

Table of Contents

Third Revised Sheet No. 1	15
Fifth Revised Sheet No. 2	16
First Revised Sheet No. 3	17
Third Revised Sheet No. 4	18
2nd Sub Thirteenth Revised Sheet No. 5	19
2nd Sub Fourteenth Revised Sheet No. 5	20
1st Rev Fifteenth Revised Sheet No. 5	21
1st Rev Sixteenth Revised Sheet No. 5	22
1st Rev Seventeenth Revised Sheet No. 5	23
2nd Sub 6th Rev 18th Revised Sheet No. 5	24
2nd Rev 19th Revised Sheet No. 5	25
2nd Rev 2nd Rev 20th Revised Sheet No. 5	26
3rd Sub Ninth Revised Sheet No. 5-A	27
3rd Sub Tenth Revised Sheet No. 5-A	28
1st Rev Eleventh Revised Sheet No. 5-A	29
1st Rev Twelfth Revised Sheet No. 5-A	30
1st Rev Thirteenth Revised Sheet No. 5-A	31
2nd Sub 6th Rev 14th Rev Sheet No. 5A	32
2nd Rev 15th Revised Sheet No. 5A	33
2nd Rev 2nd Rev 16th Rev Sheet No. 5A	34
2nd Sub Original Sheet No. 5B	35
First Revised Sheet No. 5B	36
2nd Sub Original Sheet No. 5.01	37
First Revised Sheet No. 5.01	38
2nd Sub Eleventh Revised Sheet No. 6	39
2nd Sub Twelfth Revised Sheet No. 6	40
1st Rev Thirteenth Revised Sheet No. 6	41
1st Rev Fourteenth Revised Sheet No. 6	42
1st Rev Fifteenth Revised Sheet No. 6	43
1st Rev 3rd Rev 17th Revised Sheet No. 6	44
2nd Sub 3rd Rev 5th Revised Sheet No. 7	45
2nd Rev Sixth Revised Sheet No. 7	46
3rd Revised Sixth Revised Sheet No. 7	47
Sub Original Sheet No. 7A	48
First Revised Sheet No. 7A	49
2nd Sub First Revised Sheet No. 8	50
Fourth Revised Sheet No. 8	51
Sheet No. 9	52
Third Revised Sheet No. 10	53
Fourth Revised Sheet No. 11	54
Third Revised Sheet No. 12	55
Second Revised Sheet No. 13	56
Fourth Revised Sheet No. 14	57
Fifth Revised Sheet No. 15	58
Fourth Revised Sheet No. 16	59

Fourth Revised Sheet No. 17	60
Fifth Revised Sheet No. 18	61
First Revised Sheet No. 19	62
First Revised Sheet No. 20	63
Sheet Nos. 21 - 24	64
Original Sheet No. 22	65
First Revised Sheet No. 23	66
Original Sheet No. 24	67
First Revised Sheet No. 25	68
Third Revised Sheet No. 26	69
Second Revised Sheet No. 27	70
Original Sheet No. 28	71
Second Revised Sheet No. 29	72
First Revised Sheet No. 30	73
First Revised Sheet No. 31	74
First Revised Sheet No. 32	75
Original Sheet No. 33	76
Original Sheet No. 34	77
First Revised Sheet No. 35	78
Sheet Nos. 36-49	79
Original Sheet No. 37	80
Original Sheet No. 38	81
Original Sheet No. 39	82
Sheet Nos. 40 - 49	83
Third Revised Sheet No. 50	84
First Revised Sheet No. 51	85
Fourth Revised Sheet No. 52	86
Third Revised Sheet No. 53	87
Third Revised Sheet No. 54	88
Sheet Nos. 55-56	89
First Revised Sheet No. 56	90
Second Revised Sheet No. 57	91
Second Revised Sheet No. 58	92
Fourth Revised Sheet No. 59	93
Fourth Revised Sheet No. 60	94
First Revised Sheet No. 61	95
Original Sheet No. 62	96
Second Revised Sheet No. 63	97
Second Revised Sheet No. 64	98
Third Revised Sheet No. 65	99
First Revised Sheet No. 66	100
Second Revised Sheet No. 67	101
Original Sheet No. 68	102
First Revised Sheet No. 69-B	103
First Revised Sheet No. 69-A	104
Original Sheet No. 69-B	105

Original Sheet No. 69-C	106
First Revised Sheet No. 69-D	107
Sub Original Sheet No. 69-E	108
Sub Original Sheet No. 69-F	109
First Revised Sheet No. 70	110
First Revised Ninth Revised Sheet No. 71	111
First Revised Sheet No. 72	112
First Revised Sheet No. 73	113
Fifth Revised Sheet No. 74	114
Fifth Revised Sheet No. 75	115
Fifth Revised Sheet No. 76	116
Fourth Revised Sheet No. 77	117
Second Revised Sheet No. 78	118
First Revised Sheet No. 79	119
Third Revised Sheet No. 80	120
First Revised Sheet No. 81	121
Original Sheet No. 82	122
First Revised Sheet No. 83	123
Original Sheet No. 84	124
Original Sheet No. 85	125
Original Sheet No. 86	126
Original Sheet No. 87	127
Original Sheet No. 88	128
Original Sheet No. 89	129
Original Sheet No. 90	130
First Revised Sheet No. 91	131
First Revised Sheet No. 92	132
Fifth Revised Sheet No. 93	133
Fifth Revised Sheet No. 94	134
Second Revised Sheet No. 95	135
Fourth Revised Sheet No. 96	136
Fourth Revised Sheet No. 97	137
Fifth Revised Sheet No. 98	138
Third Revised Sheet No. 98A	139
Original Sheet No. 99	140
Original Sheet No. 100	141
Original Sheet No. 101	142
Original Sheet No. 102	143
Second Revised Sheet No. 103	144
First Revised Sheet No. 104	145
Second Revised Sheet No. 105	146
First Revised Sheet No. 106	147
First Revised Sheet No. 106-A	148
Sub Fourth Revised Sheet No. 107	149
Sub Fifth Revised Sheet No. 108	150
Sub Third Revised Sheet No. 108A	151

Sub First Revised Sheet No. 108B	152
Seventh Revised Sheet No. 109	153
Sixth Revised Sheet No. 110	154
Second Revised Sheet No. 110-A	155
Third Revised Sheet No. 110-A	156
Fifth Revised Sheet No. 110B	157
Third Revised Sheet No. 110-C	158
Fifth Revised Sheet No. 110A.1	159
First Revised Sheet No. 111	160
First Revised Sheet No. 112	161
Original Sheet No. 113	162
Third Revised Sheet No. 114	163
First Revised Sheet No. 115	164
First Revised Sheet No. 116	165
Third Revised Sheet No. 117	166
Fourth Revised Sheet No. 118	167
First Revised Sheet No. 119	168
First Revised Sheet No. 120	169
Second Revised Sheet No. 121	170
First Revised Sheet No. 122	171
Original Sheet No. 123	172
Third Revised Sheet No. 124	173
Fourth Revised Sheet No. 125	174
Second Revised Sheet No. 126	175
Third Revised Sheet No. 127	176
Second Revised Sheet No. 128	177
Second Revised Sheet No. 129	178
Third Revised Sheet No. 130	179
Second Revised Sheet No. 131	180
Third Revised Sheet No. 132	181
Original Sheet No. 133	182
First Revised Sheet No. 134	183
Fifth Revised Sheet No. 135	184
Third Revised Sheet No. 136	185
Fourth Revised Sheet No. 137	186
Second Revised Sheet No. 138	187
Second Revised Sheet No. 139	188
Eighth Revised Sheet No. 140	189
Second Revised Sheet No. 141	190
First Revised Sheet No. 142	191
Original Sheet No. 142-A	192
Substitute Third Revised Sheet No. 143	193
Sixth Revised Sheet No. 144	194
Original Sheet No. 144A	195
Fourth Revised Sheet No. 145	196
First Revised Sheet No. 146	197

Second Revised Sheet No. 147	198
Fourth Revised Sheet No. 148	199
Second Revised Sheet No. 149	200
Third Revised Sheet No. 150	201
Original Sheet No. 150-A	202
Third Revised Sheet No. 151	203
Second Revised Sheet No. 152	204
Second Revised Sheet No. 153	205
Third Revised Sheet No. 154	206
Third Revised Sheet No. 155	207
Second Revised Sheet No. 155-A	208
Third Revised Sheet No. 156	209
Third Revised Sheet No. 157	210
Second Revised Sheet No. 158	211
Second Revised Sheet No. 159	212
First Revised Sheet No. 160	213
Original Sheet No. 160-A	214
Substitute Fifth Revised Sheet No. 161	215
Second Revised Sheet No. 162	216
Second Revised Sheet No. 163	217
Original Sheet No. 163-A	218
Original Sheet No. 163-B	219
Original Sheet No. 163-C	220
Second Revised Sheet No. 164	221
Fifth Revised Sheet No. 165	222
Third Revised Sheet No. 166	223
Third Revised Sheet No. 167	224
Sub Third Revised Sheet No. 168	225
First Revised Sheet No. 169	226
Original Sheet No. 170	227
1st Rev Third Revised Sheet No. 171	228
Fourth Revised Sheet No. 171	229
First Revised Sheet No. 172	230
First Revised Sheet No. 173	231
First Revised Sheet No. 174	232
Second Revised Sheet No. 175	233
Third Revised Sheet No. 176	234
Fifth Revised Sheet No. 177	235
Ninth Revised Sheet No. 178	236
Sixth Revised Sheet No. 179	237
Third Revised Sheet No. 179-A	238
First Revised Sheet No. 180	239
First Revised Sheet No. 181	240
Original Sheet No. 181-A	241
Second Revised Sheet No. 181-B	242
First Revised Sheet No. 182	243

Original Sheet No. 183	244
Original Sheet No. 184	245
Original Sheet No. 185	246
Sheet Nos. 186 - 299	247
First Revised Sheet No. 186	248
First Revised Sheet No. 187	249
Original Sheet No. 188	250
First Revised Sheet No. 189	251
Original Sheet No. 190	252
Sheet Nos. 191-199	253
Second Revised Sheet No. 200	254
Original Sheet No. 200-A	255
Third Revised Sheet No. 201	256
Second Revised Sheet No. 202	257
Sheet Nos. 203 - 204	258
Third Revised Sheet No. 205	259
Second Revised Sheet No. 206	260
Sub Original Sheet No. 207	261
First Revised Sheet No. 207-A	262
Sub Original Sheet No. 208	263
Second Revised Sheet No. 209	264
Sub Original Sheet No. 210	265
Sub Original Sheet No. 211	266
Fourth Revised Sheet No. 212	267
Original Sheet No. 213	268
Sub First Revised Sheet No. 214	269
First Revised Sheet No. 215	270
Sub Original Sheet No. 216	271
1st Revised First Revised Sheet No. 217	272
Sheet Nos. 218-299	273
Fourth Revised Sheet No. 300	274
Fifth Revised Sheet No. 301	275
Sixth Revised Sheet No. 302	276
Fourth Revised Sheet No. 303	277
Third Revised Sheet No. 304	278
Fourth Revised Sheet No. 305	279
Original Sheet No. 306	280
Sheet Nos. 307 - 319	281
Second Revised Sheet No. 320	282
First Revised Sheet No. 321	283
Third Revised Sheet No. 322	284
Second Revised Sheet No. 323	285
First Revised Sheet No. 324	286
First Revised Sheet No. 325	287
First Revised Sheet No. 326	288
Third Revised Sheet No. 327	289

Third Revised Sheet No. 328	290
First Revised Sheet No. 329	291
First Revised Sheet No. 330	292
Third Revised Sheet No. 331	293
Third Revised Sheet No. 332	294
First Revised Sheet No. 333	295
First Revised Sheet No. 334	296
Second Revised Sheet No. 335	297
First Revised Sheet No. 336	298
First Revised Sheet No. 337	299
First Revised Sheet No. 338	300
First Revised Sheet No. 339	301
First Revised Sheet No. 340	302
Original Sheet No. 341	303
Sub Original Sheet No. 342	304
Sheet Nos. 343-349	305
Sheet Nos. 350 - 358	306
Original Sheet No. 351	307
Original Sheet No. 352	308
Original Sheet No. 353	309
Second Revised Sheet No. 354	310
Second Revised Sheet No. 355	311
Original Sheet No. 356	312
Original Sheet No. 357	313
Original Sheet No. 358	314
First Revised Sheet No. 359	315
First Revised Sheet No. 360	316
First Revised Sheet No. 361	317
Second Revised Sheet No. 370	318
First Revised Sheet No. 371	319
First Revised Sheet No. 372	320
First Revised Sheet No. 373	321
First Revised Sheet No. 374	322
Fourth Revised Sheet No. 375	323
First Revised Sheet No. 376	324
First Revised Sheet No. 377	325
First Revised Sheet No. 378	326
First Revised Sheet No. 379	327
Sheet Nos. 380 - 399	328
Fourth Revised Sheet No. 400	329
Sixth Revised Sheet No. 401	330
Fourth Revised Sheet No. 402	331
First Revised Sheet No. 403	332
Sheet Nos. 404 - 419	333
Fifth Revised Sheet No. 420	334
Third Revised Sheet No. 421	335

First Revised Sheet No. 422	336
Sheet Nos. 423 - 489	337
First Revised Sheet No. 423	338
Sheet Nos. 427 - 489	339
Seventh Revised Sheet No. 490	340
Original Sheet No. 491	341
Second Revised Sheet No. 492	342
Original Sheet No. 493	343
Original Sheet No. 494	344
Fourteenth Revised Sheet No. 495	345
Second Revised Sheet No. 495A	346
Sub Ninth Revised Sheet No. 496	347
Tenth Revised Sheet No. 496	348
Sixth Revised Sheet No. 497	349
Original Sheet No. 498	350
First Revised Sheet No. 499	351
First Revised Sheet No. 499A	352
First Revised Sheet No. 499B	353
Second Revised Sheet No. 499C	354
Original Sheet No. 499B.1	355
Original Sheet No. 499B.2	356
Original Sheet No. 499B.3	357
Original Sheet No. 499B.4	358
Second Revised Sheet No. 500	359
Eighth Revised Sheet No. 501	360
First Revised Sheet No. 502	361
Second Revised Sheet No. 503	362
Second Revised Sheet No. 504	363
Third Revised Sheet No. 505	364
First Revised Sheet No. 506	365
Second Revised Sheet No. 507	366
Original Sheet No. 508	367
Third Revised Sheet No. 509	368
Fifth Revised Sheet No. 510	369
Third Revised Sheet No. 511	370
Second Revised Sheet No. 512	371
First Revised Sheet No. 513	372
First Revised Sheet No. 514	373
Original Sheet No. 515	374
First Revised Sheet No. 516	375
First Revised Sheet No. 517	376
Original Sheet No. 518	377
Original Sheet No. 519	378
Original Sheet No. 520	379
Original Sheet No. 521	380
Original Sheet No. 522	381

Original Sheet No. 523	382
Original Sheet No. 524	383
Original Sheet No. 525	384
Third Revised Sheet No. 526	385
First Revised Sheet No. 527	386
Second Revised Sheet No. 528	387
First Revised Sheet No. 529	388
First Revised Sheet No. 530	389
First Revised Sheet No. 531	390
Sub First Revised Sheet No. 532	391
Second Revised Sheet No. 533	392
Sub First Revised Sheet No. 534	393
First Revised Sheet No. 535	394
First Revised Sheet No. 536	395
First Revised Sheet No. 537	396
Original Sheet No. 538	397
Original Sheet No. 539	398
First Revised Sheet No. 540	399
Original Sheet No. 541	400
Original Sheet No. 542	401
Original Sheet No. 543	402
Original Sheet No. 544	403
Third Revised Sheet No. 545	404
Second Revised Sheet No. 546	405
Third Revised Sheet No. 547	406
Second Revised Sheet No. 548	407
Original Sheet No. 549	408
Original Sheet No. 550	409
Second Revised Sheet No. 551	410
First Revised Sheet No. 552	411
Sheet Nos. 553-599	412
Second Revised Sheet No. 600	413
Eighth Revised Sheet No. 601	414
Original Sheet No. 602	415
Second Revised Sheet No. 603	416
Third Revised Sheet No. 604	417
Third Revised Sheet No. 605	418
Third Revised Sheet No. 606	419
Second Revised Sheet No. 607	420
Second Revised Sheet No. 608	421
First Revised Sheet No. 609	422
Third Revised Sheet No. 610	423
Second Revised Sheet No. 611	424
Third Revised Sheet No. 612	425
Second Revised Sheet No. 613	426
Third Revised Sheet No. 614	427

First Revised Sheet No. 615	428
Second Revised Sheet No. 616	429
Original Sheet No. 617	430
Original Sheet No. 618	431
First Revised Sheet No. 619	432
First Revised Sheet No. 620	433
Original Sheet No. 621	434
Original Sheet No. 622	435
Original Sheet No. 623	436
Original Sheet No. 624	437
Original Sheet No. 625	438
Second Revised Sheet No. 626	439
Second Revised Sheet No. 627	440
First Revised Sheet No. 628	441
Original Sheet No. 629	442
Original Sheet No. 630	443
Original Sheet No. 631	444
Third Revised Sheet No. 632	445
Third Revised Sheet No. 633	446
First Revised Sheet No. 634	447
First Revised Sheet No. 635	448
Original Sheet No. 636	449
Original Sheet No. 637	450
Original Sheet No. 638	451
First Revised Sheet No. 639	452
First Revised Sheet No. 640	453
First Revised Sheet No. 641	454
Original Sheet No. 642	455
Second Revised Sheet No. 643	456
Original Sheet No. 644	457
Second Revised Sheet No. 645	458
Second Revised Sheet No. 646	459
Second Revised Sheet No. 647	460
Original Sheet No. 648	461
Original Sheet No. 649	462
Second Revised Sheet No. 650	463
First Revised Sheet No. 651	464
Sheet Nos. 652-699	465
Second Revised Sheet No. 700	466
Eighth Revised Sheet No. 701	467
Original Sheet No. 702	468
First Revised Sheet No. 703	469
Second Revised Sheet No. 704	470
Fourth Revised Sheet No. 705	471
Third Revised Sheet No. 706	472
Fourth Revised Sheet No. 707	473

First Revised Sheet No. 708	474
Second Revised Sheet No. 709	475
First Revised Sheet No. 710	476
Original Sheet No. 711	477
Third Revised Sheet No. 712	478
Second Revised Sheet No. 713	479
Third Revised Sheet No. 714	480
Third Revised Sheet No. 715	481
Third Revised Sheet No. 716	482
Third Revised Sheet No. 717	483
First Revised Sheet No. 718	484
Original Sheet No. 719	485
Original Sheet No. 720	486
First Revised Sheet No. 721	487
First Revised Sheet No. 722	488
Original Sheet No. 723	489
Original Sheet No. 724	490
Original Sheet No. 725	491
Original Sheet No. 726	492
Original Sheet No. 727	493
First Revised Sheet No. 728	494
First Revised Sheet No. 729	495
First Revised Sheet No. 730	496
First Revised Sheet No. 731	497
Original Sheet No. 732	498
Second Revised Sheet No. 733	499
Second Revised Sheet No. 734	500
Second Revised Sheet No. 735	501
Original Sheet No. 736	502
First Revised Sheet No. 737	503
First Revised Sheet No. 738	504
Original Sheet No. 739	505
First Revised Sheet No. 740	506
First Revised Sheet No. 741	507
First Revised Sheet No. 742	508
Original Sheet No. 743	509
Original Sheet No. 744	510
Original Sheet No. 745	511
Second Revised Sheet No. 746	512
Second Revised Sheet No. 747	513
Second Revised Sheet No. 748	514
Second Revised Sheet No. 749	515
Original Sheet No. 750	516
Second Revised Sheet No. 751	517
Original Sheet No. 752	518
Sheet Nos. 753-799	519

Second Revised Sheet No. 800	520
First Revised Sheet No. 801	521
Second Revised Sheet No. 802	522
First Revised Sheet No. 803	523
Second Revised Sheet No. 804	524
Third Revised Sheet No. 805	525
Third Revised Sheet No. 806	526
First Revised Sheet No. 807	527
Third Revised Sheet No. 808	528
First Revised Sheet No. 809	529
Second Revised Sheet No. 810	530
First Revised Sheet No. 811	531
Second Revised Sheet No. 812	532
Second Revised Sheet No. 813	533
Original Sheet No. 814	534
Third Revised Sheet No. 815	535
First Revised Sheet No. 816	536
Second Revised Sheet No. 817	537
First Revised Sheet No. 818	538
First Revised Sheet No. 819	539
Original Sheet No. 820	540
First Revised Sheet No. 821	541
Third Revised Sheet No. 822	542
Third Revised Sheet No. 823	543
Original Sheet No. 824	544
Second Revised Sheet No. 825	545
Second Revised Sheet No. 826	546
Original Sheet No. 827	547
First Revised Sheet No. 828	548
Second Revised Sheet No. 829	549
Original Sheet No. 830	550
First Revised Sheet No. 831	551
1st Rev First Revised Sheet No. 832	552
1st Rev First Revised Sheet No. 833	553
First Revised Sheet No. 833-A	554
First Revised Sheet No. 834	555
Original Sheet No. 835	556
Original Sheet No. 836	557
Original Sheet No. 837	558
Original Sheet No. 838	559
Third Revised Sheet No. 839	560
Original Sheet No. 840	561
Sub First Revised Sheet No. 841	562
Sub First Revised Sheet No. 842	563
First Revised Sheet No. 843	564
Original Sheet No. 844	565

