

Rating Action: Moody's changes Southern Star Central rating outlook to positive

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Approximately \$480 million of debt securities affected

New York, August 13, 2010 -- Moody's Investors Service affirmed the ratings of Southern Star Central Corporation (SSCC; Ba1 Corporate Family Rating) and its rated subsidiary, Southern Star Central Gas Pipeline, Inc. (SSCGP; Baa3 senior unsecured), and changed their rating outlooks to positive from stable.

The positive outlook is based on the expectation that the pipeline will continue its organic growth through incremental projects and that the stable financial performance of the consolidated entity will continue.

"Our expectation of financial performance is predicated on the stability of the pipeline's shipper relationships and the continuation of the sponsors' credit supportive financial policies," said Moody's Vice President Mihoko Manabe.

The ratings of SSCC and SSCGP could be upgraded over the next 12 to 18 months based on the consolidated entity maintaining its financial performance, including FFO interest coverage in the low three times range and FFO to debt in the mid-teens, and the sponsors keeping their current financial policies in regards to SSCC.

The last rating action on SSCC and SSCGP was on September 27, 2006 when Moody's implemented its Loss Given Default methodology.

The principal methodology used in rating SSCC and SSCGP was Natural Gas Pipelines. It can be found at www.moody's.com in the Rating Methodologies sub-directory under the Research & Ratings tab. Other methodologies and factors may have been considered in the process of the rating these issuers can also be found in the Rating Methodologies sub-directory on Moody's website.

Southern Star Central Corporation, headquartered in Owensboro, Kentucky, is an intermediate holding company for Southern Star Central Gas Pipeline Inc., a natural gas transmission system spanning over 6,000 miles in the Midwest and Mid-continent regions of the United States.

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