



# 2019 Corporate Responsibility Report



**SOUTHERN STAR<sup>®</sup>**

CENTRAL GAS PIPELINE

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From the desk of our President & CEO



Our 2019 Corporate Responsibility Report continues to confirm Southern Star’s determination and passion for tackling the challenges of promoting safety, protecting the environment, and addressing social and economic issues.

2019 was another impressive year for growth with a ten percent increase in our workforce and delivering on \$89 million in Modernization projects as part of the overall \$176 million plan that will continue through 2020. Updates to infrastructure and systems ensure Southern Star’s safe and reliable operations for a very long and promising future. In addition, the company continues to pave the way for a better future for our environment. The year 2019 showed an overall decrease in greenhouse gas emissions by an estimated 2.9%. Thank you to our dedicated team members and innovative partners in supporting our responsible growth and a strengthened future for our business.

We appreciate you taking the time to review this report.

Sincerely,

Jimmy D. Staton  
President & CEO





# Our greatest asset

## Workforce Protection

Safety is the core value at Southern Star. Our commitment to safety not only involves the safety and well-being of our team members, partners, and customers, but the prevention of wasteful and inefficient operations. Our pipeline safety management system provides a framework to ensure that all are provided with a safe work environment while maintaining compliance with applicable pipeline safety laws, rules, and regulations.

Southern Star’s commitment to health and safety focuses on:

- Protecting the welfare of our team members, partners, and the communities where we work.
- Maintaining the integrity of our infrastructure to ensure the safe and reliable delivery of natural gas to our customers.
- Being prepared to effectively address emergencies to avoid social and environmental impacts.

One of the highlights of 2019 focused on the Interstate National Gas Association of America (INGAA) Safety Culture Survey, where Southern Star was ranked third out of the 27 member companies that make up INGAA. The survey allows directors to receive individual feedback on our safety policies and areas of improvement. In the previous 2016 survey, we were ranked in the bottom quartile, marking the biggest safety improvement in INGAA history. Our new safety approach combined with less restrictive policies and procedures, employees taking ownership of their safety, and a focus on interdependent stage of safety are contributing factors to the improvements in our safety culture.

We rely heavily on our team members for insight on opportunities to improve our business and to identify and address risks to people and the environment. If a team member identifies an area of concern, such as a housekeeping issue,

they can “Share a Safety Hazard” via our online safety portal. Also, team members can share information on safety incidents from previous projects and/or training they have received. The Safety Awareness Team (SAT) is an employee-driven safety committee with an emphasis on empowering our workforce to actively participate in our safety program and promote safety ownership. The team meets quarterly with representation from every field location and trade

## Workforce Wellness

Southern Star employs a multifaceted wellness program. Team members and family are encouraged to enroll in our interactive and personalized online wellness program. This service allows participants to manage an exercise regimen, maintain a record for doctor visits, take online nutrition classes, and keep tabs on health screening and dental exams. Team members who smoke or use tobacco have access to nicotine replacement resources to help them quit and be healthier. Team members who decide to join a local health club will be reimbursed up to \$100 for an individual membership, or \$200 for the family.

Pipeline work can be very noisy, which is why we have annual hearing screenings for our team in the field. We conduct annual “fitness” tests for earplugs and respirators to ensure PPE correctly fits each individual. All team members are educated on ergonomics to promote office wellness. This includes learning how to recognize the signs of carpal tunnel syndrome and maintaining proper posture throughout the day while



INGAA invited our Safety Department to speak on the creative initiatives that helped advance the safety culture at the INGAA Safety Culture Workshop in September.

seated, following proper lifting techniques, and engaging in periodic stretching to promote circulation. Team members who feel overworked or stressed are provided guidance for seeking proper counseling for mental wellbeing. Additional benefits offered to Southern Star team members include paid-time off (PTO), PTO donation, floating holidays, bereavement, and maternity/paternity leave.

## Occupational Injury and Illness Incidents

Our team is trained to comply with pipeline safety standards and are aware of their responsibility to protect their health, safety, and the environment. In 2019 we implemented “Safety 101” for all new Southern Star employees. This half-day course provides a brief introduction to safety at Southern Star and must be taken within the first 15 days of employment. New hires at Southern Star field locations are required to attend a three-day safety orientation. The purpose of this orientation is to teach best practices for jobsite safety, laws for the handling and transportation of hazardous material, and the prevention of communicable diseases and CPR.

All employees are required to take annual refresher courses on OSHA regulations, safe pipeline practices, and company policies related to all pipeline construction, maintenance, and operations. These courses are a mixture of hands on, computer based, and instructor led safety training. Computer-based assignments are done monthly. The Saety and Training team typically conduct in-person, specialized team training on a quarterly basis.

To show our commitment to the safety of our field employees and contractors and to provide oversight and partnership with our construction vendors, Southern Star has added two new Construction Safety Representatives to the team. Their roles include visiting job sites at various stages of construction, monitoring the construction techniques used, and ensuring compliance with construction codes and safety standards.

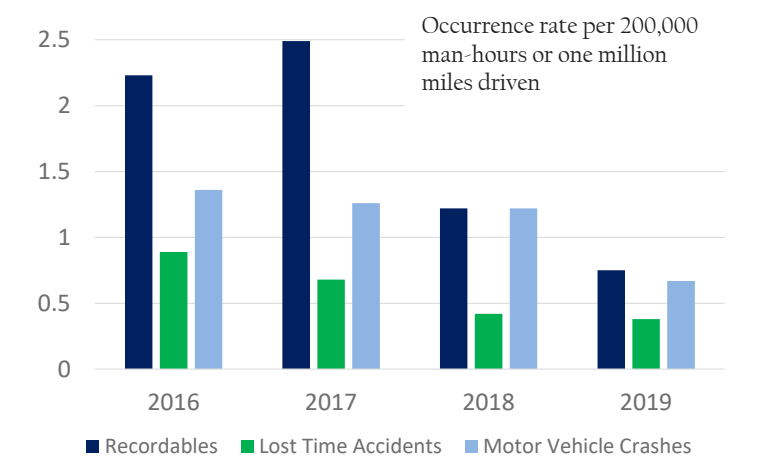
Our contractors must meet specific safety criteria in order to bid and be awarded a project. Their past performance on projects is evaluated, including their number of OSHA recordable incidents, violations, and efforts taken to improve. They must also be registered with Veriforce, a third-party system that ensures they



stay up to date with applicable safety requirements related to the tasks they are contracted to perform. Once on site, we have daily safety meetings to discuss and prepare for tasks and perform a jobsite hazard analysis to identify potential safety issues. Southern Star has also launched the “Go Team-Emergency Response Team”, a mix of leaders, managers and directors who provide leadership, direction, and a systematic approach when responding to a pipeline emergency.