Original Sheet No. 845	566
Original Sheet No. 846	567
Original Sheet No. 847	568
Third Revised Sheet No. 848	569
First Revised Sheet No. 849	570
Original Sheet No. 850	571
First Revised Sheet No. 851	572
Second Revised Sheet No. 852	573
First Revised Sheet No. 853	574
First Revised Sheet No. 854	575
First Revised Sheet No. 855	576
First Revised Sheet No. 856	577
Second Revised Sheet No. 857	578
First Revised Sheet No. 858	579
First Revised Sheet No. 859	580
Original Sheet No. 860	581
First Revised Sheet No. 861	582
Second Revised Sheet No. 862	583
Second Revised Sheet No. 863	584
First Revised Sheet No. 864	585
Second Revised Sheet No. 865	586
First Revised Sheet No. 866	587
First Revised Sheet No. 867	588
Second Revised Sheet No. 868	589
Second Revised Sheet No. 869	590
Second Revised Sheet No. 870	591
Second Revised Sheet No. 871	592
Original Sheet No. 872	593
First Revised Sheet No. 873	594
First Revised Sheet No. 874	595
First Revised Sheet No. 875	596
First Revised Sheet No. 876	597
Original Sheet No. 877	598
Original Sheet No. 878	599
Original Sheet No. 879	600
Original Sheet No. 880	601
First Revised Sheet No. 881	602
Original Sheet No. 882	603
Original Sheet No. 883	604
Second Revised Sheet No. 884	605
First Revised Sheet No. 885	606
First Revised Sheet No. 886	607
Original Sheet No. 887	608
Original Sheet No. 888	609
Original Sheet No. 889	610
Original Sheet No. 890	611

Original Sheet No. 891	612
Original Sheet No. 892	613
Third Revised Sheet No. 893	614
Original Sheet No. 894	615
Original Sheet No. 895	616
First Revised Sheet No. 896	617
Original Sheet No. 897	618
First Revised Sheet No. 898	619
First Revised Sheet No. 899	620
First Revised Sheet No. 900	621
Twelfth Revised Sheet No. 901	622
Original Sheet No. 902-910	623
First Revised Sheet No. 911	624
Second Revised Sheet No. 912	625

Effective Date: 08/13/2010 Status: Effective

FERC Docket: RP10-962-000

Third Revised Sheet No. 1 Third Revised Sheet No. 1
Superseding: Second Revised Sheet No. 1

FERC GAS TARIFF

SECOND REVISED VOLUME NO. 1
(Supersedes First Revised Volume No. 1)

OF

KERN RIVER GAS TRANSMISSION COMPANY

FILED WITH THE
FEDERAL ENERGY REGULATORY COMMISSION

COMMUNICATIONS CONCERNING THIS TARIFF SHOULD BE SENT TO:

Mary Kay Miller, Vice President, Regulatory & Government Affairs

KERN RIVER GAS TRANSMISSION COMPANY
2755 E. Cottonwood Parkway, Suite 300
Salt Lake City, UT 84121

Mailing Address:
P.O. Box 71400
Salt Lake City, UT 84171-0400

Telephone No. (402) 398-7060
Email Address MaryKay.Miller@nngco.com

Effective Date: 07/01/2009 Status: Effective

FERC Docket: RP09-616-000

Fifth Revised Sheet No. 2 Fifth Revised Sheet No. 2

Superseding: Fourth Revised Sheet No. 2

TABLE OF CONTENTS

	Sheet No.
Preliminary Statement	3
Map	4
Statement of Rates	5
Rate Schedules:	
KRF-1, Firm Transportation	10
KRF-L1, High Desert Lateral Firm Transportation	25
KRI-1, Interruptible Transportation	50
KRI-L1, High Desert Lateral Interruptible Transportation	61
PAL, Park and Loan Services	69-B
CH-1, Chevron USA, Inc.	500
UP-1, Union Pacific Fuels, Inc.	600
MO-1, Mobil Natural Gas, Inc.	700
SH-1, Shell Western E&P, Inc.	800
General Terms and Conditions	70
Form of Transportation Service Agreements:	
KRF-1, Firm Transportation	300
KRI-1, Interruptible Transportation	320
KRF-L1, Firm Transportation	326
KRI-L1, Interruptible Transportation	333
PAL, Park and Loan Services	339
Amendment	359
Form of Released Transportation Service Agreement	370
Form of Exhibit "RP" to Released Transportation Service Agreement	400
Form of Exhibit "RS" to Transportation Service Agreement/Released Transportation Service Agreement	420
Non-Conforming Service Agreements	490
Negotiated Rate Agreements	495

Effective Date: 08/13/2010 Status: Effective

FERC Docket: RP10-962-000

First Revised Sheet No. 3 First Revised Sheet No. 3

Superseding: Original Sheet No. 3

PRELIMINARY STATEMENT

Kern River Gas Transmission Company, hereinafter referred to as "Transporter," is a "natural gas company" as defined by the Natural Gas Act (52 Stat. 821, 15 U.S.C. Sections 717-717w) and, as such, is subject to the jurisdiction of the Federal Energy Regulatory Commission, hereinafter referred to as the "FERC." Transporter is engaged in the business of transporting natural gas in interstate commerce.

Transporter owns and operates a natural gas transmission system that extends from the Overthrust area of Southwestern Wyoming through the states of Utah and Nevada to points of termination in Kern County near Bakersfield, California.

Transporter is engaged in the business of transporting for Shippers Natural Gas owned by Shippers, pursuant to authority granted by the FERC to Transporter to perform such service under the terms of Transportation Service Agreements between Shippers and Transporter.

FERC Docket: RP10-962-000

Superseding: Second Revised Sheet No. 4

•

Effective Date: 11/01/2004 Status: Pending

FERC Docket: RP04-274-008

2nd Sub Thirteenth Revised Sheet No. 5 2nd Sub Thirteenth Revised Sheet No. 5 : Pending
Superseding: Sub Thirteenth Revised Sheet No. 5

STATEMENT OF RATES 1/
RATE SCHEDULES KRF-1, CH-1, UP-1, MO-1, SH-1
FIRM ROLLED-IN RATE SERVICE 2/
(RATES PER DTH)

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharges 3/ -----
Recourse Rate:			
Daily Reservation/Demand Rate 4/			
Maximum	\$ 0.4450		\$ 0.4450
Minimum	\$ 0.0000		\$ 0.0000
10-Year Rate:			
Daily Reservation/Demand Rate 4/			
Maximum	\$ 0.4450		\$ 0.4450
Minimum	\$ 0.0000		\$ 0.0000
15-Year Rate:			
Daily Reservation/Demand Rate 4/			
Maximum	\$ 0.3292		\$ 0.3292
Minimum	\$ 0.0000		\$ 0.0000
Firm Transportation Commodity/Usage Rate:			
Maximum	\$ 0.0600	\$ 0.0019	\$ 0.0619
Minimum	\$ 0.0011	\$ 0.0019	\$ 0.0030
Authorized Overrun Rate:			
Maximum	\$ 0.6100	\$ 0.0019	\$ 0.6119
Minimum	\$ 0.0023	\$ 0.0019	\$ 0.0042

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Rates for incrementally-priced firm transportation under Rate Schedule KRF-1 for the 2003 Expansion Project shippers are set out separately on Sheet No. 5-A.

3/ Transportation rates set forth herein are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, rolled-in rate shippers are subject to an electric compressor fuel surcharge for quantities scheduled for delivery downstream of the Daggett compressor station. The surcharge is a credit of (\$0.0082)/Dth for quantities within contract demand and a credit of (\$0.0042)/Dth for authorized overrun quantities.

4/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

Effective Date: 01/01/2005 Status: Pending

FERC Docket: RP04-274-008

2nd Sub Fourteenth Revised Sheet No. 5 2nd Sub Fourteenth Revised Sheet No. 5 : Pending
Superseding: 2nd Sub Thirteenth Revised Sheet No. 5

STATEMENT OF RATES 1/
RATE SCHEDULES KRF-1, CH-1, UP-1, MO-1, SH-1
FIRM ROLLED-IN RATE SERVICE 2/
(RATES PER DTH)

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharges 3/ -----
Recourse Rate:			
Daily Reservation/Demand Rate 4/			
Maximum	\$ 0.4462		\$ 0.4462
Minimum	\$ 0.0000		\$ 0.0000
10-Year Rate:			
Daily Reservation/Demand Rate 4/			
Maximum	\$ 0.4462		\$ 0.4462
Minimum	\$ 0.0000		\$ 0.0000
15-Year Rate:			
Daily Reservation/Demand Rate 4/			
Maximum	\$ 0.3301		\$ 0.3301
Minimum	\$ 0.0000		\$ 0.0000
Firm Transportation Commodity/Usage Rate:			
Maximum	\$ 0.0600	\$ 0.0019	\$ 0.0619
Minimum	\$ 0.0011	\$ 0.0019	\$ 0.0030
Authorized Overrun Rate:			
Maximum	\$ 0.6115	\$ 0.0019	\$ 0.6134
Minimum	\$ 0.0023	\$ 0.0019	\$ 0.0042

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Rates for incrementally-priced firm transportation under Rate Schedule KRF-1 for the 2003 Expansion Project shippers are set out separately on Sheet No. 5-A.

3/ Transportation rates set forth herein are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, rolled-in rate shippers are subject to an electric compressor fuel surcharge for quantities scheduled for delivery downstream of the Daggett compressor station. The surcharge is a credit of (\$0.0082)/Dth for quantities within contract demand and a credit of (\$0.0042)/Dth for authorized overrun quantities.

4/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

Effective Date: 04/01/2005 Status: Pending

FERC Docket: RP04-274-008

1st Rev Fifteenth Revised Sheet No. 5 1st Rev Fifteenth Revised Sheet No. 5 : Pending
Superseding: 2nd Sub Fourteenth Revised Sheet No. 5

STATEMENT OF RATES 1/
RATE SCHEDULES KRF-1, CH-1, UP-1, MO-1, SH-1
FIRM ROLLED-IN RATE SERVICE 2/
(RATES PER DTH)

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharges 3/ -----
Recourse Rate:			
Daily Reservation/Demand Rate 4/			
Maximum	\$ 0.4462		\$ 0.4462
Minimum	\$ 0.0000		\$ 0.0000
10-Year Rate:			
Daily Reservation/Demand Rate 4/			
Maximum	\$ 0.4462		\$ 0.4462
Minimum	\$ 0.0000		\$ 0.0000
15-Year Rate:			
Daily Reservation/Demand Rate 4/			
Maximum	\$ 0.3301		\$ 0.3301
Minimum	\$ 0.0000		\$ 0.0000
Firm Transportation Commodity/Usage Rate:			
Maximum	\$ 0.0600	\$ 0.0019	\$ 0.0619
Minimum	\$ 0.0011	\$ 0.0019	\$ 0.0030
Authorized Overrun Rate:			
Maximum	\$ 0.6115	\$ 0.0019	\$ 0.6134
Minimum	\$ 0.0023	\$ 0.0019	\$ 0.0042

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Rates for incrementally-priced firm transportation under Rate Schedule KRF-1 for the 2003 Expansion Project shippers are set out separately on Sheet No. 5-A.

3/ Transportation rates set forth herein are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, rolled-in rate shippers are subject to an electric compressor fuel surcharge for quantities scheduled for delivery downstream of the Daggett compressor station. The surcharge is a credit of (\$0.0017)/Dth for quantities within contract demand and a credit of (\$0.0008)/Dth for authorized overrun quantities.

4/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

Effective Date: 10/01/2005 Status: Pending

FERC Docket: RP04-274-008

1st Rev Sixteenth Revised Sheet No. 5 1st Rev Sixteenth Revised Sheet No. 5 : Pending
Superseding: 1st Rev Fifteenth Revised Sheet No. 5

STATEMENT OF RATES 1/
RATE SCHEDULES KRF-1, CH-1, UP-1, MO-1, SH-1
FIRM ROLLED-IN RATE SERVICE 2/
(RATES PER DTH)

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharges 3/ -----
Recourse Rate:			
Daily Reservation/Demand Rate 4/			
Maximum	\$ 0.4462		\$ 0.4462
Minimum	\$ 0.0000		\$ 0.0000
10-Year Rate:			
Daily Reservation/Demand Rate 4/			
Maximum	\$ 0.4462		\$ 0.4462
Minimum	\$ 0.0000		\$ 0.0000
15-Year Rate:			
Daily Reservation/Demand Rate 4/			
Maximum	\$ 0.3301		\$ 0.3301
Minimum	\$ 0.0000		\$ 0.0000
Firm Transportation Commodity/Usage Rate:			
Maximum	\$ 0.0600	\$ 0.0018	\$ 0.0618
Minimum	\$ 0.0011	\$ 0.0018	\$ 0.0029
Authorized Overrun Rate:			
Maximum	\$ 0.6115	\$ 0.0018	\$ 0.6133
Minimum	\$ 0.0023	\$ 0.0018	\$ 0.0041

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Rates for incrementally-priced firm transportation under Rate Schedule KRF-1 for the 2003 Expansion Project shippers are set out separately on Sheet No. 5-A.

3/ Transportation rates set forth herein are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, rolled-in rate shippers are subject to an electric compressor fuel surcharge for quantities scheduled for delivery downstream of the Daggett compressor station. The surcharge is a credit of (\$0.0017)/Dth for quantities within contract demand and a credit of (\$0.0008)/Dth for authorized overrun quantities.

4/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

Effective Date: 04/01/2006 Status: Pending

FERC Docket: RP04-274-008

1st Rev Seventeenth Revised Sheet No. 5 1st Rev Seventeenth Revised Sheet No. 5 : Pending
Superseding: 1st Rev Sixteenth Revised Sheet No. 5

STATEMENT OF RATES 1/
RATE SCHEDULES KRF-1, CH-1, UP-1, MO-1, SH-1
FIRM ROLLED-IN RATE SERVICE 2/
(RATES PER DTH)

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharges 3/ -----
Recourse Rate:			
Daily Reservation/Demand Rate 4/			
Maximum	\$ 0.4462		\$ 0.4462
Minimum	\$ 0.0000		\$ 0.0000
10-Year Rate:			
Daily Reservation/Demand Rate 4/			
Maximum	\$ 0.4462		\$ 0.4462
Minimum	\$ 0.0000		\$ 0.0000
15-Year Rate:			
Daily Reservation/Demand Rate 4/			
Maximum	\$ 0.3301		\$ 0.3301
Minimum	\$ 0.0000		\$ 0.0000
Firm Transportation Commodity/Usage Rate:			
Maximum	\$ 0.0600	\$ 0.0018	\$ 0.0618
Minimum	\$ 0.0011	\$ 0.0018	\$ 0.0029
Authorized Overrun Rate:			
Maximum	\$ 0.6115	\$ 0.0018	\$ 0.6133
Minimum	\$ 0.0023	\$ 0.0018	\$ 0.0041

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Rates for incrementally-priced firm transportation under Rate Schedule KRF-1 for the 2003 Expansion Project shippers are set out separately on Sheet No. 5-A.

3/ Transportation rates set forth herein are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, rolled-in rate shippers are subject to an electric compressor fuel surcharge for quantities scheduled for delivery downstream of the Daggett compressor station. The surcharge is \$0.0015/Dth for quantities within contract demand and \$0.0008/Dth for authorized overrun quantities.

4/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

Effective Date: 10/01/2008 Status: Pending

FERC Docket: RP04-274-014

2nd Sub 6th Rev 18th Revised Sheet No. 5 2nd Sub 6th Rev 18th Revised Sheet No. 5
Superseding: Sub 5th Rev 18th Revised Sheet No. 5

STATEMENT OF RATES 1/
RATE SCHEDULES KRF-1, CH-1, UP-1, MO-1, SH-1
FIRM ROLLED-IN RATE SERVICE 2/
(RATES PER DTH)

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharges 3/ -----
Recourse Rate:			
Daily Reservation/Demand Rate 4/			
Maximum	\$ 0.4759		\$ 0.4759
Minimum	\$ 0.0000		\$ 0.0000
10-Year Rate:			
Daily Reservation/Demand Rate 4/			
Maximum	\$ 0.4759		\$ 0.4759
Minimum	\$ 0.0000		\$ 0.0000
15-Year Rate:			
Daily Reservation/Demand Rate 4/			
Maximum	\$ 0.3962		\$ 0.3962
Minimum	\$ 0.0000		\$ 0.0000
Firm Transportation Commodity/Usage Rate:			
Maximum	\$ 0.0600	\$ 0.0017	\$ 0.0617
Minimum	\$ 0.0011	\$ 0.0017	\$ 0.0028
Authorized Overrun Rate:			
Maximum	\$ 0.7007	\$ 0.0017	\$ 0.7024
Minimum	\$ 0.0038	\$ 0.0017	\$ 0.0055

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Rates for incrementally-priced firm transportation under Rate Schedule KRF-1 for the 2003 Expansion Project shippers are set out separately on Sheet No. 5-A.

3/ Transportation rates set forth herein are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, rolled-in rate shippers are subject to an electric compressor fuel surcharge for quantities scheduled for delivery from the Dag Moj receipt point to any upstream delivery point, or from any receipt point on Transporter's system to delivery points downstream of the Daggett compressor station. The surcharge is \$0.0000/Dth for quantities within contract demand and \$0.0000/Dth for authorized overrun quantities.

4/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

Effective Date: 01/01/2009 Status: Pending

FERC Docket: RP04-274-014

2nd Rev 19th Revised Sheet No. 5 2nd Rev 19th Revised Sheet No. 5

Superseding: 2nd Sub 6th Rev 18th Revised Sheet No. 5

STATEMENT OF RATES 1/
RATE SCHEDULES KRF-1, CH-1, UP-1, MO-1, SH-1
FIRM ROLLED-IN RATE SERVICE 2/
(RATES PER DTH)

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharges 3/ -----
Recourse Rate:			
Daily Reservation/Demand Rate 4/			
Maximum	\$ 0.4772		\$ 0.4772
Minimum	\$ 0.0000		\$ 0.0000
10-Year Rate:			
Daily Reservation/Demand Rate 4/			
Maximum	\$ 0.4772		\$ 0.4772
Minimum	\$ 0.0000		\$ 0.0000
15-Year Rate:			
Daily Reservation/Demand Rate 4/			
Maximum	\$ 0.3973		\$ 0.3973
Minimum	\$ 0.0000		\$ 0.0000
Firm Transportation Commodity/Usage Rate:			
Maximum	\$ 0.0600	\$ 0.0017	\$ 0.0617
Minimum	\$ 0.0011	\$ 0.0017	\$ 0.0028
Authorized Overrun Rate:			
Maximum	\$ 0.7025	\$ 0.0017	\$ 0.7042
Minimum	\$ 0.0038	\$ 0.0017	\$ 0.0055

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Rates for incrementally-priced firm transportation under Rate Schedule KRF-1 for the 2003 Expansion Project shippers are set out separately on Sheet No. 5-A.

3/ Transportation rates set forth herein are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, rolled-in rate shippers are subject to an electric compressor fuel surcharge for quantities scheduled for delivery from the Dag Moj receipt point to any upstream delivery point, or from any receipt point on Transporter's system to delivery points downstream of the Daggett compressor station. The surcharge is \$0.0000/Dth for quantities within contract demand and \$0.0000/Dth for authorized overrun quantities.

4/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

Effective Date: 04/01/2010 Status: Effective

FERC Docket: RP10-449-000

2nd Rev 2nd Rev 20th Revised Sheet No. 5 2nd Rev 2nd Rev 20th Revised Sheet No. 5
Superseding: 1st Rev 2nd Rev 20th Revised Sheet No. 5

STATEMENT OF RATES 1/
RATE SCHEDULES KRF-1, CH-1, UP-1, MO-1, SH-1
FIRM ROLLED-IN RATE SERVICE 2/
(RATES PER DTH)

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharges 3/ -----
Recourse Rate:			
Daily Reservation/Demand Rate 4/			
Maximum	\$ 0.4772		\$ 0.4772
Minimum	\$ 0.0000		\$ 0.0000
10-Year Rate:			
Daily Reservation/Demand Rate 4/			
Maximum	\$ 0.4772		\$ 0.4772
Minimum	\$ 0.0000		\$ 0.0000
15-Year Rate:			
Daily Reservation/Demand Rate 4/			
Maximum	\$ 0.3973		\$ 0.3973
Minimum	\$ 0.0000		\$ 0.0000
Firm Transportation Commodity/Usage Rate:			
Maximum	\$ 0.0600	\$ 0.0019	\$ 0.0619
Minimum	\$ 0.0011	\$ 0.0019	\$ 0.0030
Authorized Overrun Rate:			
Maximum	\$ 0.7025	\$ 0.0019	\$ 0.7044
Minimum	\$ 0.0038	\$ 0.0019	\$ 0.0057

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Rates for incrementally-priced firm transportation under Rate Schedule KRF-1 for the 2003/2010 Expansion Project shippers are set out separately on Sheet No. 5-A.

