

## **Tallgrass re-contracts some REX capacity post 2019**

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Houston, 12 September (Argus) — Tallgrass Energy has re-contracted 40pc of its original west-to-east shipping contracts on the Rockies Express pipeline (Rex), which are set to expire in November 2019.

Encana contracted 489mn cf/d (14mn m<sup>3</sup>/d) through 2024, Tallgrass said at the LDC Gas Forum in Chicago, Illinois, this week. Ultra Petroleum restarted a contract that was originally terminated after the company filed for bankruptcy protection. It reemerged from bankruptcy in April 2017 and has committed to 193mn cf/d from 2019 through 2026.

The post-2019 contracts will have more flexible terms that could apply to existing and prospective shippers, said Doug Walker, vice-president of business development at Tallgrass.

In May Tallgrass told analysts on an earnings call that west-to-east flow on Rex were near capacity, carrying between 1.7 Bcf/d and 1.75 Bcf/d for most the first five months of 2018. Rex's west-to-east long-haul capacity is 1.8 Bcf/d.

The eastbound volumes bucked expectations that midcontinent access to Marcellus and Utica gas would undercut demand for Rex gas flowing into the midcontinent.

The Rex system extends from Wyoming and Colorado to Ohio and carries gas west and east.