Southern Star has developed tools, policies, and procedures that capture and manage work-related injuries and illnesses. Team member injuries and illness are tracked through incident reporting software. Then the affected individual meets with management to discuss the issue; determine whether it was avoidable; and if so, how to prevent it from happening in the future.

2018 to 2019:  
10% Improvement in Lost Time Incidents  
29% Improvement in OSHA Recordables  
45% Improvement in Motor Vehicle Crashes  
#3 in North America in INGAA Safety Survey





# Focused control



Pig launcher and receiver

## Product Health, Safety, and Environmental Risks

It is Southern Star's belief that accidents can be prevented. However, in the event of an accident we have comprehensive policies and practices in place and have trained our workforce to respond safely and efficiently.

We monitor our pipeline 24 hours a day, 7 days a week. Routine inspections, computer monitoring systems, corrosion protection, maintenance, and regular team member training events are just a few of the ways we ensure the safe and reliable operations of our pipeline and storage facilities. We regularly perform drills in preparation of a "Significant Event", where we coordinate efforts to determine a course of action in the event of a pipeline failure, its potential cause, and beginning steps toward a solution.

## Process Safety and Asset Integrity

Our Integrity Department endeavors to keep our daily operations safe. We regularly inspect our facilities and infrastructure for possible leaks and to ensure that all our equipment is operating efficiently. In 2019, Southern Star assessed 96 river crossings and 617 miles of pipe including 11.3 miles in High Consequence Areas (HCAs), areas where pipeline releases could have greater consequences to health and safety or the environment.

Methods used included robotic self-propelled, tethered, and traditional in-line inspections. Inline inspection is a technique used to assess the integrity of the pipeline and gather data on any anomalies for proactive evaluation and repair. Pressure tests and underwater diving inspections were also utilized. Southern Star historically has invested and continues to invest in facilities to allow the use of in-line inspection technology.

Southern Star developed its Integrity Management Program to more effectively perform safety-related activities such as testing and inspections, repairs, and maintenance of the pipeline system. This program is critical in determining the prioritization and timeline of pipeline integrity work. In addition, it standardizes

the manner in which we continually monitor and document the work associated with the integrity of the pipeline, specifically within HCAs. Southern Star maintains a Damage

The Prevention Program is in accordance with State and Federal guidelines. The purpose of the program is to prevent damage to our pipelines and facilities from excavation activities, such as digging, trenching, blasting, and boring. Part of this plan provides training to first responders to ensure that emergency response plans are effectively carried out. Through our efforts and shared responsibility with stakeholders, we strive to increase awareness and reduce damages to underground pipelines.

For residents who live in HCAs, farmers, and for those in other areas where we operate, our program enhances public safety by creating awareness of our operations, advocating for pipeline safety, and promoting safe digging practices.





# Seeing a clear future

Providing clean reliable energy to the communities we serve is a high priority at Southern Star. Total methane and greenhouse gas emissions decreased from 2018 to 2019 by an estimated 4.5% and 2.9%, respectively. A significant portion of this decrease can be attributed to Southern Star’s partnership with the INGAA Methane Commitment initiatives to increase leak surveys, reduce bleeding pneumatic devices, and increase focus on rod packing leaks and changeouts. When stations do not have measured data, an average emission rate from stations that have been surveyed is used to estimate emissions. As voluntary surveys are completed at more stations, actual data replaces the average emission rates, and the quality of the overall data set improves. This will drive system-wide estimates down, as components from most stations leak less than the average emission rates of only a handful of stations. Completing voluntary leak surveys delivers a more realistic picture of the total greenhouse gas emissions across the system. We anticipate further reductions and even more superior numbers in our 2020 report, due to our INGAA Methane Commitment. The Commitment involves conducting leak surveys at all of our stations over the next several years, and Southern Star intends to not only meet this goal but to exceed it by completing the surveys earlier than originally anticipated.

The 2018 Corporate Responsibility Report includes a section on Lost and Unaccounted for Gas (LUG) trends. The 2018 data set only contained the gas drained calculation and the entire LUG calculation was not included within last year’s report. Therefore, Southern Star wants to clarify the LUG information this year, due to a mislabeling issue within last year’s report. The gas drained from 2018 to 2019 increased by 3.3%.

The annual percentage of LUG for 2019 was -0.09%. This was a reduction from that of 2017 and 2018, which came in at -0.14% and -0.19%, respectively. The 0.10% reduction in LUG from 2018 to 2019 is due to the benefits actualized from our Maintenance and Modernization Programs. Southern Star continues to work on improving these numbers yearly.



Southern Star installed redundant compression in the spring of 2019 at our Blackwell Compressor Station. The project consisted of the installation of an innovative modular design turbine package to assume the load of two of the four reciprocating engines at our Blackwell Station. Since the installation, the company typically runs the turbine in place of two of the reciprocating engines. Overall, the exchange of running the turbine in place of the reciprocating engine did lead to a slight increase in GHG of 21% due to the fuel requirements of the unit. Carbon dioxide (CO<sub>2</sub>) and nitrous oxide (N<sub>2</sub>O), both greenhouse gases, are formed during the combustion process. Methane (CH<sub>4</sub>), also a greenhouse gas, is a result of unburned fuel in the exhaust. Therefore, since the turbine requires more fuel, GHG emissions (CO<sub>2</sub>, N<sub>2</sub>O, CH<sub>4</sub>) will increase slightly. While there was a slight increase in GHG emission Southern Star observed an exponential decrease in the following emissions: a decrease in NO<sub>x</sub> by 98%; CO by 81%; VOC by 93%; SO<sub>2</sub> by 3%; and PM10/PM2.5 by 83%. Southern Star continues to look for innovative ways to reduce all sources of air emissions.