3/ Transportation rates set forth herein are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, rolled-in rate shippers are subject to an electric compressor fuel surcharge for quantities scheduled for delivery from any receipt point on Transporter's wholly-owned system to delivery points downstream of the Daggett compressor station. The surcharge is \$0.0001/Dth for quantities within contract demand and \$0.0001/Dth for authorized overrun quantities.

4/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

Effective Date: 11/01/2004 Status: Pending

FERC Docket: RP04-274-008

3rd Sub Ninth Revised Sheet No. 5-A 3rd Sub Ninth Revised Sheet No. 5-A : Pending

Superseding: 2nd Sub Ninth Revised Sheet No. 5-A

STATEMENT OF RATES 1/
RATE SCHEDULE KRF-1
FIRM INCREMENTAL RATE SERVICE
2003 EXPANSION PROJECT
(RATES PER DTH)

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharges 2/ -----
Recourse Rate:			
Daily Reservation/Demand Rate 3/			
Maximum	\$ 0.5831		\$ 0.5831
Minimum	\$ 0.0000		\$ 0.0000
10-Year Rate:			
Daily Reservation/Demand Rate 3/			
Maximum	\$ 0.5831		\$ 0.5831
Minimum	\$ 0.0000		\$ 0.0000
15-Year Rate:			
Daily Reservation/Demand Rate 3/			
Maximum	\$ 0.4443		\$ 0.4443
Minimum	\$ 0.0000		\$ 0.0000
Firm Transportation Commodity/Usage Rate:			
Maximum	\$ 0.0600	\$ 0.0019	\$ 0.0619
Minimum	\$ 0.0038	\$ 0.0019	\$ 0.0057
Authorized Overrun Rate:			
Maximum	\$ 0.6404	\$ 0.0019	\$ 0.6423
Minimum	\$ 0.0023	\$ 0.0019	\$ 0.0042

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Transportation rates set forth herein are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, Shippers receiving firm incremental rate service on the 2003 Expansion Project are subject to an electric compressor fuel surcharge for quantities scheduled for delivery downstream of the Daggett compressor station. The surcharge is a credit of (\$0.0006)/Dth for quantities within contract demand and a credit of (\$0.0042)/Dth for authorized overrun quantities.

3/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

Effective Date: 01/01/2005 Status: Pending

FERC Docket: RP04-274-008

3rd Sub Tenth Revised Sheet No. 5-A 3rd Sub Tenth Revised Sheet No. 5-A : Pending
Superseding: 3rd Sub Ninth Revised Sheet No. 5-A

STATEMENT OF RATES 1/
RATE SCHEDULE KRF-1
FIRM INCREMENTAL RATE SERVICE
2003 EXPANSION PROJECT
(RATES PER DTH)

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharges 2/ -----
Recourse Rate:			
Daily Reservation/Demand Rate 3/			
Maximum	\$ 0.5847		\$ 0.5847
Minimum	\$ 0.0000		\$ 0.0000
10-Year Rate:			
Daily Reservation/Demand Rate 3/			
Maximum	\$ 0.5847		\$ 0.5847
Minimum	\$ 0.0000		\$ 0.0000
15-Year Rate:			
Daily Reservation/Demand Rate 3/			
Maximum	\$ 0.4455		\$ 0.4455
Minimum	\$ 0.0000		\$ 0.0000
Firm Transportation Commodity/Usage Rate:			
Maximum	\$ 0.0600	\$ 0.0019	\$ 0.0619
Minimum	\$ 0.0038	\$ 0.0019	\$ 0.0057
Authorized Overrun Rate:			
Maximum	\$ 0.6420	\$ 0.0019	\$ 0.6439
Minimum	\$ 0.0023	\$ 0.0019	\$ 0.0042

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Transportation rates set forth herein are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, Shippers receiving firm incremental rate service on the 2003 Expansion Project are subject to an electric compressor fuel surcharge for quantities scheduled for delivery downstream of the Daggett compressor station. The surcharge is a credit of (\$0.0006)/Dth for quantities within contract demand and a credit of (\$0.0042)/Dth for authorized overrun quantities.

3/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

Effective Date: 04/01/2005 Status: Pending

FERC Docket: RP04-274-008

1st Rev Eleventh Revised Sheet No. 5-A 1st Rev Eleventh Revised Sheet No. 5-A : Pending
Superseding: 3rd Sub Tenth Revised Sheet No. 5-A

STATEMENT OF RATES 1/
RATE SCHEDULE KRF-1
FIRM INCREMENTAL RATE SERVICE
2003 EXPANSION PROJECT
(RATES PER DTH)

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharges 2/ -----
Recourse Rate:			
Daily Reservation/Demand Rate 3/			
Maximum	\$ 0.5847		\$ 0.5847
Minimum	\$ 0.0000		\$ 0.0000
10-Year Rate:			
Daily Reservation/Demand Rate 3/			
Maximum	\$ 0.5847		\$ 0.5847
Minimum	\$ 0.0000		\$ 0.0000
15-Year Rate:			
Daily Reservation/Demand Rate 3/			
Maximum	\$ 0.4455		\$ 0.4455
Minimum	\$ 0.0000		\$ 0.0000
Firm Transportation Commodity/Usage Rate:			
Maximum	\$ 0.0600	\$ 0.0019	\$ 0.0619
Minimum	\$ 0.0038	\$ 0.0019	\$ 0.0057
Authorized Overrun Rate:			
Maximum	\$ 0.6420	\$ 0.0019	\$ 0.6439
Minimum	\$ 0.0023	\$ 0.0019	\$ 0.0042

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Transportation rates set forth herein are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, Shippers receiving firm incremental rate service on the 2003 Expansion Project are subject to an electric compressor fuel surcharge for quantities scheduled for delivery downstream of the Daggett compressor station. The surcharge is \$0.0000/Dth for quantities within contract demand and a credit of (\$0.0008)/Dth for authorized overrun quantities.

3/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

Effective Date: 10/01/2005 Status: Pending

FERC Docket: RP04-274-008

1st Rev Twelfth Revised Sheet No. 5-A 1st Rev Twelfth Revised Sheet No. 5-A : Pending
Superseding: 1st Rev Eleventh Revised Sheet No. 5-A

STATEMENT OF RATES 1/
RATE SCHEDULE KRF-1
FIRM INCREMENTAL RATE SERVICE
2003 EXPANSION PROJECT
(RATES PER DTH)

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharges 2/ -----
Recourse Rate:			
Daily Reservation/Demand Rate 3/			
Maximum	\$ 0.5847		\$ 0.5847
Minimum	\$ 0.0000		\$ 0.0000
10-Year Rate:			
Daily Reservation/Demand Rate 3/			
Maximum	\$ 0.5847		\$ 0.5847
Minimum	\$ 0.0000		\$ 0.0000
15-Year Rate:			
Daily Reservation/Demand Rate 3/			
Maximum	\$ 0.4455		\$ 0.4455
Minimum	\$ 0.0000		\$ 0.0000
Firm Transportation Commodity/Usage Rate:			
Maximum	\$ 0.0600	\$ 0.0018	\$ 0.0618
Minimum	\$ 0.0038	\$ 0.0018	\$ 0.0056
Authorized Overrun Rate:			
Maximum	\$ 0.6420	\$ 0.0018	\$ 0.6438
Minimum	\$ 0.0023	\$ 0.0018	\$ 0.0041

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Transportation rates set forth herein are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, Shippers receiving firm incremental rate service on the 2003 Expansion Project are subject to an electric compressor fuel surcharge for quantities scheduled for delivery downstream of the Daggett compressor station. The surcharge is \$0.0000/Dth for quantities within contract demand and a credit of (\$0.0008)/Dth for authorized overrun quantities.

3/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

Effective Date: 04/01/2006 Status: Pending

FERC Docket: RP04-274-008

1st Rev Thirteenth Revised Sheet No. 5-A 1st Rev Thirteenth Revised Sheet No. 5-A : Pending
Superseding: 1st Rev Twelfth Revised Sheet No. 5-A

STATEMENT OF RATES 1/
RATE SCHEDULE KRF-1
FIRM INCREMENTAL RATE SERVICE
2003 EXPANSION PROJECT
(RATES PER DTH)

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharges 2/ -----
Recourse Rate:			
Daily Reservation/Demand Rate 3/			
Maximum	\$ 0.5847		\$ 0.5847
Minimum	\$ 0.0000		\$ 0.0000
10-Year Rate:			
Daily Reservation/Demand Rate 3/			
Maximum	\$ 0.5847		\$ 0.5847
Minimum	\$ 0.0000		\$ 0.0000
15-Year Rate:			
Daily Reservation/Demand Rate 3/			
Maximum	\$ 0.4455		\$ 0.4455
Minimum	\$ 0.0000		\$ 0.0000
Firm Transportation Commodity/Usage Rate:			
Maximum	\$ 0.0600	\$ 0.0018	\$ 0.0618
Minimum	\$ 0.0038	\$ 0.0018	\$ 0.0056
Authorized Overrun Rate:			
Maximum	\$ 0.6420	\$ 0.0018	\$ 0.6438
Minimum	\$ 0.0023	\$ 0.0018	\$ 0.0041

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Transportation rates set forth herein are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, Shippers receiving firm incremental rate service on the 2003 Expansion Project are subject to an electric compressor fuel surcharge for quantities scheduled for delivery downstream of the Daggett compressor station. The surcharge is \$0.0002/Dth for quantities within contract demand and \$0.0008/Dth for authorized overrun quantities.

3/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

Effective Date: 10/01/2008 Status: Pending

FERC Docket: RP04-274-014

2nd Sub 6th Rev 14th Rev Sheet No. 5A 2nd Sub 6th Rev 14th Rev Sheet No. 5A
Superseding: Sub 5th Rev 14th Rev Sheet No. 5A

STATEMENT OF RATES 1/
RATE SCHEDULE KRF-1
FIRM INCREMENTAL RATE SERVICE
2003 EXPANSION PROJECT
(RATES PER DTH)

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharges 2/ -----
Recourse Rate:			
Daily Reservation/Demand Rate 3/			
Maximum	\$ 0.6407		\$ 0.6407
Minimum	\$ 0.0000		\$ 0.0000
10-Year Rate:			
Daily Reservation/Demand Rate 3/			
Maximum	\$ 0.6407		\$ 0.6407
Minimum	\$ 0.0000		\$ 0.0000
15-Year Rate:			
Daily Reservation/Demand Rate 3/			
Maximum	\$ 0.5242		\$ 0.5242
Minimum	\$ 0.0000		\$ 0.0000
Firm Transportation Commodity/Usage Rate:			
Maximum	\$ 0.0600	\$ 0.0017	\$ 0.0617
Minimum	\$ 0.0038	\$ 0.0017	\$ 0.0055
Authorized Overrun Rate:			
Maximum	\$ 0.7007	\$ 0.0017	\$ 0.7024
Minimum	\$ 0.0038	\$ 0.0017	\$ 0.0055

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Transportation rates set forth herein are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, Shippers receiving firm incremental rate service on the 2003 Expansion Project are subject to an electric compressor fuel surcharge for quantities scheduled for delivery from the Dag Moj receipt point to any upstream delivery point, or from any receipt point on Transporter's system to delivery points downstream of the Daggett compressor station. The surcharge is a credit of \$0.0001/Dth for quantities within contract demand and \$0.0000/Dth for authorized overrun quantities.

3/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

Effective Date: 01/01/2009 Status: Pending

FERC Docket: RP04-274-014

2nd Rev 15th Revised Sheet No. 5A 2nd Rev 15th Revised Sheet No. 5A

Superseding: 2nd Sub 6th Rev 14th Rev Sheet No. 5A

STATEMENT OF RATES 1/
RATE SCHEDULE KRF-1
FIRM INCREMENTAL RATE SERVICE
2003 EXPANSION PROJECT
(RATES PER DTH)

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharges 2/ -----
Recourse Rate:			
Daily Reservation/Demand Rate 3/			
Maximum	\$ 0.6425		\$ 0.6425
Minimum	\$ 0.0000		\$ 0.0000
10-Year Rate:			
Daily Reservation/Demand Rate 3/			
Maximum	\$ 0.6425		\$ 0.6425
Minimum	\$ 0.0000		\$ 0.0000
15-Year Rate:			
Daily Reservation/Demand Rate 3/			
Maximum	\$ 0.5256		\$ 0.5256
Minimum	\$ 0.0000		\$ 0.0000
Firm Transportation Commodity/Usage Rate:			
Maximum	\$ 0.0600	\$ 0.0017	\$ 0.0617
Minimum	\$ 0.0038	\$ 0.0017	\$ 0.0055
Authorized Overrun Rate:			
Maximum	\$ 0.7025	\$ 0.0017	\$ 0.7042
Minimum	\$ 0.0038	\$ 0.0017	\$ 0.0055

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Transportation rates set forth herein are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, Shippers receiving firm incremental rate service on the 2003 Expansion Project are subject to an electric compressor fuel surcharge for quantities scheduled for delivery from the Dag Moj receipt point to any upstream delivery point, or from any receipt point on Transporter's system to delivery points downstream of the Daggett compressor station. The surcharge is a credit of \$0.0001/Dth for quantities within contract demand and \$0.0000/Dth for authorized overrun quantities.

3/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

Effective Date: 04/01/2010 Status: Effective

FERC Docket: RP10-449-000

2nd Rev 2nd Rev 16th Rev Sheet No. 5A 2nd Rev 2nd Rev 16th Rev Sheet No. 5A
Superseding: 1st Rev 2nd Rev 16th Rev Sheet No. 5A

STATEMENT OF RATES 1/
RATE SCHEDULE KRF-1
FIRM INCREMENTAL RATE SERVICE
2003/2010 EXPANSION PROJECTS
(RATES PER DTH)

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharges 2/ -----
Recourse Rate:			
Daily Reservation/Demand Rate 3/			
Maximum	\$ 0.6425		\$ 0.6425
Minimum	\$ 0.0000		\$ 0.0000
10-Year Rate:			
Daily Reservation/Demand Rate 3/			
Maximum	\$ 0.6425		\$ 0.6425
Minimum	\$ 0.0000		\$ 0.0000
15-Year Rate:			
Daily Reservation/Demand Rate 3/			
Maximum	\$ 0.5256		\$ 0.5256
Minimum	\$ 0.0000		\$ 0.0000
Firm Transportation Commodity/Usage Rate:			
Maximum	\$ 0.0600	\$ 0.0019	\$ 0.0619
Minimum	\$ 0.0038	\$ 0.0019	\$ 0.0057
Authorized Overrun Rate:			
Maximum	\$ 0.7025	\$ 0.0019	\$ 0.7044
Minimum	\$ 0.0038	\$ 0.0019	\$ 0.0057

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Transportation rates set forth herein are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, Shippers receiving firm incremental rate service on the 2003/2010 Expansion Projects are subject to an electric compressor fuel surcharge for quantities scheduled for delivery from any receipt point on Transporter's wholly-owned system to delivery points downstream of the Daggett compressor station. The surcharge is \$0.0001/Dth for quantities within contract demand and \$0.0001/Dth for authorized overrun quantities.

3/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

FERC Docket: RP04-274-014

Superseding: Original Sheet No. 5B

•

Effective Date: 01/01/2009 Status: Effective

FERC Docket: RP09-102-000

First Revised Sheet No. 5B First Revised Sheet No. 5B

Superseding: Sub Original Sheet No. 5B

STATEMENT OF RATES 1/(Continued)
RATE SCHEDULE KRF-1
FIRM INCREMENTAL RATE SERVICE
2003 EXPANSION PROJECT
(RATES PER DTH)

RATES FOR NON-SETTLING PARTIES*(Continued)

15-Year Rate:

Daily Reservation/Demand Rate 3/

Maximum	\$ 0.5256	\$ 0.5256
Minimum	\$ 0.0000	\$ 0.0000

Firm Transportation Commodity/Usage Rate:

Maximum	\$ 0.0600	\$ 0.0017	\$ 0.0617
Minimum	\$ 0.0038	\$ 0.0017	\$ 0.0055

Authorized Overrun Rate:

Maximum	\$ 0.7025	\$ 0.0017	\$ 0.7042
Minimum	\$ 0.0038	\$ 0.0017	\$ 0.0055

* A Settling Party is a party that has executed the Offer of Settlement and Stipulation ("Stipulation") submitted to the Federal Energy Regulatory Commission on September 30, 2008, in Docket Nos. RP04-274-000, et al., including any party that has subsequently executed or accepted the Stipulation in accordance with its terms.

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Transportation rates set forth herein are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, Shippers receiving firm incremental rate service on the 2003 Expansion Project are subject to an electric compressor fuel surcharge for quantities scheduled for delivery from the Dag Moj receipt point to any upstream delivery point, or from any receipt point on Transporter's system to delivery points downstream of the Daggett compressor station. The surcharge is a credit of \$0.0001/Dth for quantities within contract demand and \$0.0000/Dth for authorized overrun quantities.

3/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

FERC Docket: RP04-274-014

Superseding: Original Sheet No. 5.01

.

Effective Date: 01/01/2009 Status: Effective

FERC Docket: RP09-102-000

First Revised Sheet No. 5.01 First Revised Sheet No. 5.01

Superseding: Sub Original Sheet No. 5.01

STATEMENT OF RATES 1/(continued)
RATE SCHEDULES KRF-1, CH-1, UP-1, MO-1, SH-1
FIRM ROLLED-IN RATE SERVICE 2/
(RATES PER DTH)

RATES FOR NON-SETTLING PARTIES*(Continued)

15-Year Rate:

Daily Reservation/Demand Rate 4/

Maximum	\$ 0.3973	\$ 0.3973
Minimum	\$ 0.0000	\$ 0.0000

Firm Transportation Commodity/Usage Rate:

Maximum	\$ 0.0600	\$ 0.0017	\$ 0.0617
Minimum	\$ 0.0011	\$ 0.0017	\$ 0.0028

Authorized Overrun Rate:

Maximum	\$ 0.7025	\$ 0.0017	\$ 0.7042
Minimum	\$ 0.0038	\$ 0.0017	\$ 0.0055

* A Settling Party is a party that has executed the Offer of Settlement and Stipulation ("Stipulation") submitted to the Federal Energy Regulatory Commission on September 30, 2008, in Docket Nos. RP04-274-000, et al., including any party that has subsequently executed or accepted the Stipulation in accordance with its terms.

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Rates for incrementally-priced firm transportation under Rate Schedule KRF-1 for the 2003 Expansion Project shippers are set out separately on Sheet No. 5-A.

3/ Transportation rates set forth herein are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, rolled-in rate shippers are subject to an electric compressor fuel surcharge for quantities scheduled for delivery from the Dag Moj receipt point to any upstream delivery point, or from any receipt point on Transporter's system to delivery points downstream of the Daggett compressor station. The surcharge is \$0.0000/Dth for quantities within contract demand and \$0.0000/Dth for authorized overrun quantities.

4/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

Effective Date: 11/01/2004 Status: Pending

FERC Docket: RP04-274-008

2nd Sub Eleventh Revised Sheet No. 6 2nd Sub Eleventh Revised Sheet No. 6 : Pending
Superseding: Sub Eleventh Revised Sheet No. 6

STATEMENT OF RATES 1/
RATE SCHEDULE KRI-1
INTERRUPTIBLE SERVICE
(RATES PER DTH)

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharges 2/ -----
Interruptible Transportation Rate:			
Maximum	\$ 0.6100	\$ 0.0019	\$ 0.6119
Minimum	\$ 0.0023	\$ 0.0019	\$ 0.0042

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Transportation rates set forth herein are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, quantities of Gas scheduled for delivery downstream of the Daggett compressor station on an interruptible basis are subject to an electric compressor fuel surcharge credit of (\$0.0042)/Dth.

Effective Date: 01/01/2005 Status: Pending

FERC Docket: RP04-274-008

2nd Sub Twelfth Revised Sheet No. 6 2nd Sub Twelfth Revised Sheet No. 6 : Pending
Superseding: 2nd Sub Eleventh Revised Sheet No. 6

STATEMENT OF RATES 1/
RATE SCHEDULE KRI-1
INTERRUPTIBLE SERVICE
(RATES PER DTH)

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharges 2/ -----
Interruptible Transportation Rate:			
Maximum	\$ 0.6115	\$ 0.0019	\$ 0.6134
Minimum	\$ 0.0023	\$ 0.0019	\$ 0.0042

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Transportation rates set forth herein are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, quantities of Gas scheduled for delivery downstream of the Daggett compressor station on an interruptible basis are subject to an electric compressor fuel surcharge credit of (\$0.0042)/Dth.

