or modified terms, or is deficient in any respect. T. W. Phillips reserves the right to reject shipper's request for service if shipper does not submit a valid Binding Service Request Form by the close of the Open Season or if shipper does not execute a Precedent Agreement within thirty (30) days after the close of the Open Season. T. W. Phillips reserves the right to reject requests for service in the event requesting parties are unable to ensure creditworthiness. No request for service shall be binding on T. W. Phillips unless and until duly authorized representatives of both a requesting party and T. W. Phillips have executed a binding Precedent Agreement. Similarly, nothing stated in this notice shall create a binding commitment on the part of T. W. Phillips. Any contractual relationship shall be established through the execution of a Precedent Agreement by the parties. If T. W. Phillips does not agree to a rate for service on the project facilities that is equal to or less than the anticipated recourse rate for firm service, requesting parties will not be obligated to execute a firm transportation agreement. While T. W. Phillips will endeavor to provide service to all shippers that make binding commitments in the Open Season, T. W. Phillips reserves the right to allocate or prorate capacity to Open Season bidders as T. W. Phillips deems appropriate after the close of the Open Season.

### **Communications**

Interested parties may contact Bev Wogan at (800) 522-8416 to discuss any questions or seek additional information about this Binding Open Season.



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***Binding Service Request Form***

SHIPPER INFORMATION

Company: \_\_\_\_\_

Contact: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

CONTRACT REQUIREMENTS

Primary Receipt Point:	_____
Primary Delivery Point:	_____
Maximum Daily Receipt Quantity (Dth):	_____
Rate: Recourse	_____ Negotiated _____
Service Commencement Date:	_____
Contract Term:	_____
Signature of Requestor/Shipper:	_____
Date:	_____

By completing this Binding Service Request Form, subject to T. W. Phillips' acceptance of shipper's request for service and shipper's receipt of notification from T. W. Phillips of quantities of capacity allocated to shipper, shipper hereby agrees to enter into a Precedent Agreement with T. W. Phillips within thirty (30) days of receipt of notice from T. W. Phillips that shipper's bid has been accepted. Shipper will not be obligated to execute a Firm Transportation Agreement if the project rate proposed by T. W. Phillips is higher than the anticipated recourse reservation rate for firm service described in the Binding Open Season Brochure, unless shipper and T. W. Phillips have otherwise agreed to an alternate Negotiated Rate. T. W. Phillips reserves the right to reject shipper's request for service if shipper does not submit a valid Binding Service Request Form by the close of the Open Season or if shipper does not execute a Precedent Agreement within thirty (30) days after the close of the Open Season.

If you have any questions, contact Bev Wogan at (800) 522-8416 or via email at [bwogan@twphillips.com](mailto:bwogan@twphillips.com).

Please send your completed Binding Service Request Form by June 20, 2008 to T. W. Phillips Pipeline Corp., 502 Keystone Drive, Suite 400, Warrendale, PA 15086.