Southern Star remains committed to decreasing our environmental footprint. Leak detection surveys are a critical method in evaluating our emissions and identifies opportunities for emission reductions. In 2019, Southern Star completed leak surveys at 20 compressor stations, seven of which were required by regulation. The additional thirteen surveys were voluntary and part of our commitment to reduce emissions. The voluntary survey data allowed greenhouse gas emission calculations to be performed using site-specific measured data versus utilizing average emission factors blanketed across our system. The team remains focused on providing measured data in the coming year.





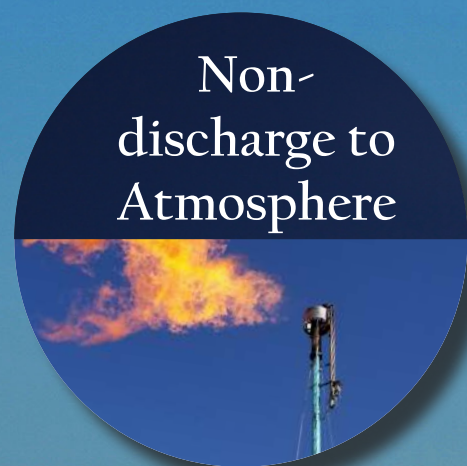


## Stopples & Bypass

When presented as a feasible and available option, stopple and bypass piping installation has been utilized during construction to eliminate the need to vent gas to the atmosphere. Bypass piping is installed around a section of pipe to be repaired or replaced. The gas is diverted through the parallel pipe and back into the main line instead of having to blow down the entire line and vent the gas to the atmosphere. Not only does this result in a decrease in emissions, but also allows for completion of work without customer interruptions. The stopple and bypass system

aided in the conservation of gas within the line. In the year 2019, this process was utilized on five different jobs. Three of the five jobs required the method of stopple and bypass. However, two of the jobs did not require stopple and bypass. Southern Star's election to do the stopple and bypass method helps keep its customers and towns in service and decreases emissions. This utilization ultimately led to the combined total conservation of 26,761 mcf of natural gas.

Southern Star elected in 2019 to flare gas rather than vent to atmosphere, when faced with the issue of performing an in-line inspection run without an outlet for the gas. Three flaring jobs took place that resulted in large emission savings. Each job resulted in a significant decrease of CO<sub>2</sub>e. The total reductions per job of CO<sub>2</sub>e are as follows: 57.2%, 86.4% and 87% decreases. The amount of greenhouse gas emissions avoided equates to approximately 311,873,151 miles driven by an average passenger vehicle. The savings in CO<sub>2</sub> emissions is equivalent to the energy use of 14,503 homes in one year. Southern Star is continually looking for opportunities and emission reduction techniques to decrease emissions.



## Non-discharge to Atmosphere



## Storage Fields

Southern Star is installing new wellhead measurement devices to monitor individual wells and track well performance in our storage fields. In 2019, installations were completed at our storage fields at Elk City, Alden, South Welda and Colony in the state of Kansas; and our Webb storage fields in Oklahoma. This technology allows well performance to be monitored while flowing gas in the lateral system, instead of the traditional testing that resulted in blowing gas to the atmosphere. Additionally, with around the clock monitoring, Southern Star will increase reliability and safety by reacting quickly and remedying problems that

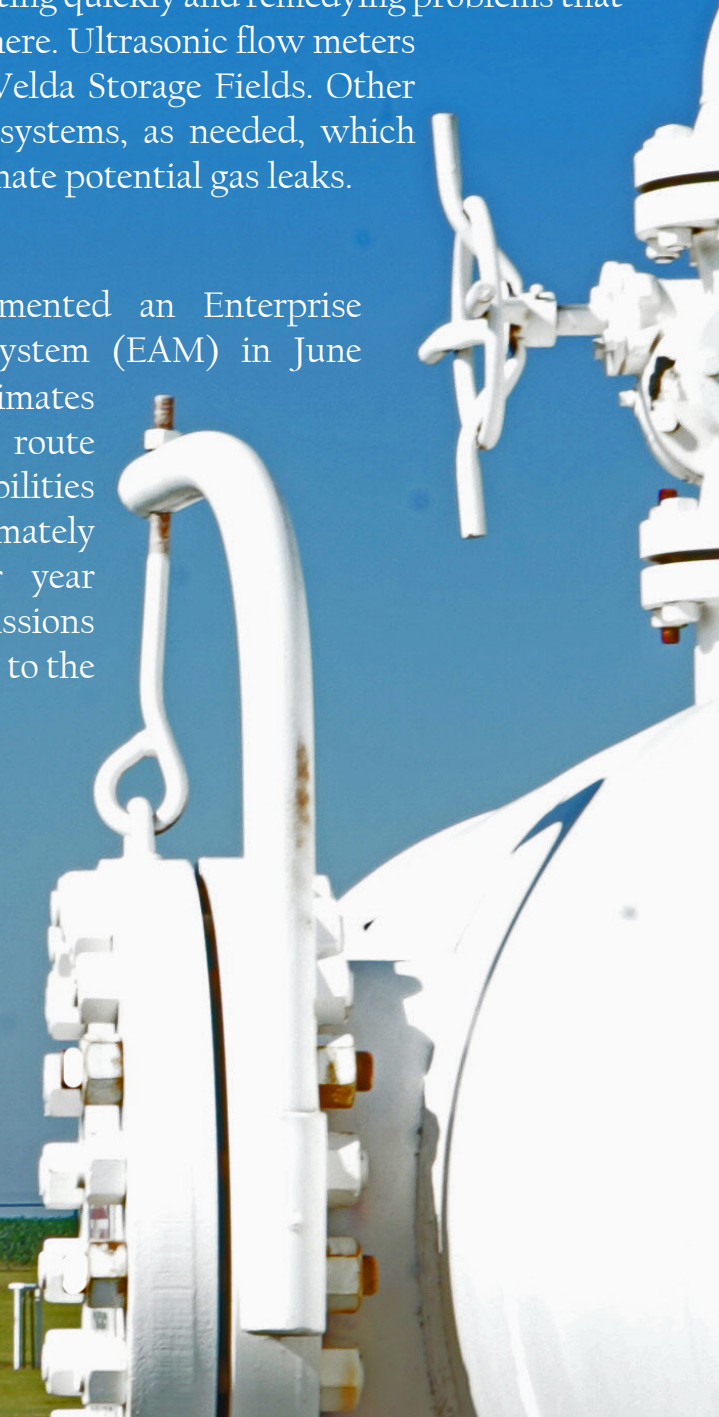
could potentially result in gas escaping to the atmosphere. Ultrasonic flow meters were installed at Colony, North Welda and South Welda Storage Fields. Other improvements in the storage fields include coupon systems, as needed, which detect bacteria in the pipelines to help reduce or eliminate potential gas leaks.