Effective Date: 04/01/2005 Status: Pending

FERC Docket: RP04-274-008

1st Rev Thirteenth Revised Sheet No. 6 1st Rev Thirteenth Revised Sheet No. 6 : Pending
Superseding: 2nd Sub Twelfth Revised Sheet No. 6

STATEMENT OF RATES 1/
RATE SCHEDULE KRI-1
INTERRUPTIBLE SERVICE
(RATES PER DTH)

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharges 2/ -----
Interruptible Transportation Rate:			
Maximum	\$ 0.6115	\$ 0.0019	\$ 0.6134
Minimum	\$ 0.0023	\$ 0.0019	\$ 0.0042

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Transportation rates set forth herein are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, quantities of Gas scheduled for delivery downstream of the Daggett compressor station on an interruptible basis are subject to an electric compressor fuel surcharge credit of (\$0.0008)/Dth.

Effective Date: 10/01/2005 Status: Pending

FERC Docket: RP04-274-008

1st Rev Fourteenth Revised Sheet No. 6 1st Rev Fourteenth Revised Sheet No. 6 : Pending
Superseding: 1st Rev Thirteenth Revised Sheet No. 6

STATEMENT OF RATES 1/
RATE SCHEDULE KRI-1
INTERRUPTIBLE SERVICE
(RATES PER DTH)

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharges 2/ -----
Interruptible Transportation Rate:			
Maximum	\$ 0.6115	\$ 0.0018	\$ 0.6133
Minimum	\$ 0.0023	\$ 0.0018	\$ 0.0041

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Transportation rates set forth herein are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, quantities of Gas scheduled for delivery downstream of the Daggett compressor station on an interruptible basis are subject to an electric compressor fuel surcharge credit of (\$0.0008)/Dth.

Effective Date: 04/01/2006 Status: Pending

FERC Docket: RP04-274-008

1st Rev Fifteenth Revised Sheet No. 6 1st Rev Fifteenth Revised Sheet No. 6 : Pending
Superseding: 1st Rev Fourteenth Revised Sheet No. 6

STATEMENT OF RATES 1/
RATE SCHEDULE KRI-1
INTERRUPTIBLE SERVICE
(RATES PER DTH)

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharges 2/ -----
Interruptible Transportation Rate:			
Maximum	\$ 0.6115	\$ 0.0018	\$ 0.6133
Minimum	\$ 0.0023	\$ 0.0018	\$ 0.0041

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Transportation rates set forth herein are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, quantities of Gas scheduled for delivery downstream of the Daggett compressor station on an interruptible basis are subject to an electric compressor fuel surcharge of \$0.0008/Dth.

Effective Date: 04/01/2010 Status: Effective

FERC Docket: RP10-449-000

1st Rev 3rd Rev 17th Revised Sheet No. 6 1st Rev 3rd Rev 17th Revised Sheet No. 6
Superseding: 3rd Rev 17th Revised Sheet No. 6

STATEMENT OF RATES 1/
RATE SCHEDULE KRI-1
INTERRUPTIBLE SERVICE
(RATES PER DTH)

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharges 2/ -----
Interruptible Transportation Rate:			
Maximum	\$ 0.7025	\$ 0.0019	\$ 0.7044
Minimum	\$ 0.0038	\$ 0.0019	\$ 0.0057

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ Transportation rates set forth herein are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, quantities of Gas scheduled for delivery downstream of the Daggett compressor station on an interruptible basis are subject to an electric compressor fuel surcharge of \$0.0001/Dth.

Effective Date: 10/01/2008 Status: Pending

FERC Docket: RP04-274-014

2nd Sub 3rd Rev 5th Revised Sheet No. 7 2nd Sub 3rd Rev 5th Revised Sheet No. 7
Superseding: 2nd Rev Fifth Revised Sheet No. 7

STATEMENT OF RATES 1/
RATE SCHEDULES KRF-L1 AND KRI-L1
HIGH DESERT LATERAL SERVICE
(RATES PER DTH)

The rates shown below are those rates which Transporter is authorized to charge for service rendered under Rate Schedules KRF-L1 and KRI-L1.

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharge -----
KRF-L1 Recourse Rate:			
Daily Reservation/Demand Rate 2/:			
Maximum	\$ 0.0463		\$ 0.0463
Minimum	\$ 0.0000		\$ 0.0000
Firm Transportation Commodity/Usage Rate:			
Maximum	\$ 0.0000	\$ 0.0017	\$ 0.0017
Minimum	\$ 0.0000	\$ 0.0017	\$ 0.0017
Authorized Overrun Rate:			
Maximum	\$ 0.0463	\$ 0.0017	\$ 0.0480
Minimum	\$ 0.0000	\$ 0.0017	\$ 0.0017
KRI-L1 Recourse Rate:			
Interruptible Transportation Rate:			
Maximum	\$ 0.0463	\$ 0.0017	\$ 0.0480
Minimum	\$ 0.0000	\$ 0.0017	\$ 0.0017

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

Effective Date: 01/01/2009 Status: Pending

FERC Docket: RP04-274-014

2nd Rev Sixth Revised Sheet No. 7 2nd Rev Sixth Revised Sheet No. 7

Superseding: 2nd Sub 3rd Rev 5th Revised Sheet No. 7

STATEMENT OF RATES 1/
RATE SCHEDULES KRF-L1 AND KRI-L1
HIGH DESERT LATERAL SERVICE
(RATES PER DTH)

The rates shown below are those rates which Transporter is authorized to charge for service rendered under Rate Schedules KRF-L1 and KRI-L1.

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharge -----
KRF-L1 Recourse Rate:			
Daily Reservation/Demand Rate 2/:			
Maximum	\$ 0.0464		\$ 0.0464
Minimum	\$ 0.0000		\$ 0.0000
Firm Transportation Commodity/Usage Rate:			
Maximum	\$ 0.0000	\$ 0.0017	\$ 0.0017
Minimum	\$ 0.0000	\$ 0.0017	\$ 0.0017
Authorized Overrun Rate:			
Maximum	\$ 0.0464	\$ 0.0017	\$ 0.0481
Minimum	\$ 0.0000	\$ 0.0017	\$ 0.0017
KRI-L1 Recourse Rate:			
Interruptible Transportation Rate:			
Maximum	\$ 0.0464	\$ 0.0017	\$ 0.0481
Minimum	\$ 0.0000	\$ 0.0017	\$ 0.0017

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

Effective Date: 10/01/2009 Status: Effective

FERC Docket: RP09-925-000

3rd Revised Sixth Revised Sheet No. 7 3rd Revised Sixth Revised Sheet No. 7
Superseding: 2nd Revised Sixth Revised Sheet No. 7

STATEMENT OF RATES 1/
RATE SCHEDULES KRF-L1 AND KRI-L1
HIGH DESERT LATERAL SERVICE
(RATES PER DTH)

The rates shown below are those rates which Transporter is authorized to charge for service rendered under Rate Schedules KRF-L1 and KRI-L1.

	Base Tariff Rate -----	ACA Surcharge -----	Rate After Surcharge -----
KRF-L1 Recourse Rate:			
Daily Reservation/Demand Rate 2/:			
Maximum	\$ 0.0464		\$ 0.0464
Minimum	\$ 0.0000		\$ 0.0000
Firm Transportation Commodity/Usage Rate:			
Maximum	\$ 0.0000	\$ 0.0019	\$ 0.0019
Minimum	\$ 0.0000	\$ 0.0019	\$ 0.0019
Authorized Overrun Rate:			
Maximum	\$ 0.0464	\$ 0.0019	\$ 0.0483
Minimum	\$ 0.0000	\$ 0.0019	\$ 0.0019
KRI-L1 Recourse Rate:			
Interruptible Transportation Rate:			
Maximum	\$ 0.0464	\$ 0.0019	\$ 0.0483
Minimum	\$ 0.0000	\$ 0.0019	\$ 0.0019

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

Effective Date: 10/01/2008 Status: Pending

FERC Docket: RP04-274-014

Sub Original Sheet No. 7A Sub Original Sheet No. 7A
Superseding: Original Sheet No. 7A

RESERVED FOR FUTURE USE

Effective Date: 01/01/2009 Status: Effective

FERC Docket: RP09-102-000

First Revised Sheet No. 7A First Revised Sheet No. 7A

Superseding: Original Sheet No. 7A

STATEMENT OF RATES 1/(Continued)
RATE SCHEDULES KRF-L1 AND KRI-L1
HIGH DESERT LATERAL SERVICE
(RATES PER DTH)

RATES FOR NON-SETTLING PARTIES*(Continued)

Authorized Overrun Rate:

Maximum	\$ 0.0464	\$ 0.0017	\$ 0.0481
Minimum	\$ 0.0000	\$ 0.0017	\$ 0.0017

KRI-L1 Recourse Rate:

Interruptible Transportation Rate:

Maximum	\$ 0.0464	\$ 0.0017	\$ 0.0481
Minimum	\$ 0.0000	\$ 0.0017	\$ 0.0017

* A Settling Party is a party that has executed the Offer of Settlement and Stipulation ("Stipulation") submitted to the Federal Energy Regulatory Commission on September 30, 2008, in Docket Nos. RP04-274-000, et al., including any party that has subsequently executed or accepted the Stipulation in accordance with its terms.

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

Effective Date: 11/01/2004 Status: Pending

FERC Docket: RP04-274-008

2nd Sub First Revised Sheet No. 8 2nd Sub First Revised Sheet No. 8 : Pending

Superseding: Sub First Revised Sheet No. 8

STATEMENT OF RATES 1/
RATE SCHEDULE PAL
PARK AND LOAN SERVICE
(RATES PER DTH)

Base Tariff Rate

	Minimum -----	Maximum -----
Daily Rate:	\$0.0000	\$0.6100

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

Effective Date: 01/01/2009 Status: Effective

FERC Docket: RP09-102-000

Fourth Revised Sheet No. 8 Fourth Revised Sheet No. 8

Superseding: Sub Third Revised Sheet No. 8

STATEMENT OF RATES 1/
RATE SCHEDULE PAL
PARK AND LOAN SERVICE
(RATES PER DTH)

Base Tariff Rate

	Minimum -----	Maximum -----
Daily Rate:	\$0.0000	\$0.7025

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

Effective Date: 10/01/2003 Status: Effective
FERC Docket: RP00-337-006

Sheet No. 9 Sheet No. 9 : Effective

RESERVED FOR FUTURE USE

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Third Revised Sheet No. 10 Third Revised Sheet No. 10 : Effective
Superseding: Second Revised Sheet No. 10

RATE SCHEDULE KRF-1
KERN RIVER FIRM TRANSPORTATION SERVICES

1. AVAILABILITY

This rate schedule is available for the Transportation of Natural Gas on a firm basis by Kern River Gas Transmission Company (hereinafter called "Transporter") to any shipper (hereinafter called "Shipper"):

- (a) which desires firm service and to the extent Transporter has available capacity to render such firm service for Shipper; and
- (b) which executes a Transportation Service Agreement for service hereunder.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 This rate schedule will apply to Gas transported by Transporter for Shipper pursuant to the executed Transportation Service Agreement for service under this rate schedule, which does not include service on the High Desert Lateral as described in Rate Schedule KRF-L1. As used in this rate schedule, Transporter's system does not include the High Desert Lateral.

Shippers under this rate schedule additionally may release their rights to Transportation service on a permanent or temporary basis pursuant to the terms of Section 15 of the General Terms and Conditions of this tariff.

- 2.2 Service rendered under this rate schedule will consist of:

- (a) The receipt by Transporter of Shipper's Gas at the Receipt Point(s), including Quantities for fuel used and lost and unaccounted-for gas that Shipper is obligated to provide pursuant to Section 12 of the General Terms and Conditions of this tariff; and
- (b) The Transportation of Gas up to Shipper's Transportation Maximum Daily Quantity (TMDQ) on a firm basis, subject to Section 13 of the General Terms and Conditions of this tariff; and
- (c) The delivery of Gas in Thermally Equivalent quantities after Transportation (less any fuel used and lost and unaccounted-for gas pursuant to Section 12 of the General Terms and Conditions of this tariff) by Transporter to Shipper at the Delivery Point(s).

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Fourth Revised Sheet No. 11 Fourth Revised Sheet No. 11 : Effective
Superseding: Third Revised Sheet No. 11

RATE SCHEDULE KRF-1
KERN RIVER FIRM TRANSPORTATION SERVICES
(Continued)

3. QUALIFICATION FOR SERVICE

- 3.1 All Shippers requesting firm Transportation service must provide the information required by this Section 3 in order to qualify for firm Transportation service. A request for service will be made no earlier than ninety (90) Days prior to the proposed commencement date of service and will not be accepted unless firm capacity to render the service is available; provided, however, if (i) additional facilities on Transporter's system are required; (ii) Transporter posts the requested capacity for bid, or (iii) Transporter announces an open season for the requested capacity, then a request may be made at an earlier date. Any modification of an existing Transportation service will be requested by Shipper's submission of a new Transportation service request indicating that the service requested is a modification of an existing service.

All Transportation service requests are to be submitted via Transporter's Designated Site or in writing to:

Kern River Gas Transmission Company
Marketing and Customer Services
2755 E. Cottonwood Parkway, Suite 300
P.O. Box 71400
Salt Lake City, UT 84171-0400
Facsimile No: (801) 937-6444

Any request will include the information or items listed below, and any additional information required by Transporter to process the request; provided, that the request for additional information will not affect the priority of Shipper's request.

- (a) Gas Quantities: Shipper will provide the TMDQ stated in Dth.
- (b) Receipt/Delivery Point: The designated Primary Receipt Point(s) and Primary Delivery Point(s), including the Receipt and Delivery Point Entitlements at each point.

Effective Date: 04/20/2009 Status: Effective

FERC Docket: RP09-466-000

Third Revised Sheet No. 12 Third Revised Sheet No. 12

Superseding: Second Revised Sheet No. 12

RATE SCHEDULE KRF-1
KERN RIVER FIRM TRANSPORTATION SERVICES
(Continued)

3. QUALIFICATION FOR SERVICE (Continued)

3.1 (Continued)

- (c) Term: The proposed commencement and termination dates of service.
- (d) Facilities: Identification and location of any facilities to be constructed or installed by any party affected by the proposed Transportation service.
- (e) Creditworthiness: Prior to execution of the Transportation Service Agreement, Shipper will provide proof that it meets Transporter's creditworthiness standards, as described in Section 29 of the General Terms and Conditions of this tariff.

Effective Date: 10/11/2002 Status: Effective

FERC Docket: RP02-542-000

Second Revised Sheet No. 13 Second Revised Sheet No. 13 : Effective
Superseding: First Revised Sheet No. 13

RATE SCHEDULE KRF-1
KERN RIVER FIRM TRANSPORTATION SERVICES
(Continued)

3. QUALIFICATION FOR SERVICE (Continued)

- 3.2 Transporter will not be required to perform or to continue service under this rate schedule on behalf of any Shipper who is or has become insolvent or who, at Transporter's request, fails within a reasonable period to demonstrate creditworthiness. Transporter will seek appropriate FERC authorization, if necessary, prior to termination of service when the Shipper, its Guarantor or any parent entity fails to maintain creditworthiness or becomes insolvent. For purposes herein, the insolvency of a Shipper will be evidenced by the filing by or against any Shipper or Guarantor (hereinafter collectively referred to as "the Shipper") of a petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper bankrupt or insolvent, or approving, as properly filed, a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Shipper under the Federal Bankruptcy Act or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator, (or other similar official) of the Shipper or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive Days.
- 3.3 If Transporter cannot satisfy a request due to insufficient capacity, such request will not be of a continuing nature but rather will remain valid only until the date Transporter notifies Shipper of insufficient capacity and will thereafter be deemed a nullity for all purposes.
- 3.4 A Transportation Service Agreement (Sheet No. 300) will be executed by Shipper and Transporter following Transporter's approval in writing or electronically on Transporter's Designated Site of Shipper's request for service and prior to commencement of service. In the event the Transportation Service Agreement is not executed and returned by Shipper at least 24 hours prior to the effective date of the Transportation Service Agreement, Transporter may consider the request for service invalid.

Effective Date: 07/01/2009 Status: Effective

FERC Docket: RP09-616-000

Fourth Revised Sheet No. 14 Fourth Revised Sheet No. 14
Superseding: Third Revised Sheet No. 14

RATE SCHEDULE KRF-1
KERN RIVER FIRM TRANSPORTATION SERVICES
(Continued)

4. DELIVERIES AND RECEIPTS

- 4.1 Receipt Points. The Primary Receipt Point(s) for all Gas transported by Transporter under this rate schedule will be at the interconnection(s) between Transporter's system and the connecting facilities of Shipper or Shipper's designee shown on an exhibit to the Transportation Service Agreement. The Secondary Receipt Points for Gas transported by Transporter under this rate schedule will be all other points at which Transporter is authorized to receive Gas into Transporter's system, as listed on the Operationally Available and Unsubscribed Capacity reports on Transporter's Designated Site. Capacity in excess of Shipper's Receipt Point Entitlement at a Primary Receipt Point will be available to Shipper on a Secondary Receipt Point basis.
- 4.2 Delivery Points. The Primary Delivery Point(s) for all Gas transported by Transporter under this rate schedule will be at the interconnection(s) between Transporter's system and the facilities of Shipper or Shipper's designee shown on an exhibit to the Transportation Service Agreement. The Secondary Delivery Points for Gas transported by Transporter under this rate schedule will be all other points at which Transporter is authorized to deliver Gas from Transporter's system, as listed on the Operationally Available and Unsubscribed Capacity reports on Transporter's Designated Site. Capacity in excess of Shipper's entitlement at a Primary Delivery Point will be available to Shipper on a Secondary Delivery Point basis.
- 4.3 Common Facilities. Receipt Points and Delivery Points will include the points on or adjacent to the facilities owned by Transporter as a tenant-in-common with Mojave Pipeline Company, at which Transporter has the right, respectively, to receive or to deliver Gas, to the extent of Transporter's rights to utilize such points.

Effective Date: 08/01/2004 Status: Effective

FERC Docket: RP04-339-000

Fifth Revised Sheet No. 15 Fifth Revised Sheet No. 15 : Effective

Superseding: Fourth Revised Sheet No. 15

RATE SCHEDULE KRF-1
KERN RIVER FIRM TRANSPORTATION SERVICES
(Continued)

5. RATES AND CHARGES

- 5.1 Applicable Rates and Charges. The rates and charges for service under this rate schedule will be the Reservation Charge, Transportation Charge, ACA Charge, Authorized Overrun Charge, Incidental Charges, and any Imbalance Charge and/or Scheduling Penalties, if applicable, all as specified in Sections 5.2, 5.3, 5.4, 5.5, 5.7, and 5.8 of this rate schedule.
- 5.2 Reservation Charge. For Shippers with whom Transporter has negotiated a reservation rate, an amount obtained by multiplying (a) Shipper's DMDQ as stated in the Transportation Service Agreement, or as calculated using the methodology set out in Section 25 of the General Terms and Conditions of this tariff, by (b) an amount per Dth which will be no greater than the applicable Maximum Daily Reservation/Demand Rate as shown on Sheet No. 5 of Transporter's effective tariff, and multiplying the result by (c) the number of days in the Month. Unless the parties otherwise agree, the applicable Maximum Daily Reservation/Demand Rate will apply.
- 5.3 Transportation Charge. An amount obtained by multiplying (a) the Quantity of Gas in Dth received by Transporter from Shipper for Transportation during the Month, exclusive of Quantities for fuel used and lost and unaccounted-for gas as provided in Section 12 of the General Terms and Conditions of this tariff, by (b) an amount per Dth, no less than the Minimum Firm Transportation Rate nor greater than the Maximum Firm Transportation Rate, each as set forth on Sheet No. 5 or 5-A of Transporter's effective tariff.

Effective Date: 07/01/2009 Status: Effective

FERC Docket: RP09-616-000

Fourth Revised Sheet No. 16 Fourth Revised Sheet No. 16
Superseding: Third Revised Sheet No. 16

RATE SCHEDULE KRF-1
KERN RIVER FIRM TRANSPORTATION SERVICES
(Continued)

5. RATES AND CHARGES (Continued)

- 5.4 ACA Surcharge. An amount obtained by multiplying (i) the Quantity of Gas received by Transporter from Shipper for Transportation during the Month, exclusive of Quantities for fuel used and lost and unaccounted-for gas, by (ii) the FERC Annual Charge Adjustment ("ACA") Surcharge as set forth on Sheet No. 5 or 5-A of Transporter's effective tariff.
- 5.5 Authorized Overrun Charge. The authorized overrun charge shall be an amount obtained by multiplying (a) the Quantity of Gas, in Dth, scheduled as Authorized Overrun Service, by (b) the Authorized Overrun Rate per Dth as set forth on Sheet No. 5 or 5-A of Transporter's effective tariff, unless otherwise agreed to by Shipper and Transporter.
- 5.6 Minimum Monthly Bill. The minimum monthly bill will be the Reservation Charge for each Month, unless Transporter and Shipper mutually agree otherwise.