## EAM Route Maximization

Southern Star implemented an Enterprise Asset Management System (EAM) in June 2019. Preliminary estimates indicated that EAM's route optimization capabilities could reduce approximately 127 metric tons per year (mtpy) of CO<sub>2</sub>e emissions per year. However, due to the

increased project workload and overall miles driven by the company, Southern Star's miles driven increased for 2019. Southern Star looks to offset a portion of this increase through the launch of our 2019 Pilot Remote Work program that allows for specific employees to work remotely. Through remote work, commuting mileage is anticipated to decrease for these employees.





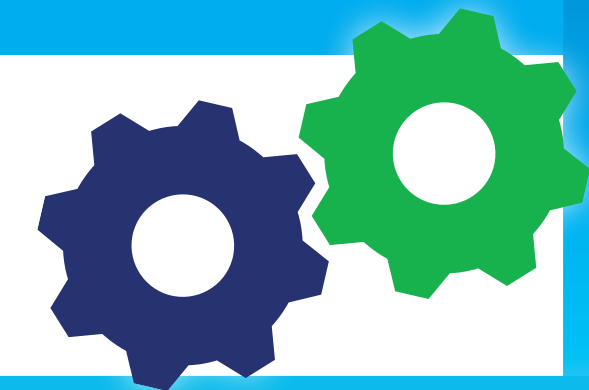
# Covering all the bases

## Efficiencies Gained Through Auto-Balancers

Equipment improvements are another method that Southern Star utilizes to increase process efficiency and decrease effects on to the environment. Auto-balancers were installed on the four 2-cycle reciprocating engines at Blackwell Station in 2019 to improve reliability and increase fuel efficiency. Auto-balancers enable the engine control system to more precisely distribute the fuel required by each power cylinder. This process helps each cylinder develop equal amounts of power, which yields better overall efficiency, reduces fuel usage, and decreases emissions from fuel combustion.

## Energy Consumed at Our Facilities

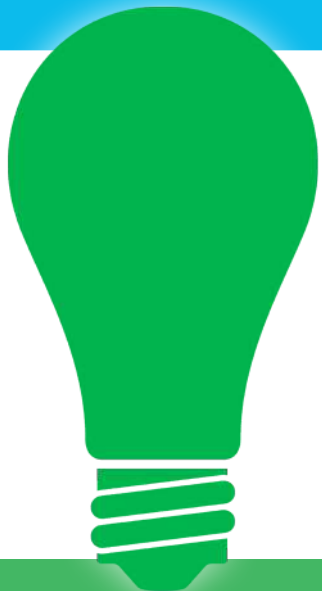
Southern Star implemented a new tracking mechanism for electrical consumption at our various locations. The Headquarters location and the Employee Excellence Center (EEC) compiled two years' worth of data to illustrate the changes in kilowatt hours from 2018 to 2019. The Headquarters building is the main office for over two hundred employees. Despite the number of employees and the increase of employees throughout the year 2019, the building saw a 13.39% decrease in kilowatt hours for the year. We contribute this reduction to the installation of the automatic shutoff lighting, and the increased focus on energy consumption. The EEC provides a space for trainings throughout the year and a few employees work directly from this office. The EEC electrical consumption remained primarily flat from 2018-2019 with only a 1.63% increase in kilowatt hours. Going forward the company will continue to accumulate data such as water usage for further energy analysis. Overall, the company continues to make strides toward decreasing our energy usage and the search for more ways to do this is ongoing.



## Restoration of Areas Impacted by Construction

Progression within the natural gas industry inevitably has the potential to affect the environment. Southern Star focuses on ensuring that the lands impacted during construction and operation are restored back to their original state. Some methods of restoration involve de-compacting areas where equipment has traveled and sowing new grass and placing straw over the area. The construction crews at Southern Star strive to minimize impacts in every way possible. Impact minimization remains achievable through several different methods implemented by Southern Star including but not limited to: the

utilization of mats to drive equipment over; management of seed mixes with the NRCS; and Post Construction Monitoring for revegetation and other devices that help decrease the impacts to the landscape. Sustaining good communication with agencies ensures compliance with state and federal regulations and expectations. Additionally, this relationship aids in the rebuilding and potential expansion of habitats when possible.



## Water Conservation and Reuse

Preserving natural resources remains one of our main focuses, as we think through how modernization projects will be handled. Calculations for some occurrences of conservation allow for the volume of the resource saved to be easily quantified in instances such as water savings. Hydrotesting is a pressurization test to detect leaks and measure the strength of segments of the pipeline. This pressurization testing is usually performed using water. In order to conserve water during testing, the longer segments of pipeline are split into smaller sections. Conducting this process allows Southern Star to utilize a smaller overall volume of water for the test and simply push the lower volumes of water from section to section reducing the total required amount of water by an estimated 50 to 75%. A 2019 project involved approximately 2.1 million gallons of water used to hydrotest the existing pipeline. The pipeline test applied the method of pushing water through a smaller section of pipe to conserve on the total amount of water needed. An estimated 3.8 million gallons of water was conserved due to this technique. Each job is analyzed to determine the best techniques to conserve natural resources and in turn pass the fiscal savings onto our customers.