Effective Date: 02/01/2006 Status: Effective
FERC Docket: RP06-160-000

Fourth Revised Sheet No. 17 Fourth Revised Sheet No. 17 : Effective
Superseding: Third Revised Sheet No. 17

RATE SCHEDULE KRF-1
KERN RIVER FIRM TRANSPORTATION SERVICES
(Continued)

5. RATES AND CHARGES (Continued)

- 5.7 Incidental Charges. Where applicable, Transporter will charge Shipper an amount to reimburse Transporter for 100% for any facilities, filing costs or similar fees which have not been previously paid by Shipper which Transporter incurs in establishing or rendering service. If service requires construction of new delivery facilities, Transporter may collect a contribution in aid of construction or incremental facility charge as provided in Section 20 of the General Terms and Conditions.
- 5.8 Imbalance Charge and Scheduling Penalty. Transporter will charge Shipper an Imbalance Charge and Scheduling Penalty as provided in Section 10 of the General Terms and Conditions.
- 5.9 Discounted Rates.
- (a) Transporter reserves the right to discount at any time the Recourse Rates for any individual Shipper under any service agreement without discounting any other Recourse Rates for that or any other Shipper; provided, however, that such discounted Recourse Rates will not be less than any applicable Minimum Rates set forth on Sheet Nos. 5 and 5-A of Transporter's effective tariff, or any superseding tariff.
- (1) Such discounted Recourse Rates may apply to specific quantities of Gas (such as quantities above or below a certain level or all quantities if quantities exceed a certain level), quantities of Gas transported during specific time periods, and quantities of Gas transported from specific receipt points and/or to specific delivery points, or within other defined geographical areas.
- (2) Discounted Rates also may be calculated using a formula based on index prices for specific receipt and/or delivery points or other agreed-upon published pricing reference points. Index-based, discounted rates will be no lower than the Minimum and no higher than the Maximum Base Tariff Reservation/ Demand Rates set forth on Sheet Nos. 5 and 5-A of Transporter's Tariff.
- (3) If Transporter discounts any Recourse Rates to any Shipper, Transporter will post such transaction on its designated site on the Internet, pursuant to Section 284.12 of the Commission's regulations.

Effective Date: 02/01/2006 Status: Effective

FERC Docket: RP06-160-000

Fifth Revised Sheet No. 18 Fifth Revised Sheet No. 18 : Effective
Superseding: Fourth Revised Sheet No. 18

RATE SCHEDULE KRF-1
KERN RIVER FIRM TRANSPORTATION SERVICES
(Continued)

5. RATES AND CHARGES (Continued)

5.9 Discounted Rates. (Continued)

- (b) Downward adjustment to any rate will be for a specified term. At the expiration of such term, unless otherwise agreed upon, the rate for transportation service will revert to the Maximum Daily Reservation/Demand Rate and associated commodity rate under this Rate Schedule.

- 5.10 Negotiated Rates. Notwithstanding the foregoing provisions of this Section 5, Transporter and Shipper may mutually agree to Negotiated Rates for service hereunder as provided in Section 23 of the General Terms and Conditions. ACA surcharges pursuant to Section 5.4 and imbalance charges/and or scheduling penalties pursuant to Section 5.8 of this rate schedule, as well as fuel reimbursement pursuant to Section 12 of the General Terms and Conditions will be applied to Shippers paying Negotiated Rates in the same manner as they are applied to Shippers paying Recourse Rates.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 19 First Revised Sheet No. 19 : Effective
Superseding: Original Sheet No. 19

RATE SCHEDULE KRF-1
KERN RIVER FIRM TRANSPORTATION SERVICES
(Continued)

6. AUTHORIZED OVERRUN TRANSPORTATION

Shipper may tender and Transporter, at its option, may accept for Transportation hereunder Quantities of Gas in excess of Shipper's TMDQ as specified in the executed Transportation Service Agreement, or as calculated using the methodology set out in Section 25 of the General Terms and Conditions of this tariff. In the event that capacity is available to provide overrun service but not to provide all overrun service requested, scheduling of overrun service will be consistent with Section 13 of the General Terms and Conditions.

If Transporter elects on any Day during any Month to transport any Quantities of Gas in excess of Shipper's TMDQ, Shipper will pay for the excess Gas transported an amount per Dth equal to the Authorized Overrun Rate as set forth on Sheet No. 5 of Transporter's effective tariff.

Effective Date: 04/20/2009 Status: Effective

FERC Docket: RP09-466-000

First Revised Sheet No. 20 First Revised Sheet No. 20

Superseding: Original Sheet No. 20

RATE SCHEDULE KRF-1
KERN RIVER FIRM TRANSPORTATION SERVICES
(Continued)

7. ESTABLISHMENT AND MAINTENANCE OF CREDIT

Any reference to this Section 7 shall be deemed a reference to Section 29 of the General Terms and Conditions of this tariff.

8. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions contained in this FERC Gas Tariff are applicable to this rate schedule and are hereby made a part hereof. Any terms and conditions contained in Shipper's executed Transportation Service Agreement which are not inconsistent with the terms and conditions of this rate schedule, including the General Terms and Conditions contained in this FERC Gas Tariff, will also be applicable to service provided under this rate schedule. Shipper will provide Transporter with such information as is needed to meet the requirements placed on Transporter by regulation, rule, and/or order.

Effective Date: 04/20/2009 Status: Effective

FERC Docket: RP09-466-000

Sheet Nos. 21 - 24 Sheet Nos. 21 - 24

RESERVED FOR FUTURE USE

(First Revised Sheet Nos. 21-22,
Second Revised Sheet No. 23, and
First Revised Sheet No. 24
are reserved for future use.)

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 22 Original Sheet No. 22 : Effective

RATE SCHEDULE KRF-1
KERN RIVER FIRM TRANSPORTATION SERVICES
(Continued)

7. ESTABLISHMENT AND MAINTENANCE OF CREDIT (Continued)

7.2 Short Term. (Continued)

- (b) Transporter will not be required to accept a request for new or additional service, or subject to the receipt of any necessary regulatory authorization, to continue service on behalf of any Shipper who is or has become insolvent or who fails to maintain creditworthiness until such Shipper has met a credit appraisal acceptable to Transporter, except as provided in Section 7.2(c) below.
- (c) An acceptable credit appraisal must meet the following criteria:
 - (1) If current reports have not already been provided pursuant to Section 7.2(a) above, Shipper will provide current financial statements, annual reports, 10-K reports or other filings with regulatory agencies, a list of all corporate affiliates, parent companies and subsidiaries, and any reports from credit reporting agencies which are available. Transporter will apply consistent evaluative practices to determine the acceptability of the Shipper's overall financial condition, working capital, and profitability trends.
 - (2) Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act, but only with adequate assurances that the billing will be paid promptly as a cost of administration under the federal court's jurisdiction.

Effective Date: 02/03/2002 Status: Effective

FERC Docket: RP02-137-000

First Revised Sheet No. 23 First Revised Sheet No. 23 : Effective
Superseding: Original Sheet No. 23

RATE SCHEDULE KRF-1
KERN RIVER FIRM TRANSPORTATION SERVICES
(Continued)

7. ESTABLISHMENT AND MAINTENANCE OF CREDIT (Continued)

7.2 Short Term. (Continued)

- (3) Shipper should not be subject to the uncertainty of pending liquidation or regulatory proceedings in state or federal courts which could cause a substantial deterioration in its financial condition, which could cause a condition of insolvency, or the ability to exist as an ongoing business entity.
- (4) If Shipper has an ongoing business relationship with Transporter, no delinquent balances should be consistently outstanding for Transportation services made previously by Transporter and Shipper must have paid its account in the past according to the established terms and not made deductions or withheld payment for claims not authorized by contract.
- (5) No significant collection lawsuits or judgments are outstanding which would seriously reflect upon the business entity's ability to remain solvent.
- (d) If a Shipper fails to satisfy the credit criteria, such Shipper may still obtain service hereunder if it elects one of the following options:
 - (1) to prepay in advance each Month for one (1) Month service;
 - (2) to provide a standby irrevocable letter of credit drawn upon a bank acceptable to Transporter, in an amount equal to Transporter's estimate of providing sixty (60) days of the service requested by Shipper;

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 24 Original Sheet No. 24 : Effective

RATE SCHEDULE KRF-1
KERN RIVER FIRM TRANSPORTATION SERVICES
(Continued)

7. ESTABLISHMENT AND MAINTENANCE OF CREDIT (Continued)

7.2 Short Term. (Continued)

- (3) to provide a security interest in collateral provided by the Shipper found to be satisfactory to Transporter; or
- (4) to provide a guarantee by a person or another entity which satisfies the credit appraisal.

Transporter's credit appraisal procedures involve the establishment of dollar credit limits on a standardized nondiscriminatory basis. To the extent that a Shipper's accounts with Transporter do not exceed such limit, no new credit appraisal will be conducted when an existing contract is amended or a request for a new contract is made; provided that the Shipper's payment history with Transporter has been satisfactory and there is no bona fide basis for questioning a Shipper's creditworthiness.

8. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions contained in this FERC Gas Tariff are applicable to this rate schedule and are hereby made a part hereof. Any terms and conditions contained in Shipper's executed Transportation Service Agreement which are not inconsistent with the terms and conditions of this rate schedule, including the General Terms and Conditions contained in this FERC Gas Tariff, will also be applicable to service provided under this rate schedule. Shipper will provide Transporter with such information as is needed to meet the requirements placed on Transporter by regulation, rule, and/or order.

Effective Date: 09/06/2004 Status: Effective
FERC Docket: RP04-444-000

First Revised Sheet No. 25 First Revised Sheet No. 25 : Effective
Superseding: Original Sheet No. 25

. RATE SCHEDULE KRF-L1 .
HIGH DESERT LATERAL FIRM TRANSPORTATION SERVICES

1. AVAILABILITY

This rate schedule is available for the Transportation of Natural Gas on a firm basis by Kern River Gas Transmission Company (hereinafter called "Transporter") to any shipper (hereinafter called "Shipper"):

- (a) which desires firm service and to the extent Transporter has available capacity to render such firm service for Shipper; and
- (b) which executes a Transportation Service Agreement for service hereunder.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This rate schedule will apply to Gas transported by Transporter for Shipper on the High Desert Lateral (a lateral of approximately 32 miles extending from Transporter's mainline near milepost 41 of the Common Facilities located in San Bernardino County, California to the High Desert Power Project, LLC's power plant site) pursuant to the executed Transportation Service Agreement for service under this rate schedule. Shippers under this rate schedule additionally may release their rights to Transportation service on a permanent or temporary basis pursuant to the terms of Section 15 of the General Terms and Conditions of this tariff.

2.2 Service rendered under this rate schedule will consist of:

- (a) The receipt by Transporter of Shipper's Gas at the Receipt Point(s), including Quantities for fuel used and lost and unaccounted-for gas that Shipper is obligated to provide pursuant to Section 12 of the General Terms and Conditions of this tariff; and
- (b) The Transportation of Gas up to Shipper's Transportation Maximum Daily Quantity (TMDQ) on a firm basis, subject to Section 13 of the General Terms and Conditions of this tariff; and
- (c) The delivery of Gas in Thermally Equivalent quantities after Transportation (less any fuel used and lost and unaccounted-for gas pursuant to Section 12 of the General Terms and Conditions of this tariff) by Transporter to Shipper at the Delivery Point(s).

Effective Date: 02/01/2006 Status: Effective

FERC Docket: RP06-160-000

Third Revised Sheet No. 26 Third Revised Sheet No. 26 : Effective
Superseding: Second Revised Sheet No. 26

RATE SCHEDULE KRF-L1
HIGH DESERT LATERAL FIRM TRANSPORTATION SERVICES
(Continued)

3. QUALIFICATION FOR SERVICE

- 3.1 All Shippers requesting firm Transportation service must provide the information required by this Section 3 in order to qualify for firm Transportation service. A request for service will be made no earlier than ninety (90) Days prior to the proposed commencement date of service and will not be accepted unless firm capacity to render the service is available; provided, however, if (i) additional facilities on Transporter's system are required; (ii) Transporter posts the requested capacity for bid, or (iii) Transporter announces an open season for the requested capacity, then a request may be made at an earlier date. Any modification of an existing Transportation service will be requested by Shipper's submission of a new Transportation service request indicating that the service requested is a modification of an existing service.

All Transportation service requests are to be submitted via Transporter's Designated Site or in writing to:

Kern River Gas Transmission Company
Marketing and Customer Services
2755 E. Cottonwood Parkway, Suite 300
P.O. Box 71400
Salt Lake City, UT 84171-0400
Facsimile No. (801) 937-6444

Any request will include the information or items listed below, and any additional information required by Transporter to process the request; provided, that the request for additional information will not affect the priority of Shipper's request.

- (a) Gas Quantities: Shipper will provide the TMDQ stated in Dth.
- (b) Receipt/Delivery Point: The designated Primary Receipt Point(s) and Primary Delivery Point(s), including the Receipt and Delivery Point Entitlements at each point.

Effective Date: 04/20/2009 Status: Effective

FERC Docket: RP09-466-000

Second Revised Sheet No. 27 Second Revised Sheet No. 27

Superseding: First Revised Sheet No. 27

RATE SCHEDULE KRF-L1
HIGH DESERT LATERAL FIRM TRANSPORTATION SERVICES
(Continued)

3. QUALIFICATION FOR SERVICE (Continued)

3.1 (Continued)

- (c) Term: The proposed commencement and termination dates of service.
- (d) Facilities: Identification and location of any facilities to be constructed or installed by any party affected by the proposed Transportation service.
- (e) Creditworthiness: Prior to execution of the Transportation Service Agreement, Shipper will provide proof that it meets Transporter's creditworthiness standards, as described in Section 29 of the General Terms and Conditions of this tariff.

Effective Date: 09/01/2002 Status: Effective

FERC Docket: RP02-392-000

Original Sheet No. 28 Original Sheet No. 28 : Effective

RATE SCHEDULE KRF-L1
HIGH DESERT LATERAL FIRM TRANSPORTATION SERVICES
(Continued)

3. QUALIFICATION FOR SERVICE (Continued)

- 3.2 Transporter will not be required to perform or to continue service under this rate schedule on behalf of any Shipper who is or has become insolvent or who, at Transporter's request, fails within a reasonable period to demonstrate creditworthiness. Transporter will seek appropriate FERC authorization, if necessary, prior to termination of service when the Shipper, its Guarantor or any parent entity fails to maintain creditworthiness or becomes insolvent. For purposes herein, the insolvency of a Shipper will be evidenced by the filing by or against any Shipper or Guarantor (hereinafter collectively referred to as "the Shipper") of a petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper bankrupt or insolvent, or approving, as properly filed, a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Shipper under the Federal Bankruptcy Act or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator, (or other similar official) of the Shipper or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive Days.
- 3.3 If Transporter cannot satisfy a request due to insufficient capacity, such request will not be of a continuing nature but rather will remain valid only until the date Transporter notifies Shipper of insufficient capacity and will thereafter be deemed a nullity for all purposes.
- 3.4 A Transportation Service Agreement (Sheet No. 326) will be executed by Shipper and Transporter following Transporter's approval in writing or electronically through Transporter's Designated Site of Shipper's request for service and prior to commencement of service. In the event the Transportation Service Agreement is not executed and returned by Shipper at least 24 hours prior to the effective date of the Transportation Service Agreement, Transporter may consider the request for service invalid.

Effective Date: 07/01/2009 Status: Effective

FERC Docket: RP09-616-000

Second Revised Sheet No. 29 Second Revised Sheet No. 29

Superseding: First Revised Sheet No. 29

RATE SCHEDULE KRF-L1
HIGH DESERT LATERAL FIRM TRANSPORTATION SERVICES
(Continued)

4. DELIVERIES AND RECEIPTS

- 4.1 Receipt Points. The Primary Receipt Point(s) for all Gas transported by Transporter under this rate schedule will be at the interconnection(s) between Transporter's High Desert Lateral and the Common Facilities and/or the connecting facilities of Shipper or Shipper's designee shown on an exhibit to the Transportation Service Agreement. The Secondary Receipt Points for Gas transported by Transporter under this rate schedule will be all other points at which Transporter is authorized to receive Gas into Transporter's High Desert Lateral, as listed on the Operationally Available and Unsubscribed Capacity reports on Transporter's Designated Site. Capacity in excess of Shipper's Receipt Point Entitlement at a Primary Receipt Point will be available to Shipper on a Secondary Receipt Point basis.
- 4.2 Delivery Points. The Primary Delivery Point(s) for all Gas transported by Transporter under this rate schedule will be at the interconnection(s) between Transporter's High Desert Lateral and the facilities of Shipper or Shipper's designee shown on an exhibit to the Transportation Service Agreement. The Secondary Delivery Points for Gas transported by Transporter under this rate schedule will be all other points at which Transporter is authorized to deliver Gas from Transporter's High Desert Lateral, as listed on the Operationally Available and Unsubscribed Capacity reports on Transporter's Designated Site. Capacity in excess of Shipper's entitlement at a Primary Delivery Point will be available to Shipper on a Secondary Delivery Point basis.

Effective Date: 01/01/2004 Status: Effective

FERC Docket: RP04- 68-000

First Revised Sheet No. 30 First Revised Sheet No. 30 : Effective
Superseding: Original Sheet No. 30

RATE SCHEDULE KRF-L1
HIGH DESERT LATERAL FIRM TRANSPORTATION SERVICES
(Continued)

5. RATES AND CHARGES

- 5.1 Applicable Rates and Charges. The rates and charges for service under this rate schedule will be the Reservation Charge, Transportation Charge, ACA Charge, Authorized Overrun Charge, Incidental Charges, and any Imbalance Charge and/or Scheduling Penalties, if applicable, all as specified in Sections 5.2, 5.3, 5.4, 5.5, 5.7, and 5.8 of this rate schedule.
- 5.2 Reservation Charge. An amount obtained by multiplying (a) Shipper's DMDQ as stated in the Transportation Service Agreement by (b) an amount per Dth which will be no greater than the applicable Maximum Daily Reservation/Demand Rate as shown on Sheet No. 7 of Transporter's effective tariff and multiplying the result by (c) the number of days in the Month. Unless the parties otherwise agree, the applicable Maximum Daily Reservation Rate will apply.
- 5.3 Transportation Charge. An amount obtained by multiplying (a) the Quantity of Gas in Dth received by Transporter from Shipper for Transportation during the Month, exclusive of Quantities for fuel used and lost and unaccounted-for gas as provided in Section 12 of the General Terms and Conditions of this tariff by (b) an amount per Dth, no less than the Minimum Firm Transportation Rate nor greater than the Maximum Firm Transportation Rate, each as set forth on Sheet No. 7 of Transporter's effective tariff.

Effective Date: 07/01/2009 Status: Effective

FERC Docket: RP09-616-000

First Revised Sheet No. 31 First Revised Sheet No. 31

Superseding: Original Sheet No. 31

RATE SCHEDULE KRF-L1

HIGH DESERT LATERAL FIRM TRANSPORTATION SERVICES (Continued)

5. RATES AND CHARGES (Continued)

- 5.4 ACA Surcharge. An amount obtained by multiplying (i) the Quantity of Gas received by Transporter from Shipper for Transportation during the Month, exclusive of Quantities for fuel used and lost and unaccounted-for gas, by (ii) the FERC Annual Charge Adjustment ("ACA") Surcharge as set forth on Sheet Number 7 of Transporter's effective tariff.
- 5.5 Authorized Overrun Charge. The authorized overrun charge shall be an amount obtained by multiplying (a) the Quantity of Gas, in Dth, scheduled as Authorized Overrun Service, by (b) the Authorized Overrun Rate per Dth as set forth on Sheet Number 7 of Transporter's effective tariff, unless otherwise agreed to by Shipper and Transporter.
- 5.6 Minimum Monthly Bill. The minimum monthly bill will be the Reservation Charge for each Month, unless Transporter and Shipper mutually agree otherwise.