## Recycling Program

Looking back over 2019, Southern Star worked hard to develop and pilot new initiatives for recycling at our Headquarters office. One such initiative was development of a partnership with Habitat for Humanity to recycle aluminum cans. Volunteers from Habitat for Humanity pick up the cans and recycle them to receive funds to help with their projects. The team intends to implement several more initiatives at Headquarters and across our pipeline in 2020. The Corporate Responsibility team anticipates launching a separate group in 2020 to focus solely on sustainability across the pipeline.





# Always on our minds...

# ...for your peace of mind.



## Our route and impact review process helps drive our care for the environment.

### Sensitive Resources

The environmental department conducts a layered environmental review on all potential construction projects. The beginning phase of the review involves determining whether the project will result in an impact to air quality, land, water, species, and the environment as a whole. Completion of the first phase then leads to a determination of whether or not the project needs to undergo an advanced review. The advanced review requires an environmental permit writer delving into several potential environmental effects such as: cultural resources, soils, water resource impacts, floodplain, view sheds, threatened and endangered species, and any other areas as required. Southern Star works closely with state and federal agencies to ensure that compliance with applicable regulations is maintained throughout the project.

Once the project enters the environmental permitting section of review, the analysis dives deeper into potential impacts that could directly affect the sensitive resources. An environmental specialist researches and analyzes the projected scope to fully comprehend and interpret how resources will be impacted. The permitting specialists work hand-in-hand with the engineering and design group to implement a basis of design that minimizes the impacts where feasible. Once the design is completed, all appropriate permits are obtained as required per the regulations. When construction starts, the environmental specialist continues to work with the Project Management group to ensure environmental compliance and stewardship is maintained through the completion of the project. Southern Star strives to minimize their environmental impacts on a daily basis, and the efforts and attention to detail that the permitting team achieves remain a prime example of this due diligence and focus.

## Site Remediations and Removal of Known PCBs (Removal of Rectifiers)

A recurrent theme throughout our practices at Southern Star is minimizing our impact to the environment. Another way to achieve this minimization occurs through the sampling and remediation process. Industry standards change and what was once an acceptable practice or material may no longer be accepted. Therefore, the company focuses on making sure we clean up these areas as we go along. An environmental focal point is the elimination of PCBs from our system. Due to the age of our systems, PCB containing oils were permitted in the original construction of the older facilities. Southern Star has eliminated nearly all known assets containing PCB within our system and PCB contamination on our system. However, we continue to perform site sampling in any area's contamination has the potential to be present. These remediation efforts involve the continued researching of historical files and practices of recordkeeping to ensure effective cleanup.

Training the team members on remediation processes allows for one more way in which the company actively

participates in our efforts to protect the environment. A Southern Star team member took the initiative in 2019 and obtained their Asbestos Inspector Certification. The certification allowed the individual to complete an asbestos survey at one of our stations last year. Great team members like this help us in our remediation efforts across the system.

### Spills/Releases

Southern Star works hard to track even the smallest of spills and clean them up in the most responsible manner possible. One reportable spill took place in 2019. A storage field well was being purged when a fine oily mist became airborne and covered an area of the field. The report was filed with the Kansas Corporation Commission. Southern Star worked hand in hand with the landowner to determine the best remediation process and decided to cut the affected grass and haybale it for disposal. The measures executed on this cleanup exemplify the lengths to which Southern Star will go above and beyond regulatory requirements to ensure the land is repaired and returned to its natural state.



# Helping build and rebuild lives

Southern Star serves through outreach efforts, community engagement, and partnerships. We help fuel the quality of life within the communities where we work and operate. Team members give their time and talent to local non-profit and youth groups across the eight-state system. While we support a wide variety of organizations, our company focus is on the youth, arts, and science and technology.

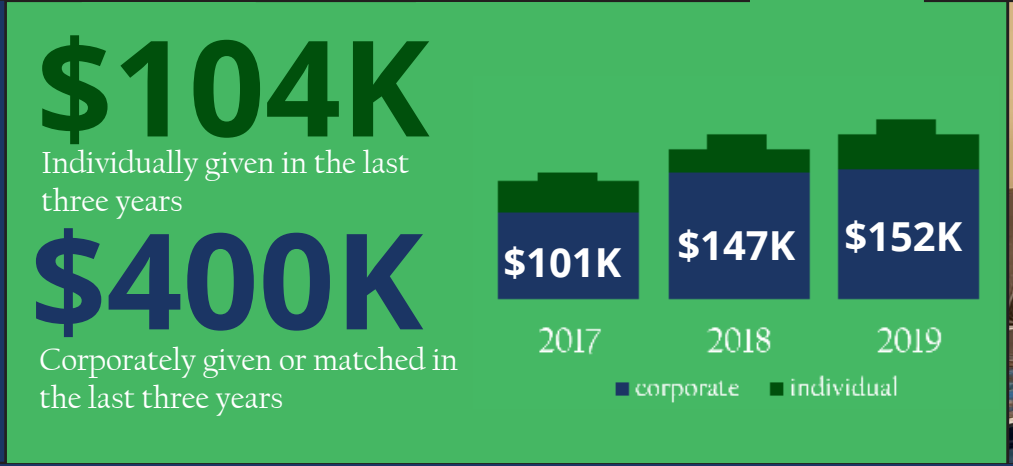
Science, technology, engineering and math (STEM) based education is at the heart of our team base. We sponsor and support robotics teams at local middle school and high schools. Team members also serve as volunteers, judges and coaches to help their local team participate in state and national competitions.

Southern Star encourages giving back to our communities. In 2019, team members spent over 4,200 volunteer hours and personally donated in excess of \$40,000 to charitable 501c(3) organizations within their communities. The Company matches up to \$1,000 in personal contributions.



## 4,200 Hrs

Volunteer hours in 2019



## Supporting talent of tomorrow and meeting needs where they are.





# Checks and balances

is very specific regarding this empowerment and is used as our primary policy to determine who can authorize purchases and within what limits.

Authorization limits are outlined from Customer Service Representatives to the CEO and every role in-between.

We take the concerns and goals of our team and incorporate them as much as possible into the empowerment process, but it is ultimately the Board of Directors who delegates authority.

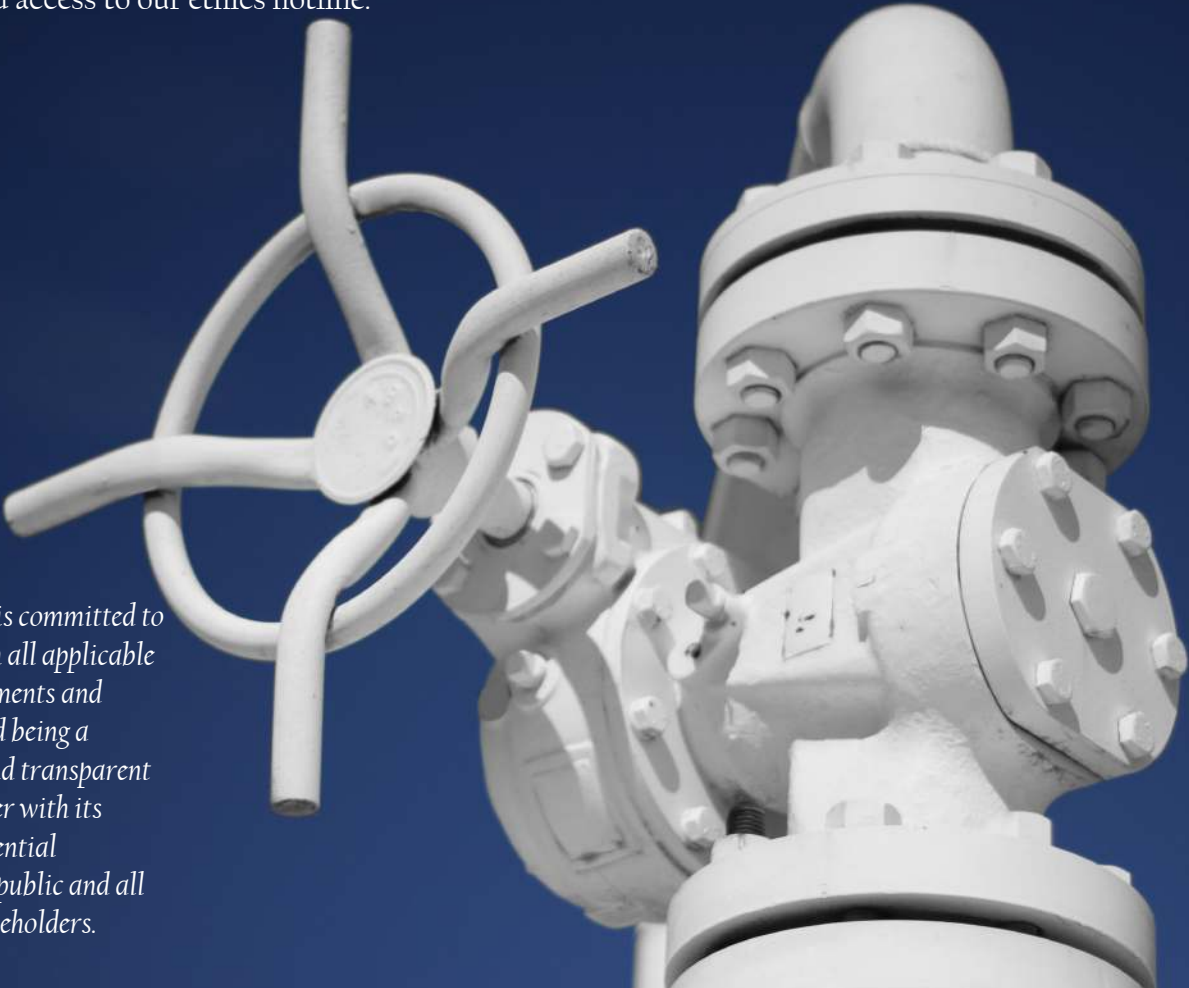
Southern Star uses a fair, organized, and competitive bidding and awarding process for our spend over certain dollar and risk thresholds. This ensures we use superior suppliers and contractors with no preferential treatment with a future aim to strategically align ourselves with proven providers to streamline operations.

We are regulated by the Federal Energy Regulatory Commission (FERC), and we encourage all team members to report any compliance issues they encounter. Southern Star also sponsors a FERC hotline which provides an option for team members, agents and contractors to anonymously report suspected FERC compliance violations. All team members are also provided access to our ethics hotline.

*Southern Star is committed to complying with all applicable FERC requirements and regulations and being a trustworthy and transparent business partner with its customers, potential customers, the public and all applicable stakeholders.*