Effective Date: 01/01/2004 Status: Effective

FERC Docket: RP04- 68-000

First Revised Sheet No. 32 First Revised Sheet No. 32 : Effective
Superseding: Original Sheet No. 32

RATE SCHEDULE KRF-L1
HIGH DESERT LATERAL FIRM TRANSPORTATION SERVICES
(Continued)

5. RATES AND CHARGES (Continued)

- 5.7 Incidental Charges. Where applicable, Transporter will charge Shipper an amount to reimburse Transporter for 100% for any facilities, filing costs or similar fees which have not been previously paid by Shipper which Transporter incurs in establishing or rendering service. If service requires construction of new delivery facilities, Transporter may collect a contribution in aid of construction or incremental facility charge as provided in Section 20 of the General Terms and Conditions.
- 5.8 Imbalance Charge and Scheduling Penalty. Transporter will charge Shipper an Imbalance Charge and Scheduling Penalty as provided in Section 10 of the General Terms and Conditions.
- 5.9 Discounted Recourse Rates. Transporter reserves the right to discount at any time the Recourse Rates for any individual Shipper under any service agreement without discounting any other Recourse Rates for that or any other Shipper; provided, however, that such discounted Recourse Rates will not be less than any applicable Minimum Rates set forth on Sheet No. 7 of Transporter's effective tariff, or any superseding tariff. Such discounted Recourse Rates may apply to specific volumes of Gas (such as volumes above or below a certain level or all volumes if volumes exceed a certain level), volumes of Gas transported during specific time periods, and volumes of Gas transported from specific receipt points and/or to specific delivery points, or within other defined geographical areas. If Transporter discounts any Recourse Rates to any Shipper, Transporter will file with the FERC any required reports reflecting such adjusted rates.

Downward adjustment to any rate will be for a specified term. At the expiration of such term, unless otherwise agreed upon, the rate for transportation service will revert to the Maximum Daily Reservation/Demand Rate and associated commodity rate under this Rate Schedule.

Effective Date: 09/01/2002 Status: Effective

FERC Docket: RP02-392-000

Original Sheet No. 33 Original Sheet No. 33 : Effective

RATE SCHEDULE KRF-L1
HIGH DESERT LATERAL FIRM TRANSPORTATION SERVICES
(Continued)

5. RATES AND CHARGES (Continued)

- 5.10 Negotiated Rates. Notwithstanding the foregoing provisions of this Section 5, Transporter and Shipper may mutually agree to Negotiated Rates for service hereunder as provided in Section 23 of the General Terms and Conditions. ACA surcharges pursuant to Section 5.4 and imbalance charges/and or scheduling penalties pursuant to Section 5.8 of this rate schedule, as well as fuel reimbursement pursuant to Section 12 of the General Terms and Conditions will be applied to Shippers paying Negotiated Rates in the same manner as they are applied to Shippers paying Recourse Rates.

Effective Date: 09/01/2002 Status: Effective

FERC Docket: RP02-392-000

Original Sheet No. 34 Original Sheet No. 34 : Effective

RATE SCHEDULE KRF-L1
HIGH DESERT LATERAL FIRM TRANSPORTATION SERVICES
(Continued)

6. AUTHORIZED OVERRUN TRANSPORTATION

Shipper may tender and Transporter, at its option, may accept for Transportation hereunder Quantities of Gas in excess of Shipper's TMDQ as specified in the executed Transportation Service Agreement. In the event that capacity is available to provide overrun service but not to provide all overrun service requested, scheduling of overrun service will be consistent with Section 13 of the General Terms and Conditions.

If Transporter elects on any Day during any Month to transport any Quantities of Gas in excess of Shipper's TMDQ, Shipper will pay for the excess Gas transported an amount per Dth equal to the Authorized Overrun Rate as set forth on Sheet No. 7 of Transporter's effective tariff.

FERC Docket: RP09-466-000

Superseding: Original Sheet No. 35

RATE SCHEDULE KRF-L1
HIGH DESERT LATERAL FIRM TRANSPORTATION SERVICES
(Continued)

7. ESTABLISHMENT AND MAINTENANCE OF CREDIT

Any reference to this Section 7 shall be deemed a reference to Section 29 of the General Terms and Conditions of this tariff.

8. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions contained in this FERC Gas Tariff are applicable to this rate schedule and are hereby made a part hereof. Any terms and conditions contained in Shipper's executed Transportation Service Agreement which are not inconsistent with the terms and conditions of this rate schedule, including the General Terms and Conditions contained in this FERC Gas Tariff, will also be applicable to service provided under this rate schedule. Shipper will provide Transporter with such information as is needed to meet the requirements placed on Transporter by regulation, rule, and/or order.

Effective Date: 04/20/2009 Status: Effective
FERC Docket: RP09-466-000

Sheet Nos. 36-49 Sheet Nos. 36-49

RESERVED FOR FUTURE USE

(First Revised Sheet Nos. 36-39 and
Original Sheet Nos. 40-49 are
reserved for future use.)

Effective Date: 09/01/2002 Status: Effective

FERC Docket: RP02-392-000

Original Sheet No. 37 Original Sheet No. 37 : Effective

RATE SCHEDULE KRF-L1
HIGH DESERT LATERAL FIRM TRANSPORTATION SERVICES
(Continued)

7. ESTABLISHMENT AND MAINTENANCE OF CREDIT (Continued)

7.2 Short Term. (Continued)

- (b) Transporter will not be required to accept a request for new or additional service, or subject to the receipt of any necessary regulatory authorization, to continue service on behalf of any Shipper who is or has become insolvent or who fails to maintain creditworthiness until such Shipper has met a credit appraisal acceptable to Transporter, except as provided in Section 7.2(c) below.
- (c) An acceptable credit appraisal must meet the following criteria:
 - (1) If current reports have not already been provided pursuant to Section 7.2(a) above, Shipper will provide current financial statements, annual reports, 10-K reports or other filings with regulatory agencies, a list of all corporate affiliates, parent companies and subsidiaries, and any reports from credit reporting agencies which are available. Transporter will apply consistent evaluative practices to determine the acceptability of the Shipper's overall financial condition, working capital, and profitability trends.
 - (2) Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act, but only with adequate assurances that the billing will be paid promptly as a cost of administration under the federal court's jurisdiction.

Effective Date: 09/01/2002 Status: Effective

FERC Docket: RP02-392-000

Original Sheet No. 38 Original Sheet No. 38 : Effective

RATE SCHEDULE KRF-L1
HIGH DESERT LATERAL FIRM TRANSPORTATION SERVICES
(Continued)

7. ESTABLISHMENT AND MAINTENANCE OF CREDIT (Continued)

7.2 Short Term. (Continued)

- (3) Shipper should not be subject to the uncertainty of pending liquidation or regulatory proceedings in state or federal courts which could cause a substantial deterioration in its financial condition, which could cause a condition of insolvency, or the ability to exist as an ongoing business entity.
- (4) If Shipper has an ongoing business relationship with Transporter, no delinquent balances should be consistently outstanding for Transportation services made previously by Transporter and Shipper must have paid its account in the past according to the established terms and not made deductions or withheld payment for claims not authorized by contract.
- (5) No significant collection lawsuits or judgments are outstanding which would seriously reflect upon the business entity's ability to remain solvent.
- (d) If a Shipper fails to satisfy the credit criteria, such Shipper may still obtain service hereunder if it elects one of the following options:
 - (1) to prepay in advance each Month for one (1) Month service;
 - (2) to provide a standby irrevocable letter of credit drawn upon a bank acceptable to Transporter, in an amount equal to Transporter's estimate of providing three (3) months of the service requested by Shipper;

Effective Date: 09/01/2002 Status: Effective

FERC Docket: RP02-392-000

Original Sheet No. 39 Original Sheet No. 39 : Effective

RATE SCHEDULE KRF-L1
HIGH DESERT LATERAL FIRM TRANSPORTATION SERVICES
(Continued)

7. ESTABLISHMENT AND MAINTENANCE OF CREDIT (Continued)

7.2 Short Term. (Continued)

- (3) to provide a security interest in collateral provided by the Shipper found to be satisfactory to Transporter; or
- (4) to provide a guarantee by a person or another entity which satisfies the credit appraisal.

Transporter's credit appraisal procedures involve the establishment of dollar credit limits on a standardized nondiscriminatory basis. To the extent that a Shipper's accounts with Transporter do not exceed such limit, no new credit appraisal will be conducted when an existing contract is amended or a request for a new contract is made; provided that the Shipper's payment history with Transporter has been satisfactory and there is no bona fide basis for questioning a Shipper's creditworthiness.

8. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions contained in this FERC Gas Tariff are applicable to this rate schedule and are hereby made a part hereof. Any terms and conditions contained in Shipper's executed Transportation Service Agreement which are not inconsistent with the terms and conditions of this rate schedule, including the General Terms and Conditions contained in this FERC Gas Tariff, will also be applicable to service provided under this rate schedule. Shipper will provide Transporter with such information as is needed to meet the requirements placed on Transporter by regulation, rule, and/or order.

Effective Date: 09/01/2002 Status: Effective

FERC Docket: RP02-392-000

Sheet Nos. 40 - 49 Sheet Nos. 40 - 49 : Effective

RESERVED FOR FUTURE USE

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Third Revised Sheet No. 50 Third Revised Sheet No. 50 : Effective
Superseding: Second Revised Sheet No. 50

RATE SCHEDULE KRI-1
KERN RIVER INTERRUPTIBLE TRANSPORTATION SERVICES

1. AVAILABILITY

This rate schedule is available for the Transportation of Natural Gas on an interruptible basis by Kern River Gas Transmission Company (hereinafter called "Transporter") to any shipper (hereinafter called "Shipper"):

- (a) which executes a Transportation Service Agreement for service hereunder and
- (b) to the extent that capacity is available on Transporter's system from time to time for the delivery of Gas to Transporter and the redelivery by Transporter for the account of Shipper.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This rate schedule will apply to Gas transported by Transporter for Shipper pursuant to the executed Transportation Service Agreement for service under this rate schedule, which does not include service on the High Desert Lateral as described in Rate Schedule KRF-L1. As used in this rate schedule, Transporter's system does not include the High Desert Lateral.

2.2 Service rendered under this rate schedule will consist of:

- (a) The receipt by Transporter of Shipper's Gas at the Receipt Point(s) specified in Shipper's Transportation Service Agreement, including Quantities for fuel used and lost and unaccounted-for gas that Shipper is obligated to provide pursuant to Section 12 of the General Terms and Conditions of this tariff; and
- (b) The Transportation of Gas up to Shipper's Transportation Maximum Daily Quantity (TMDQ) 1/ on an interruptible basis; and
- (c) The delivery of Gas in Thermally Equivalent quantities after Transportation (less any fuel used and lost and unaccounted-for gas pursuant to Section 12 of the General Terms and Conditions of this tariff) by Transporter to Shipper at the Delivery Points specified in Shipper's Transportation Service Agreement.

1/ For Transportation Service Agreements executed in Mcfs, a Shipper's MDQ will be its TMDQ.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 51 First Revised Sheet No. 51 : Effective
Superseding: Original Sheet No. 51

RATE SCHEDULE KRI-1
KERN RIVER INTERRUPTIBLE TRANSPORTATION SERVICES
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

- 2.3 Service rendered under this rate schedule is interruptible and will be provided only when and to the extent that Transporter determines capacity is available in its existing facilities. Service rendered under this rate schedule is subject to curtailment or interruption at any time. Service will be performed only when Transporter has capacity available to provide such Transportation without impairment to the service being provided, up to TMDQ, or subject to Section 13 of the General Terms and Conditions of this tariff, in excess of TMDQ, for any customer which has contracted for firm Transportation service.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Fourth Revised Sheet No. 52 Fourth Revised Sheet No. 52 : Effective
Superseding: Third Revised Sheet No. 52

RATE SCHEDULE KRI-1
KERN RIVER INTERRUPTIBLE TRANSPORTATION SERVICES
(Continued)

3. QUALIFICATION FOR SERVICE

- 3.1 All Shippers requesting new interruptible Transportation service must provide the information required by this Section 3 in order to qualify for interruptible Transportation service.

Any amendment to an existing Transportation service will be requested by Shipper's submission of a new Transportation service request indicating that the service requested is an amendment to an existing service.

All Transportation service requests are to be submitted via Transporter's Designated Site or in writing to:

Kern River Gas Transmission Company
Marketing and Customer Services
2755 E. Cottonwood Parkway, Suite 300
P.O. Box 71400
Salt Lake City, UT 84171-0400
Facsimile No. (801) 937-6444

Any request will include the information listed below. Shipper will provide any additional information required by Transporter to process the request; provided, that the request for additional information will not affect the priority of Shipper's request.

Effective Date: 04/20/2009 Status: Effective

FERC Docket: RP09-466-000

Third Revised Sheet No. 53 Third Revised Sheet No. 53

Superseding: Second Revised Sheet No. 53

RATE SCHEDULE KRI-1
KERN RIVER INTERRUPTIBLE TRANSPORTATION SERVICES
(Continued)

3. QUALIFICATION FOR SERVICE (Continued)

3.1 (Continued)

- (a) Gas Quantities: Shipper will provide the TMDQ stated in Dth.
- (b) Term: The proposed commencement and termination dates of service for the Shipper.
- (c) Facilities: Identification and location of any facilities to be constructed or installed by any party affected by the proposed Transportation service.
- (d) Creditworthiness: Prior to execution of the Transportation Service Agreement, Shipper will provide proof that it meets Transporter's creditworthiness standards, as described in Section 29 of the General Terms and Conditions of this tariff. Any reference to this Section shall be deemed a reference to Section 29 of the General Terms and Conditions of this tariff.

Effective Date: 07/01/2009 Status: Effective

FERC Docket: RP09-616-000

Third Revised Sheet No. 54 Third Revised Sheet No. 54

Superseding: Second Revised Sheet No. 54

RATE SCHEDULE KRI-1
KERN RIVER INTERRUPTIBLE TRANSPORTATION SERVICES
(Continued)

3. QUALIFICATION FOR SERVICE (Continued)

- 3.2 Transporter will not be required to accept a request for new or additional service, or subject to the receipt of any necessary regulatory authorization, to continue service on behalf of any Shipper who is or has become insolvent or who fails to maintain creditworthiness until such Shipper has provided alternate security in accordance with Section 29 of the General Terms and Conditions of this tariff.
- 3.3 A Transportation Service Agreement (Sheet No. 320) will be executed by Shipper and Transporter following Transporter's approval in writing, or electronically on Transporter's Designated Site, of Shipper's request for service and prior to commencement of service. In the event the Transportation Service Agreement is not executed and returned by Shipper at least 24 hours prior to the effective date of the Transportation Service Agreement, Transporter may consider the request for service invalid.

Effective Date: 04/20/2009 Status: Effective
FERC Docket: RP09-466-000

Sheet Nos. 55-56 Sheet Nos. 55-56

RESERVED FOR FUTURE USE

(First Revised Sheet No. 55 and
Second Revised Sheet No. 56 are
reserved for future use.)

Effective Date: 10/01/2002 Status: Effective

FERC Docket: RP02-482-000

First Revised Sheet No. 56 First Revised Sheet No. 56 : Effective
Superseding: Original Sheet No. 56

RATE SCHEDULE KRI-1
KERN RIVER INTERRUPTIBLE TRANSPORTATION SERVICES
(Continued)

3. QUALIFICATION FOR SERVICE (Continued)

3.2 (Continued)

credit appraisal will be conducted when an existing contract is amended or a request for a new contract is made; provided that the Shipper's payment history with Transporter has been satisfactory and there is no bona fide basis for questioning a Shipper's creditworthiness.

- 3.3 A Transportation Service Agreement (Sheet No. 320) will be executed by Shipper and Transporter following Transporter's approval in writing, or electronically on Transporter's Designated Site, of Shipper's request for service and prior to commencement of service.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Second Revised Sheet No. 57 Second Revised Sheet No. 57 : Effective
Superseding: First Revised Sheet No. 57

RATE SCHEDULE KRI-1
KERN RIVER INTERRUPTIBLE TRANSPORTATION SERVICES
(Continued)

4. DELIVERIES AND RECEIPTS

- 4.1 Receipt Points. All existing Receipt Points on Transporter's system will be included in the Transportation Service Agreement (shown on Exhibit A) and will be available as Receipt Points for Gas transported under this rate schedule. Shipper's Transportation Service Agreement will be deemed amended from time to time to add any new Receipt Points added on Transporter's system, as listed on the Operationally Available and Unsubscribed Capacity reports on Transporter's Designated Site.
- 4.2 Delivery Points. All existing Delivery Points on Transporter's system will be included in the Transportation Service Agreement (shown on Exhibit B) and will be available as Delivery Points for Gas transported under this rate schedule. Shipper's Transportation Service Agreement will be deemed amended from time to time to add any new Delivery Points added on Transporter's system, as listed on the Operationally Available and Unsubscribed Capacity reports on Transporter's Designated Site.
- 4.3 Common Facilities. Receipt Points and Delivery Points will include the points on or adjacent to the facilities owned by Transporter as a tenant-in-common with Mojave Pipeline Company, at which Transporter has the right to receive or to deliver Gas, to the extent of Transporter's rights to utilize such points.

Effective Date: 08/01/2004 Status: Effective

FERC Docket: RP04-339-000

Second Revised Sheet No. 58 Second Revised Sheet No. 58 : Effective
Superseding: First Revised Sheet No. 58

RATE SCHEDULE KRI-1
KERN RIVER INTERRUPTIBLE TRANSPORTATION SERVICES
(Continued)

5. RATES AND CHARGES

- 5.1 Applicable Rates and Charges. The rates and charges for service under this rate schedule will be the Transportation Charge, ACA Surcharge, Incidental Charges, and any Imbalance Charge and/or Scheduling Penalties, if applicable, all as specified in Sections 5.2, 5.3, 5.5 and 5.6 of this rate schedule.
- 5.2 Transportation Charge. An amount obtained by multiplying (a) the Quantity of Gas in Dth received by Transporter from Shipper for Transportation during the Month, exclusive of Quantities for fuel used and lost and unaccounted-for gas, by (b) the Maximum Interruptible Transportation Rate as shown on Sheet No. 6 of Transporter's effective tariff. Transporter has the right to negotiate the rate to a level not less than the Minimum Interruptible Transportation Rate nor greater than the Maximum Interruptible Transportation Rate, as shown on Sheet No. 6 of Transporter's effective tariff.
- 5.3 ACA Surcharge. Amount obtained by multiplying (a) the Quantity of Gas received by Transporter from Shipper for Transportation during the Month, exclusive of Quantities for fuel used and lost and unaccounted-for gas, by (b) the FERC Annual Charge Adjustment (ACA) Surcharge as set forth on Sheet No. 6 of Transporter's effective tariff, and/or any other such similar surcharges as may be authorized in the future, to the extent such charges are applicable to the service provided to Shipper.
- 5.4 Minimum Monthly Bill. None.
- 5.5 Incidental Charges. Where applicable, Transporter will charge Shipper an amount to reimburse Transporter for 100% for any facilities, filing costs or similar fees which have not been previously paid by Shipper which Transporter incurs in establishing or rendering service. In addition, if service

Effective Date: 02/01/2006 Status: Effective

FERC Docket: RP06-160-000

Fourth Revised Sheet No. 59 Fourth Revised Sheet No. 59 : Effective
Superseding: Third Revised Sheet No. 59

RATE SCHEDULE KRI-1
KERN RIVER INTERRUPTIBLE TRANSPORTATION SERVICES
(Continued)

5. RATES AND CHARGES (Continued)

5.5 Incidental Charges. (Continued)

requires construction of new delivery facilities, Transporter may collect a contribution in aid of construction or incremental facility charge as provided in Section 20 of the General Terms and Conditions.

5.6 Imbalance Charge and Scheduling Penalty. Transporter will charge Shipper an Imbalance Charge and Scheduling Penalty as provided in Section 10, General Terms and Conditions.

5.7 Discounted Rates.

- (a) Transporter reserves the right to discount at any time the Recourse Rates for any individual Shipper under any service agreement without discounting any other Recourse Rates for that or any other Shipper; provided, however, that such discounted Recourse Rates will not be less than any applicable Minimum Rates set forth on Sheet No. 6 of Transporter's effective tariff, or any superseding tariff.
 - (1) Such discounted Recourse Rates may apply to specific quantities of Gas (such as quantities above or below a certain level or all quantities if quantities exceed a certain level), quantities of Gas transported during specific time periods, and quantities of Gas transported from specific receipt points and/or to specific delivery points, or within other defined geographical areas.
 - (2) Discounted Rates may also be calculated using a formula based on index prices for specific receipt and/or delivery points or other agreed-upon published pricing reference points. Index-based, discounted rates will be no lower than the Minimum and no higher than the Maximum Base Tariff Reservation/ Demand Rates set forth on Sheet No. 6 of Transporter's Tariff.
 - (3) If Transporter discounts any Recourse Rates to any Shipper, Transporter will post such transaction on its designated site on the Internet, pursuant to Section 284.12 of the Commission's regulations.

Effective Date: 02/01/2006 Status: Effective

FERC Docket: RP06-160-000

Fourth Revised Sheet No. 60 Fourth Revised Sheet No. 60 : Effective
Superseding: Third Revised Sheet No. 60

RATE SCHEDULE KRI-1
KERN RIVER INTERRUPTIBLE TRANSPORTATION SERVICES
(Continued)

- (b) Downward adjustment to any rate will be for a specified term. At the expiration of such term, the rate for transportation services will revert to the maximum allowable rate under this Schedule.