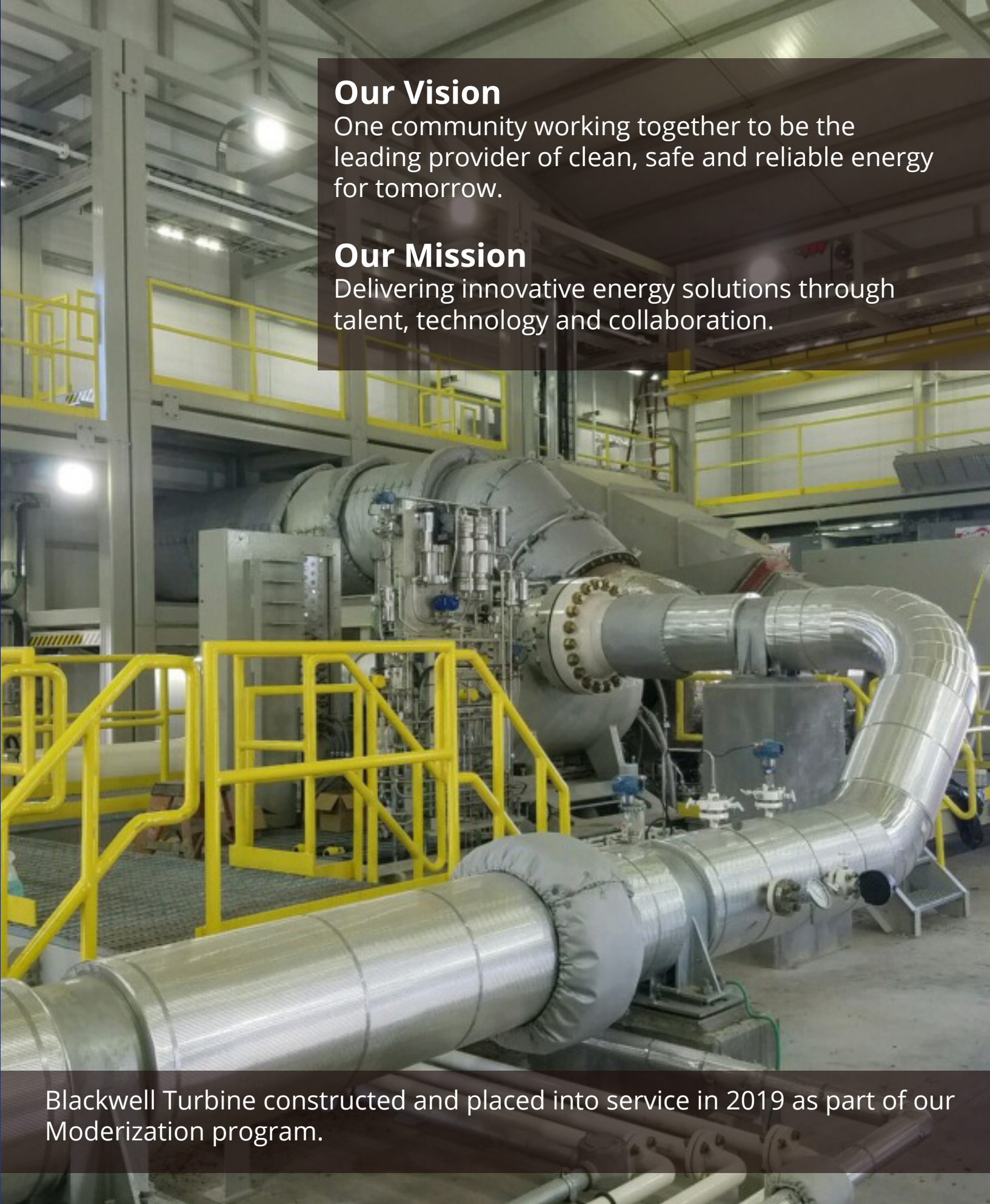
Southern Star is committed to ensuring the Company operates under appropriate internal controls, and commitments/expenditures made on behalf of the Company must be appropriately authorized.

Our team members are empowered to make financial decisions within their authority to keep Southern Star running day-to-day. Our Delegation of Authority Policy



**Our Vision**  
One community working together to be the leading provider of clean, safe and reliable energy for tomorrow.

**Our Mission**  
Delivering innovative energy solutions through talent, technology and collaboration.



Blackwell Turbine constructed and placed into service in 2019 as part of our Moderization program.



# In the network

Our resources extend far beyond our state borders. We have experienced advocates and agencies that promote the use and safety of natural gas and state lobbyists who work closely with our legislators to educate them on the value natural gas and Southern Star bring to their state.



INGAA is a trade organization that advocates regulatory and legislative positions of importance to the natural gas pipeline industry in North America. As a member of INGAA, Southern Star is represented when issues reach the national level.

Our advocates in our primary states of operation, Missouri, Kansas and Oklahoma, keep us on the front lines of upcoming regulatory matters.

A sample of our advocacy efforts, this brochure was provided to state and local leaders in Kansas. This project will be launched in early 2020.

The Common Ground Alliance (CGA) is the leading organization in an effort to reduce damage to underground facilities in North America through shared responsibility among all stakeholders. Education efforts for calling 811 begin with young students in the classroom, and our partnership with CGA keeps us abreast of best practices in our industry to operate safely.



Know what's below.  
Call before you dig.

## Franklin/Anderson County Pipeline Modernization Project

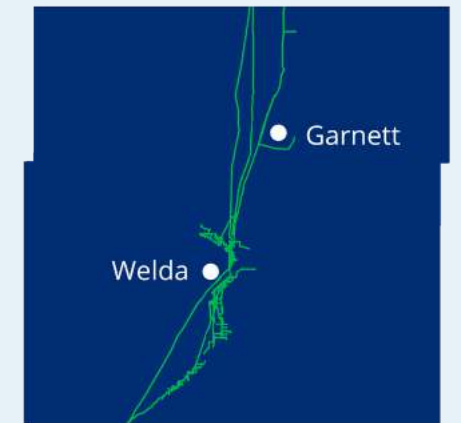


Southern Star is dedicated to modernizing its infrastructure.

The pipelines located between Welda and Ottawa, Kansas are critical for the delivery of natural gas to our major markets. To ensure the integrity of this segment, Southern Star has undertaken a multi-year project to replace two existing and essentially parallel pipelines in Anderson and Franklin counties.

In 2020 and 2021, the two existing pipelines will be replaced with a new 36-inch pipeline. This new pipeline will span approximately 32 miles in Anderson and Franklin counties. In 2021, several smaller lateral connecting pipelines will be installed. This significant modernization project ensures Southern Star can continue providing safe, reliable, and economically priced natural gas to our customers.

### Where is Southern Star in Anderson County?



Green line represents Southern Star's pipeline

**Project Timeline**  
Q1 2020 - Q4 2021

**Project Cost**  
\$145 million

**Projected Sales/Use Tax**  
\$2.2 million

**Total Economic Impact**  
Anderson County - \$5.6 million  
Kansas - \$49.5 million

**Property Taxes - 2018**  
Anderson County - \$1.8 million  
Kansas - \$13 million

**Projected Property Tax Increase**  
Anderson County - \$1 million

**Annual Salaries & Benefits**  
Anderson County - \$2.5 million  
Kansas - \$24 million

### Anderson County - Most Affected Sectors

Lodging	\$2,186,000
Restaurants	\$1,410,000
General Retail	\$185,700
Management Services	\$100,500
Fuel Retail	\$96,500
Hospitals	\$96,200

### Kansas - Most Affected Sectors

Construction	\$41,387,000
Lodging	\$4,485,000
Restaurants	\$3,537,000
Industrial machinery repair	\$1,628,000
Real estate	\$1,202,000
Hospitals	\$892,000
State Government	\$572,000
Retail	\$453,000

Economic impact study prepared by Kleinhenz & Associates.



# Building tomorrow's workforce

Our power is fueled by our people and investing in their future is an investment in our Company.

In 2019, Southern Star team members witnessed several changes that were inspired by their feedback through our 4th quarter 2018 employee engagement survey.

In late 2018, we participated in an anonymous and voluntary company-wide engagement survey. A total of 97% of our workforce participated, providing critical feedback to move our company forward. We shared the results and action plans with our workforce, including

- Improve training and on-boarding
- Improve recognition/feedback
- Offer more leadership development opportunities
- Enhance communication

In early 2019, we changed the experience of starting a career at Southern Star through the **New Hire Orientation program**. Team members from across our eight states of operation and administration start off their careers at Southern Star getting to meet leadership and bond with one another. This experience helps new hires understand our commitment to people through our safety culture and how relationships across our organization are what makes the team concept work. Part of the experience is participating in Decision Driving training and conveying our commitment to

everyday safety.

Each new field operation team member participates in **NESOP (New Employee Safety Orientation Program)**. Over the years, video and computer-based delivery were incorporated to make safety training more cost effective. The Southern Star commitment to its people demanded a different approach. The concentration on safe practices is now provided with instructor-led classes covering every aspect of the safety sensitive work that our team encounters. By building relationships with our internal safety professionals who deliver the content, the new team members are more likely to consult them. Southern Star does not believe there is a short cut to building a successful team and considers every training an investment in its people. Hands-on time with excavation equipment like skid steers, backhoes, and track hoes is also made available shortly after hiring for those who will use such equipment. All of this serves as reinforcement to new employee orientation.

Field team members also benefited from the **rebuilding our technical training opportunities** at our central training facility in Hesston, Kansas. The facility's utilization increased by 48% in 2019, in large part from an influx of technical classes that will continue to grow after the installation of a Cooper-Bessemer GMV compressor in late 2019 (see photo). This equipment will provide hands-on and consistent experiences like never before. Consistency in training allows our workforce to be flexible. When duty calls in other

areas, we know our team members can take on the challenge.

To take education a step further, Southern Star offers an **educational reimbursement** of up to \$5,250 per year to be applied towards college tuition, textbooks and fees for examinations. These are courses that are beyond the requirements for the job and allows our team members to achieve degrees that can lead to promotion or advancement in pay.

2019 was also a big year for **leadership and professional development**. Our newly formed Organizational Development Team was installed in 2019 and charged with leadership and professional development. They are also providing enhanced learning opportunities through the new Southern Star Academy, a mix of online and live training experiences. In addition, we joined forces with nationally recognized leadership and development partners to provide training on business acumen competencies and best practices for transition from a role as an individual contributor to a leader of people and functional areas.

## Involved

We encourage our professionals to stay involved with regional and national organizations. Southern Star is heavily involved with SGA (Southern Gas Association), AGA (American Gas Association), INGAA, and NACE (National Association of Corrosion Engineers), just to name a few. We share and learn from our counterparts in the industry because we know development flourishes with collaboration.





### Cautionary Note

References to policies and procedures in this report do not represent guarantees or promises about their efficacy, or any assurance that such measures will apply in every case, as there may be exigent circumstances, factors, or considerations that may cause implementation of other measures or exceptions in specific instances. Please see the section entitled “Important Information Regarding Policies, Procedures, Practices, and Forward-Looking Statements”.

## Important Information Regarding Policies, Procedure, Practices, and Forward-Looking Statements

This report contains forward-looking statements. Any statements about our expectations, beliefs, plans, predictions, forecasts, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as “anticipate,” “believes,” “can,” “could,” “may,” “predicts,” “potential,” “should,” “will,” “estimate,” “plans,” “projects,” “continuing,” “ongoing,” “expects,” “intends” and similar words or phrases. Accordingly, these statements are only predictions and involve estimates, known and unknown risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them. Our actual results could differ materially from those anticipated in such forward-looking statements.

Any or all of our forward-looking statements in this report may turn out to be inaccurate. The inclusion of this forward-looking information should not be regarded as a representation by us or any other person that the future plans, estimates or expectations contemplated by us will be achieved. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our predictions, results of operations, business strategy and financial needs. We have provided links to certain other web sites that may or may not provide material that is informative, and any information contained therein should not be considered a representation by the Company as to facts or materials contained therein.

Southern Star does not guarantee or warrant the adequacy, accuracy, correctness, currentness, reliability or completeness of the materials identified in this report and will not be responsible for any claim of any person attributable to errors, omissions or other inaccuracies of any part of such materials.



## Notes

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## This image shows a single page of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



Southern Star is a leading transporter of natural gas to America's heartland, with approximately 5,800 miles of natural gas transmission pipeline in the Midwest and Mid-Continent regions of the United States.



Our pipeline system, facilities and team members are located in Missouri, Kansas, Oklahoma, Wyoming, Colorado, Nebraska and Texas, with our headquarters in Owensboro, Kentucky.



#### Primary Field Locations

Kansas City, KS	Concordia, MO
Ottawa, KS	Joplin, MO
Colby, KS	Tonganoxie, MO
Hugoton, KS	Independence, OK
Hesston, KS	Alva, OK
Lyons, KS	Blackwell, OK
Wichita, KS	Edmond, OK
Welda, KS	Rawlins, WY