5.8 Negotiated Rates. Notwithstanding the foregoing provisions of this Section 5, Transporter and Shipper may mutually agree to Negotiated Rates for service hereunder as provided in Section 23 of the General Terms and Conditions. ACA surcharges pursuant to Section 5.3 and imbalance charges and/or scheduling penalties pursuant to Section 5.6 of this rate schedule, as well as fuel reimbursement pursuant to Section 12 of the General Terms and Conditions of this tariff will be applied to Shippers paying Negotiated Rates in the same manner as they are applied to Shippers paying Recourse Rates.

6. PRIORITY OF SERVICE

A Shipper receiving service under Rate Schedule KRI-1 will not lose its priority of service by the renewal or extension of the term of that service; provided, however any renewal or extension must be pursuant to a rollover or evergreen provision of the Transportation Service Agreement.

7. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions contained in Transporter's effective tariff, except as modified in the executed Transportation Service Agreement, are applicable to this Rate Schedule and are hereby made a part hereof. Shipper will provide Transporter with such information as is needed to meet the requirements placed on Transporter by regulation, rule, and/or order.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

First Revised Sheet No. 61 First Revised Sheet No. 61 : Effective
Superseding: Original Sheet No. 61

RATE SCHEDULE KRI-L1
HIGH DESERT LATERAL INTERRUPTIBLE TRANSPORTATION SERVICES

1. AVAILABILITY

This rate schedule is available for the Transportation of Natural Gas on an interruptible basis by Kern River Gas Transmission Company (hereinafter called "Transporter") to any shipper (hereinafter called "Shipper"):

- (a) which executes a Transportation Service Agreement for service hereunder and
- (b) to the extent that capacity is available on Transporter's High Desert Lateral from time to time for the delivery of Gas to Transporter and the redelivery by Transporter for the account of Shipper.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This rate schedule will apply to Gas transported by Transporter for Shipper on the High Desert Lateral (a lateral of approximately 32 miles extending from Transporter's mainline near milepost 41 of the Common Facilities located in San Bernardino County, California to the High Desert Power Project, LLC's power plant site) pursuant to the executed Transportation Service Agreement for service under this rate schedule.

2.2 Service rendered under this rate schedule will consist of:

- (a) The receipt by Transporter of Shipper's Gas at the Receipt Point(s) specified in Shipper's Transportation Service Agreement, including Quantities for fuel used and lost and unaccounted-for gas that Shipper is obligated to provide pursuant to Section 12 of the General Terms and Conditions of this tariff; and
- (b) The Transportation of Gas up to Shipper's Transportation Maximum Daily Quantity (TMDQ) on an interruptible basis; and
- (c) The delivery of Gas in Thermally Equivalent quantities after Transportation (less any fuel used and lost and unaccounted-for gas pursuant to Section 12 of the General Terms and Conditions of this tariff) by Transporter to Shipper at the Delivery Points specified in Shipper's Transportation Service Agreement.

Effective Date: 09/01/2002 Status: Effective

FERC Docket: RP02-392-000

Original Sheet No. 62 Original Sheet No. 62 : Effective

RATE SCHEDULE KRI-L1
HIGH DESERT LATERAL INTERRUPTIBLE TRANSPORTATION SERVICES
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

- 2.3 Service rendered under this rate schedule is interruptible and will be provided only when and to the extent that Transporter determines capacity is available in its High Desert Lateral facilities. Service rendered under this rate schedule is subject to curtailment or interruption at any time. Service will be performed only when Transporter has capacity available to provide such Transportation without impairment to the service being provided, up to Shipper's TMDQ, or subject to Section 13 of the General Terms and Conditions of this tariff, in excess of Shipper's TMDQ, for any customer which has contracted for firm Transportation service under Rate Schedule KRF-L1.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Second Revised Sheet No. 63 Second Revised Sheet No. 63 : Effective
Superseding: First Revised Sheet No. 63

RATE SCHEDULE KRI-L1
HIGH DESERT LATERAL INTERRUPTIBLE TRANSPORTATION SERVICES
(Continued)

3. QUALIFICATION FOR SERVICE

- 3.1 All Shippers requesting new interruptible Transportation service must provide the information required by this Section 3 and submit a Transportation service request in order to qualify for interruptible Transportation service.

Any amendment to an existing Transportation service will be requested by Shipper's submission of a new Transportation service request indicating that the service requested is an amendment to an existing service.

All completed Transportation service requests are to be submitted via Transporter's Designated Site or in writing to:

Kern River Gas Transmission Company
Marketing and Customer Services
2755 E. Cottonwood Parkway, Suite 300
P.O. Box 71400
Salt Lake City, UT 84171-0400
Facsimile No. (801) 937-6444

Any request will include the information listed below. Shipper will provide any additional information required by Transporter to process the request; provided, that the request for additional information will not affect the priority of Shipper's request.

Effective Date: 04/20/2009 Status: Effective

FERC Docket: RP09-466-000

Second Revised Sheet No. 64 Second Revised Sheet No. 64

Superseding: First Revised Sheet No. 64

RATE SCHEDULE KRI-L1
HIGH DESERT LATERAL INTERRUPTIBLE TRANSPORTATION SERVICES
(Continued)

3. QUALIFICATION FOR SERVICE (Continued)

3.1 (Continued)

- (a) Gas Quantities: Shipper will provide the TMDQ stated in Dth.
- (b) Term: The proposed commencement and termination dates of service for the Shipper.
- (c) Facilities: Identification and location of any facilities to be constructed or installed by any party affected by the proposed Transportation service.
- (d) Creditworthiness: Prior to execution of the Transportation Service Agreement, Shipper will provide proof that it meets Transporter's creditworthiness standards, as described in Section 29 of the General Terms and Conditions of this tariff. Any reference to this Section shall be deemed a reference to Section 29 of the General Terms and Conditions of this tariff.

Effective Date: 07/01/2009 Status: Effective

FERC Docket: RP09-616-000

Third Revised Sheet No. 65 Third Revised Sheet No. 65

Superseding: Second Revised Sheet No. 65

RATE SCHEDULE KRI-L1
HIGH DESERT LATERAL INTERRUPTIBLE TRANSPORTATION SERVICES
(Continued)

3. QUALIFICATION FOR SERVICE (Continued)

- 3.2 Transporter will not be required to accept a request for new or additional service, or subject to the receipt of any necessary regulatory authorization, to continue service on behalf of any Shipper who is or has become insolvent or who fails to maintain creditworthiness until such Shipper has provided alternate security in accordance with Section 29 of the General Terms and Conditions of this tariff.
- 3.3 A Transportation Service Agreement (Sheet No. 333) will be executed by Shipper and Transporter following Transporter's approval in writing, or electronically through Transporter's Designated Site, of Shipper's request for service and prior to commencement of service. In the event the Transportation Service Agreement is not executed and returned by Shipper at least 24 hours prior to the effective date of the Transportation Service Agreement, Transporter may consider the request for service invalid.

FERC Docket: RP09-466-000

Superseding: Original Sheet No. 66

•

Effective Date: 04/20/2009 Status: Effective

FERC Docket: RP09-466-000

Second Revised Sheet No. 67 Second Revised Sheet No. 67

Superseding: First Revised Sheet No. 67

RATE SCHEDULE KRI-L1
HIGH DESERT LATERAL INTERRUPTIBLE TRANSPORTATION SERVICES
(Continued)

4. DELIVERIES AND RECEIPTS

- 4.1 Receipt Points. All existing Receipt Points on Transporter's High Desert Lateral will be included in the Transportation Service Agreement (shown on Exhibit A) and will be available as Receipt Points for Gas transported under this rate schedule. Shipper's Transportation Service Agreement will be deemed amended from time to time to add any new Receipt Points added on Transporter's High Desert Lateral, as listed on the Operationally Available and Unsubscribed Capacity reports on Transporter's Designated Site.
- 4.2 Delivery Points. All existing Delivery Points on Transporter's High Desert Lateral will be included in the Transportation Service Agreement (shown on Exhibit B) and will be available as Delivery Points for Gas transported under this rate schedule. Shipper's Transportation Service Agreement will be deemed amended from time to time to add any new Delivery Points added on Transporter's High Desert Lateral, as listed on the Operationally Available and Unsubscribed Capacity reports on Transporter's Designated Site.

Effective Date: 09/01/2002 Status: Effective

FERC Docket: RP02-392-000

Original Sheet No. 68 Original Sheet No. 68 : Effective

RATE SCHEDULE KRI-L1
HIGH DESERT LATERAL INTERRUPTIBLE TRANSPORTATION SERVICES
(Continued)

5. RATES AND CHARGES

- 5.1 Applicable Rates and Charges. The rates and charges for service under this rate schedule will be the Transportation Charge, ACA Surcharge, Incidental Charges, and any Imbalance Charge and/or Scheduling Penalties, if applicable, all as specified in Sections 5.2, 5.3, 5.5 and 5.6 of this rate schedule.
- 5.2 Transportation Charge. An amount obtained by multiplying (a) the Quantity of Gas in Dth received by Transporter from Shipper for Transportation during the Month, exclusive of Quantities for fuel used and lost and unaccounted-for gas, by (b) the Maximum Interruptible Transportation Rate as shown on Sheet No. 7 of Transporter's effective tariff. Transporter has the right to negotiate the rate to a level not less than the Minimum Interruptible Transportation Rate nor greater than the Maximum Interruptible Transportation Rate, as shown on Sheet No. 7 of Transporter's effective tariff.
- 5.3 ACA Surcharge. Amounts obtained by multiplying (a) the Quantity of Gas received by Transporter from Shipper for Transportation during the Month, exclusive of Quantities for fuel used and lost and unaccounted-for gas, by (b) the FERC Annual Charge Adjustment (ACA) Surcharge as set forth on Sheet No. 7 of Transporter's effective tariff.
- 5.4 Minimum Monthly Bill. None.
- 5.5 Incidental Charges. Where applicable, Transporter will charge Shipper an amount to reimburse Transporter for 100% for any facilities, filing costs or similar fees which have not been previously paid by Shipper which Transporter incurs in establishing or rendering service. In addition, if service requires construction of new delivery facilities, Transporter may collect a contribution in aid of construction or incremental facility charge as provided in Section 20 of the General Terms and Conditions.

Effective Date: 07/01/2009 Status: Effective

FERC Docket: RP09-616-000

First Revised Sheet No. 69-B First Revised Sheet No. 69-B

Superseding: Original Sheet No. 69-B

RATE SCHEDULE PAL
PARK AND LOAN SERVICES

1. AVAILABILITY

This rate schedule is available for park and/or loan ("PAL") service to be provided on a first-come, first-served basis by Kern River Gas Transmission Company (hereinafter called "Transporter") to any Shipper (hereinafter called "Shipper"):

- 1.1 that desires PAL service to the extent Transporter has available capacity from time to time to render such service for Shipper; and
- 1.2 that has a current Transportation Service Agreement and that executes a PAL Service Agreement for service under this rate schedule. In the event the PAL Service Agreement is not executed and returned by Shipper at least 24 hours prior to the effective date of the PAL Service Agreement, Transporter may consider the request for service invalid.

2. APPLICABILITY

- 2.1 This rate schedule applies to all PAL service rendered by Transporter for Shipper pursuant to Transporter's blanket certificate under Part 284 of the Commission's regulations and the executed Service Agreement for service under this Rate Schedule.
- 2.2 Transporter will authorize PAL service for any Shipper only if, in Transporter's best operating judgment and discretion, such service will not prevent Transporter from scheduling any firm or interruptible transportation service or from maintaining the efficiency of Transporter's system. If PAL service has commenced and Transporter determines that continuing such service may prevent Transporter from scheduling any firm or interruptible transportation service or from maintaining the efficiency of its system, then Transporter may, at its sole discretion and upon giving appropriate notice to Shipper(s), discontinue any or all of the services hereunder.
- 2.3 All PAL transactions will be provided at a logical point (PAL Point) downstream of the Daggett Compressor Station in San Bernardino County, California.

Effective Date: 02/01/2006 Status: Effective

FERC Docket: RP06-160-000

First Revised Sheet No. 69-A First Revised Sheet No. 69-A : Effective
Superseding: Original Sheet No. 69-A

RATE SCHEDULE KRI-L1
HIGH DESERT LATERAL INTERRUPTIBLE TRANSPORTATION SERVICES
(Continued)

6. PRIORITY OF SERVICE

A Shipper receiving service under Rate Schedule KRI-L1 will not lose its priority of service by the renewal or extension of the term of that service; provided, however any renewal or extension must be pursuant to a rollover or evergreen provision of the Transportation Service Agreement.

7. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions contained in Transporter's effective tariff, except as modified in the executed Transportation Service Agreement, are applicable to this Rate Schedule and are hereby made a part hereof. Shipper will provide Transporter with such information as is needed to meet the requirements placed on Transporter by regulation, rule, and/or order.

Effective Date: 10/01/2003 Status: Effective

FERC Docket: RP00-337-006

Original Sheet No. 69-B Original Sheet No. 69-B : Effective

RATE SCHEDULE PAL
PARK AND LOAN SERVICES

1. AVAILABILITY

This rate schedule is available for park and/or loan ("PAL") service to be provided on a first-come, first-served basis by Kern River Gas Transmission Company (hereinafter called "Transporter") to any Shipper (hereinafter called "Shipper"):

- 1.1 that desires PAL service to the extent Transporter has available capacity from time to time to render such service for Shipper; and
- 1.2 that has a current Transportation Service Agreement and that executes a PAL Service Agreement for service under this rate schedule.

2. APPLICABILITY

- 2.1 This rate schedule applies to all PAL service rendered by Transporter for Shipper pursuant to Transporter's blanket certificate under Part 284 of the Commission's regulations and the executed Service Agreement for service under this Rate Schedule.
- 2.2 Transporter will authorize PAL service for any Shipper only if, in Transporter's best operating judgment and discretion, such service will not prevent Transporter from scheduling any firm or interruptible transportation service or from maintaining the efficiency of Transporter's system. If PAL service has commenced and Transporter determines that continuing such service may prevent Transporter from scheduling any firm or interruptible transportation service or from maintaining the efficiency of its system, then Transporter may, at its sole discretion and upon giving appropriate notice to Shipper(s), discontinue any or all of the services hereunder.
- 2.3 All PAL transactions will be provided at a logical point (PAL Point) downstream of the Daggett Compressor Station in San Bernardino County, California.

Effective Date: 10/01/2003 Status: Effective

FERC Docket: RP00-337-006

Original Sheet No. 69-C Original Sheet No. 69-C : Effective

RATE SCHEDULE PAL
PARK AND LOAN SERVICES
(Continued)

2. APPLICABILITY (Continued)

- 2.4 Transporter will establish and maintain a parking account and/or a loan account (as applicable) for each Shipper that executes a PAL Service Agreement.
- 2.5 Transportation of Gas for or on behalf of Shipper to or from the PAL Point must be provided under a Transportation Service Agreement. Receipt and/or delivery of Gas for Shipper's account at the PAL Point will be scheduled only for Quantities that are matched by scheduled Quantities for the related transportation services to or from the PAL Point.
- 2.6 Park Service.
 - (a) Transporter may agree to receive and park Gas tendered for Shipper's account at the PAL Point, up to the Maximum Park Quantity specified in the PAL Service Agreement.
 - (b) Shipper and Transporter will mutually agree to a withdrawal schedule. Shipper may subsequently adjust its schedule with the consent of Transporter.
 - (c) Shipper will withdraw parked Gas from the PAL Point by nominating a Quantity, up to the total Quantity of Gas available in Shipper's parked Gas account at the PAL Point, for redelivery under a Transportation Service Agreement.
 - (d) If Transporter is unable to schedule nominated Quantities of Gas for withdrawal from Shipper's parked Gas account in accordance with the planned withdrawal schedule, Transporter and Shipper will mutually agree to a revised withdrawal schedule for the nominated Quantities.
- 2.7 Loan Service.
 - (a) Transporter may agree to loan Gas to Shipper from the PAL Point, up to the Maximum Loan Quantity specified in the executed PAL Service Agreement.
 - (b) Shipper and Transporter will mutually agree to a repayment schedule. Shipper may subsequently adjust its schedule with the consent of Transporter.

Effective Date: 08/01/2004 Status: Effective
FERC Docket: RP04-339-000

First Revised Sheet No. 69-D First Revised Sheet No. 69-D : Effective
Superseding: Original Sheet No. 69-D

RATE SCHEDULE PAL
PARK AND LOAN SERVICES
(Continued)

2. APPLICABILITY Continued)

- (c) Shipper will repay loaned Gas to the PAL Point by nominating a Quantity, up to the total Quantity of Gas loaned, plus fuel, for delivery to the PAL Point under a Transportation Service Agreement.
- (d) If Transporter is unable to schedule nominated Quantities of Gas for delivery to Shipper's loaned Gas account in accordance with the planned repayment schedule, Transporter and Shipper will mutually agree to a revised repayment schedule for the nominated Quantities.

3. RATE

- 3.1 The minimum and maximum rates for PAL service are set forth on Sheet No. 8, the Statement of Rates. Unless Transporter and Shipper agree otherwise, Shipper will pay the maximum rate. Transporter reserves the right to discount at any time the rate for any Shipper without discounting rates for other shippers. Such discounts may apply to a specific Quantity of Gas, a certain level or all Quantities if Quantities exceed a certain level, Quantities of Gas parked or loaned during specific time periods, or Quantities of Gas transported to the PAL Point from specific receipt points and/or from the PAL Point to specific delivery points. A PAL charge will apply only to the Quantity of Gas parked and/or loaned on days when that Quantity of Gas is not transported to or from the PAL Point.
- 3.2 Each month when PAL service is provided, Shipper will pay Transporter a total amount equal to the sum of the daily products of (1) the PAL Rate and (2) the Quantity of Gas parked or loaned each day, as applicable.
- 3.3 ACA surcharges do not apply to service under this rate schedule.

4. SERVICE RESTRICTIONS

- 4.1 Regardless of the withdrawal or repayment schedule agreed to by Transporter and Shipper, a Shipper may be required to withdraw some or all of the parked Quantity or repay some or all of the loaned Quantity on 24 hours' notice if Transporter, in its reasonable judgment, determines that such action is necessary to protect its system operations or to accommodate system balancing requirements for firm or interruptible transportation services.

Transporter will notify Shipper of any such requirements by telephone and also by either facsimile, e-mail, or posting on Transporter's Designated Site. Transporter's notification will indicate the parked Quantities to be withdrawn by Shipper and/or the loaned Quantities to be repaid to Transporter, depending on operating conditions.

RATE SCHEDULE PAL
PARK AND LOAN SERVICES
(Continued)

4. SERVICE RESTRICTIONS (Continued)

- 4.2 Except as provided in Section 4.4 below, if Shipper fails to withdraw parked Quantities in accordance with the agreed upon withdrawal schedule, or upon 24 hours' notice as provided in Section 4.1 above (if applicable), Transporter has the right to take title to that Quantity of Gas, free and clear of any adverse claims and without reimbursement to Shipper. All Gas that becomes the property of Transporter under this provision will be sold pursuant to Section 28 of the General Terms and Conditions, and proceeds will subject to revenue sharing as set forth therein.
- 4.3 Except as provided in Section 4.4 below, if Shipper fails to repay loaned Quantities of Gas in accordance with the agreed upon repayment schedule, or upon 24 hours' notice as provided in Section 4.1 above (if applicable), Transporter will purchase equivalent Quantities of Gas to restore its line pack, and Shipper will be subject to a PAL penalty. The PAL penalty will be a charge equal to the sum of 150% of the daily spot price for flowing Gas for the day Gas is purchased, as reflected in Gas Daily for the higher of SoCal Gas at Topock or Kern River at Opal, plus Transporter's maximum interruptible transportation rate, times the Quantity of Gas that is not repaid. Net PAL penalties (PAL penalty minus the sum of the cost of purchased Gas and the transportation rate) will be credited to other Shippers in accordance with Section 10.11 of the General Terms and Conditions.
- 4.4 If, on any day, Shipper submits a valid nomination to withdraw parked Gas or to repay loaned Gas and Transporter fails to accept and schedule such nomination, then Section 4.2 or 4.3 (as appropriate) will not apply for that day. A nomination is considered valid for the purposes of this section when it contains all required information, is submitted in accordance with the NAESB nomination timelines set forth in Section 13.1 of this FERC Gas Tariff, and the following conditions are met:
- a. For withdrawal of parked Gas, the nominated Quantity has been confirmed and scheduled by the Delivery Point operator; or
 - b. For repayment of loaned Gas, the nominated Quantity has been confirmed and scheduled by the Receipt Point operator.

RATE SCHEDULE PAL
PARK AND LOAN SERVICES
(Continued)

5. ESTABLISHMENT AND MAINTENANCE OF CREDIT

Transporter will not be required to execute a PAL Service Agreement or to provide service on behalf of any Shipper who is or has become insolvent or who fails within a reasonable period of time to demonstrate creditworthiness. A Shipper that is deemed to be creditworthy under any of Transporter's transportation rate schedules will be deemed to be creditworthy for service under this Rate Schedule; provided, however, that if Shipper has provided a guarantee, prepayment, letter of credit, or other form of security in order to receive transportation service, Shipper must increase such security by an amount equal to the estimated charges for PAL service if Shipper's current security is not sufficient to cover the PAL service.

6. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions contained in this FERC Gas Tariff are applicable to this rate schedule and are made a part of this rate schedule. Any terms and conditions contained in Shipper's executed PAL Service Agreement which are not inconsistent with the terms and conditions of this rate schedule, including the General Terms and Conditions contained in this FERC Gas Tariff, will also be applicable to service provided under this rate schedule. Shipper will provide Transporter with such information as is needed to meet the requirements placed on Transporter by law, regulation, rule, and/or order.

Effective Date: 09/01/2005 Status: Effective

FERC Docket: RP05-456-000

First Revised Sheet No. 70 First Revised Sheet No. 70 : Effective

Superseding: Original Sheet No. 70

GENERAL TERMS AND CONDITIONS
INDEX

Section	Title	Sheet Number
1	Definition of Terms	72
2	Measurement	78
3	Measuring Equipment	81
4	Quality	84
5	Invoicing and Payment	93
6	Receipt and Delivery Points and Pressures	96
7	Force Majeure	99
8	Possession of Gas and Responsibility	101
9	Statutory Regulation	102
10	Operating and Balancing Procedures	103
11	Service Agreement and Service Conditions	107
12	Reimbursement of Fuel Used and Lost and Unaccounted-For Gas	109
13	Scheduling of Receipts and Deliveries	117
14	Warranty of Title to Gas	134
15	Capacity Release Program	135
16	Information and Communications Regarding Transportation Services	165

Effective Date: 04/20/2009 Status: Effective

FERC Docket: RP09-466-001

First Revised Ninth Revised Sheet No. 71 First Revised Ninth Revised Sheet No. 71

Superseding: Ninth Revised Sheet No. 71

GENERAL TERMS AND CONDITIONS (Continued)

INDEX (Continued)

Section	Title	Sheet Number
17	(Reserved for Future Use)	169
18	(Reserved for Future Use)	171
19	(Reserved for Future Use)	173
20	Facilities	174
21	NAESB WGQ Definitions, Standards and Models	176
22	Pooling	178
23	Negotiated Rates	182
24	(Reserved for Future Use)	186
25	Mcf to Dth Conversion Methodology	187
26	Segmentation	200
27	Available Capacity	205
28	Gas Sales	214
29	Establishment and Maintenance of Credit	215

Effective Date: 09/01/2005 Status: Effective

FERC Docket: RP05-456-000

First Revised Sheet No. 72 First Revised Sheet No. 72 : Effective
Superseding: Original Sheet No. 72

GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITION OF TERMS

Except where the context expressly states another meaning, the following terms when used in this tariff and in any Transportation Service Agreement incorporating said tariff, will be construed to have the following meanings:

- 1.1 Backhaul: any Transportation that is not flowing in the same direction as Gas flowing from the Opal Receipt Point to the terminus of the system.
- 1.2 Business Day: "Business Day is defined as Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S. and similar holidays for transactions occurring in Canada and Mexico." NAESB WGQ 3.2.1.
- 1.3 British Thermal Unit: "Standardize the reporting basis for Btu as 14.73 psia and 60 degrees F (101.325 kPa and 15 degrees C, and dry). Standardize the reporting basis for gigacalorie as 1.035646 Kg/cm2 and 15.6 degrees C and dry. Standardize the reporting basis for gas volumes as cubic foot at standard conditions of 14.73 psia, 60 degrees, F and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry." NAESB WGQ 2.3.9.
- 1.4 Composite Gas Stream: the composite of all Gas receipts and/or nominations from Shippers for Transportation by Kern River. Composite Gas Stream will be the theoretical Gas stream that will result from the combination of all Gas receipts from all Shippers as determined by a computer model that utilizes analytical and flow data generated at each of the Receipt Points. The computer model determines what the Composite Gas Stream composition will be on a feed forward basis.

Effective Date: 09/01/2005 Status: Effective

FERC Docket: RP05-456-000

First Revised Sheet No. 73 First Revised Sheet No. 73 : Effective
Superseding: Original Sheet No. 73

GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITION OF TERMS (Continued)

- 1.5 Cubic Foot: the Quantity of Gas which occupies one Cubic Foot when such Gas is at a temperature of 60 degrees Fahrenheit, and at a pressure of 14.73 dry pounds per square inch absolute (Psia).
- 1.6 Day: "Standard time for the gas day should be 9 a.m. to 9 a.m. (central clock time)." NAESB WGQ 1.3.1.
- 1.7 Dekatherm or Dth: "The standard quantity for nominations, confirmation and scheduling is dekatherms per gas day in the United States, gigajoules per gas day in Canada and gigacalories per gas day in Mexico. (For reference 1 dekatherm = 1,000,000 Btu's; 1 gigajoule = 1,000,000,000 joules; and 1 gigacalorie = 1,000,000,000 calories.) For commercial purposes, the standard conversion factor between dekatherms and gigajoules is 1.055056 gigajoules per dekatherm and between dekatherms and gigacalories is 0.251996 gigacalories per dekatherm. The standard Btu is the International Btu, which is also called the Btu(IT); the standard joule is the joule specified in the SI system of units. The International Btu is specified for use in the gas measurement standards of the American Gas Association, the American Petroleum Institute, the Gas Processors Association and the American Society for Testing Materials. For non-commercial purposes, these associations note that the exact conversion factor is 1.05505585262 Gigajoules per Dekatherm." NAESB WGQ 1.3.14.

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Fifth Revised Sheet No. 74 Fifth Revised Sheet No. 74

Superseding: Fourth Revised Sheet No. 74

GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITION OF TERMS (Continued)

- 1.8 Demand Maximum Daily Quantity or DMDQ: the Quantity reflected in a Shipper's Transportation Service Agreement, expressed in Dekatherms, that is subject to the reservation/demand component of Transporter's rates. For agreements executed on an Mcf basis, Transporter will calculate the DMDQ using the methodology set out in Section 25 of the General Terms and Conditions of this tariff.
- 1.9 Designated Site: an Internet address designated by Transporter and any service requester for the receipt or delivery of NAESB WGQ standardized data sets.
- 1.10 Elapsed Prorata Capacity: "Elapsed Prorata Capacity means that portion of the capacity that would have theoretically been available for use prior to the effective time of the intraday recall based upon a cumulative uniform hourly use of the capacity." NAESB WGQ 5.2.3.
- 1.11 Elapsed-Prorated-Scheduled Quantity: "Elapsed-prorated-scheduled quantity means that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the intraday nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected." NAESB WGQ 1.2.12.
- 1.12 Entitlements: primary rights to capacity.
- 1.13 FERC or Commission: the Federal Energy Regulatory Commission or any federal commission, agency or other governmental body or bodies succeeding to, lawfully exercising or superseding any powers which, as of the date hereof, are exercisable by the Federal Energy Regulatory Commission.
- 1.14 Gas or Natural Gas: any mixture of hydrocarbons or of hydrocarbons and non-combustible gases, in a gaseous state, consisting essentially of methane. Such Gas may be either in its natural state produced from wells, including casinghead and residue Gas, or after manufacture or other methods of producing synthetic Gas.
- 1.15 (Reserved)

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Fifth Revised Sheet No. 75 Fifth Revised Sheet No. 75

Superseding: Fourth Revised Sheet No. 75

GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITION OF TERMS (Continued)

- 1.16 Guarantor: any person or entity which is creditworthy as determined in accordance with the creditworthiness requirement for the service provided hereunder and has agreed to be responsible for the debts of Shipper under the Transportation Service Agreement.
- 1.17 Interconnect Operator: any person or entity responsible for the operation and/or maintenance of the facilities connected with the Transporter's facilities.
- 1.18 Intra-Day Nomination: "An intra-day nomination is a nomination submitted after the nomination deadline whose effective time is no earlier than the beginning of the gas day and runs through the end of that gas day." NAESB WGQ 1.2.4.
- 1.19 MDQ or Maximum Daily Quantity: for firm service agreements that were executed on an Mcf basis, the maximum Volume of Natural Gas (exclusive of fuel used and lost and unaccounted-for gas) which Transporter is obligated to receive for Transportation from Shipper on any Day at the Receipt Points specified in the Transportation Service Agreement. Transporter will convert the MDQ to a TMDQ using the methodology set out in Section 25 of the General Terms and Conditions of this tariff.
- 1.20 Month: the period beginning at 9:00 a.m. CCT on the first Day of the calendar Month and ending at 9:00 a.m. CCT on the first Day of the succeeding calendar Month.
- 1.21 NAESB WGQ: The Wholesale Gas Quadrant ("WGQ") of the North American Energy Standards Board ("NAESB"), successor to the Gas Industry Standards Board or GISB. Transporter shall update its tariff, as necessary, to incorporate new or amended NAESB WGQ Standards approved by the Commission. Transporter currently incorporates either by reference or verbatim the most recent version of the standards, Version 1.8, promulgated September 30, 2006, by NAESB WGQ and the standards contained in Recommendation R08026 (January 6, 2009).
- 1.22 Negotiated Rate: a rate or formula for computing a rate for Transportation service which may be greater than, equal to or less than the Recourse Rate, but which may not be less than the Minimum Base Tariff Rate as set forth on Sheet No. 5, 5-A or 6. A Negotiated Rate must be mutually agreed upon by Transporter and Shipper for a specific time period and may be based on a rate design other than the rate design used to compute Transporter's currently effective rates.

Effective Date: 09/01/2005 Status: Effective

FERC Docket: RP05-456-000

Fifth Revised Sheet No. 76 Fifth Revised Sheet No. 76 : Effective
Superseding: Sub Fourth Revised Sheet No. 76

GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITION OF TERMS (Continued)

- 1.23 Priority of Service Date: the date Shipper submits a Transportation service request via Transporter's Designated Site or in writing. However, for all requests received during an open season the Priority of Service Date will mean the first Day and opening time of such open season.
- 1.24 Psia: pounds per square inch absolute.
- 1.25 Psig: pounds per square inch gauge.
- 1.26 Quantity: the number of units of Gas, either specified in Mcf or Dth.
- 1.27 Recourse Rate: the Maximum Base Tariff Rate shown on Sheet Nos. 5, 5-A, 6, or 7 of this tariff that will apply to all service for which the rate has not been discounted or negotiated, except for service to shippers paying levelized, maximum rates for 15-year terms.
- 1.28 Shipper: an entity with whom Transporter has executed a Transportation Service Agreement for the Transportation of Gas on Transporter's pipeline system, or a Replacement Shipper who has executed a Released Transportation Service Agreement with Transporter and acquired firm Transportation service rights pursuant to the provisions of Section 15 of these General Terms and Conditions.

Fourth Revised Sheet No. 77 Fourth Revised Sheet No. 77 : Effective
Superseding: Third Revised Sheet No. 77

GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITION OF TERMS (Continued)

- 1.29 Thermally Equivalent: an equal number of Btu's. The determination of Thermally Equivalent Quantities will be accomplished by multiplying the unit of measurement, as provided in paragraph 2.2 of Section 2, by the Total Heating Value adjusted to the standard conditions of the measured Quantities.
- 1.30 Total Heating Value: the number of Btu's liberated by the complete combustion of one Cubic Foot of Gas. The average Total Heating Value in any Month will be the Volume weighted average of the Total Heating Values for each Day during such Month, adjusted to reflect the actual water vapor content of the Gas delivered.
- 1.31 Transportation: the receipt of Gas of Shipper at Receipt Points on Transporter's transmission system (referred to as "Receipt Points"), and the delivery of Thermally Equivalent Quantities by Transporter to Shipper or for Shipper's account (after making allowance for any requisite fuel and loss reimbursement) to Delivery Points on Transporter's transmission system (referred to as "Delivery Points").
- 1.32 Transportation Maximum Daily Quantity or TMDQ: the Quantity reflected in a Shipper's Transportation Service Agreement, (exclusive of fuel used and lost and unaccounted-for gas), expressed in Dekatherms, that Transporter is obligated to receive for Transportation from Shipper on any Day at the Receipt Points, and transport and deliver on any Day to the Delivery Points specified in Shipper's Transportation Service Agreement. For agreements executed on an Mcf basis, Transporter will convert the MDQ to a TMDQ using the methodology set out in Section 25 of the General Terms and Conditions of this tariff.
- 1 33 Transporter: Kern River Gas Transmission Company.
- 1.34 Volume: the number of units of Gas, either specified in Mcf or Dth.
- 1.35 Year: a period of 365 consecutive Days; provided, however, that any such Year which contains a date of February 29 will consist of 366 consecutive Days

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Second Revised Sheet No. 78 Second Revised Sheet No. 78

Superseding: First Revised Sheet No. 78

GENERAL TERMS AND CONDITIONS
(Continued)

2. MEASUREMENT

- 2.1 NAESB WGQ Flowing Gas Standards. NAESB WGQ Flowing Gas Related Definitions and Standards 2.2.1 through 2.2.5, 2.3.1 through 2.3.4, 2.3.6, 2.3.8, 2.3.10 through 2.3.13, 2.3.15, 2.3.16, 2.3.17, 2.3.19 through 2.3.23, 2.3.25, 2.3.27, 2.3.29 through 2.3.35, and 2.3.40 through 2.3.64 (Version 1.8, September 30, 2006) are incorporated by reference but exclude Standard 2.3.65, which relates to producer imbalance statements that are not applicable to Transporter's services.
- 2.2 Unit of Volume. The unit of Volume for the purpose of measurement will be one Cubic Foot of Gas. The readings and registrations of the measuring equipment hereinafter provided for and determinations of Total Heating Value will be computed in terms of such Volumes.
- 2.3 Factors Considered in Computation. To determine the Volume of Gas delivered, required factors such as pressure, temperature, specific gravity and deviations from Boyle's Law will be reflected in accordance with the American Gas Association Bulletin Number 3 and any modifications and amendments thereof, and applied in a practical manner.
- 2.4 Determination of Dekatherms Received or Delivered. The number of Dekatherms received or delivered during any Day at a Receipt or Delivery Point will be determined by multiplying the number of cubic feet of Natural Gas received or delivered on such Day at such point by the Total Heating Value for that Day and by dividing the total so obtained by 1,000,000.
- 2.5 Assumed Atmospheric Pressure. The absolute atmospheric pressure used for Volume calculations will be assumed to be a specific pressure determined by calculations based on the actual elevation above sea level at the site of the meter rounded off to the nearest one hundredth of a pound.

Effective Date: 09/01/2005 Status: Effective

FERC Docket: RP05-456-000

First Revised Sheet No. 79 First Revised Sheet No. 79 : Effective
Superseding: Sheet Nos. 79 And 80

(First Revised Sheet No. 79 supersedes Original Sheet No. 79 and Third Revised Sheet No. 80. Second Revised Sheet No. 79 and Fourth Revised Sheet No. 80 are reserved for future use.)

Effective Date: 07/01/2003 Status: Effective

FERC Docket: RP03-374-000

Third Revised Sheet No. 80 Third Revised Sheet No. 80 : Effective
Superseding: Second Revised Sheet No. 80

GENERAL TERMS AND CONDITIONS
(Continued)

2. MEASUREMENT (Continued)

2.1 NAESB WGQ Flowing Gas Standards. (Continued)

NAESB WGQ 2.3.27: "Allocated quantities and imbalances should be expressed in the same units as the nominated quantities."

NAESB WGQ 2.3.31: "No imbalance penalty should be imposed when a prior period adjustment applied to the current period causes or increases a current month penalty."

NAESB WGQ Flowing Gas Related Standards 2.2.2, 2.2.3, 2.3.29, 2.3.30, and 2.3.32 through 2.3.50 (Version 1.6, July 31, 2002) are incorporated by reference.

2.2 Unit of Volume. The unit of Volume for the purpose of measurement will be one Cubic Foot of Gas. The readings and registrations of the measuring equipment hereinafter provided for and determinations of Total Heating Value will be computed in terms of such Volumes.

2.3 Factors Considered in Computation. To determine the Volume of Gas delivered, required factors such as pressure, temperature, specific gravity and deviations from Boyle's Law will be reflected in accordance with the American Gas Association Bulletin Number 3 and any modifications and amendments thereof, and applied in a practical manner.

2.4 Determination of Dekatherms Received or Delivered. The number of Dekatherms received or delivered during any Day at a Receipt or Delivery Point will be determined by multiplying the number of cubic feet of Natural Gas received or delivered on such Day at such point by the Total Heating Value for that Day and by dividing the total so obtained by 1,000,000.

2.5 Assumed Atmospheric Pressure. The absolute atmospheric pressure used for Volume calculations will be assumed to be a specific pressure determined by calculations based on the actual elevation above sea level at the site of the meter rounded off to the nearest one hundredth of a pound.

Effective Date: 02/03/2002 Status: Effective

FERC Docket: RP02-137-000

First Revised Sheet No. 81 First Revised Sheet No. 81 : Effective

Superseding: Original Sheet No. 81

GENERAL TERMS AND CONDITIONS
(Continued)

3. MEASURING EQUIPMENT

- 3.1 Installation and Operation. Transporter will install, maintain and operate at its own expense, at or near each Receipt or Delivery Point, a measuring station properly equipped with meters and other necessary measuring equipment and any related measurement and interconnection facilities; provided, however, that Transporter may require at its option that Shipper bear the expense of furnishing and installing such equipment in any instance in which Shipper requests a new or additional Receipt Point or Delivery Point for Shipper's convenience. Unless otherwise mutually agreed upon, such measuring equipment will be of a type generally accepted in industry practice by which the Volume of Gas received from and delivered to Shipper will be measured. Where orifice meters are used, they will be installed and operated in accordance with ANSI/API 2530, September 1985, and any modifications and amendments thereof, and applied in a practical manner. Where positive displacement meters, turbine meters, ultrasonic meters, or other measuring devices are used, they will be installed and operated in accordance with then-current American Gas Association recommendations, where available. Btu measuring equipment will be installed by Transporter at a location or locations where the Total Heating Value of the Gas received and delivered by Transporter can be satisfactorily determined. Btu measurement may also be determined by Gas samples.
- 3.2 Check Measuring Equipment. Shipper may install, maintain and operate, at its own expense, such check measuring equipment as desired, provided that such equipment will not be installed on property containing Transporter's measuring equipment at or near the Receipt or Delivery Points. However, measurement of Gas for purposes of this tariff will be done by means of the measuring equipment installed pursuant to Paragraph 3.1, except in cases specifically provided to the contrary in this Section 3.
- 3.3 Notice of Equipment Tests. The party operating the measurement facilities will give notice to the other party of the time and location of all tests of Gas delivered hereunder or of any equipment used in measuring or determining the nature or quality of such Gas, in order that such other party may conveniently have its representative present. Upon request and thirty (30) days written notice, each party will submit to the other its records,

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 82 Original Sheet No. 82 : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

3. MEASURING EQUIPMENT (Continued)

3.3 Notice of Equipment Tests. (Continued)

together with calculations therefrom, for inspection and verification, subject to return within thirty (30) days after receipt.

3.4 Calibration and Test of Meters. The accuracy of Transporter's measuring equipment will be verified by Transporter at reasonable intervals and, if requested, in the presence of representatives of Shipper. In the event Shipper will notify Transporter that it desires a special test of any of Transporter's measuring equipment, the parties will cooperate to secure a prompt verification of the accuracy of such equipment. Any Shipper requesting such a special test of Transporter's measuring equipment will bear Transporter's out-of-pocket costs of the test if the equipment is found to be accurate within one percent (1%).

3.5 Correction of Metering Errors. If, upon test, any measuring equipment, including Transporter's Btu measuring equipment, is found to be in error by not more than one percent, previous recordings of such equipment will be considered accurate in computing deliveries of Gas, but such equipment will be adjusted at once to record accurately.

If, upon test, any measuring equipment is found to be inaccurate by an amount exceeding one percent of the average rate of flow for the period since the last preceding test, such equipment will be adjusted at once to record accurately, and any previous recordings of such equipment will be corrected to zero error for any period which is known definitely; but in case the period is not known or agreed upon, such correction will be for a period extending over one-half of the time elapsed since the date of the last test.

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

First Revised Sheet No. 83 First Revised Sheet No. 83

Superseding: Original Sheet No. 83

GENERAL TERMS AND CONDITIONS
(Continued)

3. MEASURING EQUIPMENT (Continued)

- 3.6 Correction of Stated Metered Volumes. NAESB WGQ 2.3.14:
"Measurement data corrections should be processed within 6 months of the production month with a 3 month rebuttal period. This standard will not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights will not otherwise be diminished by this standard."
- 3.7 Failure of Meters. In the event a meter is out of service or registering inaccurately, the Volume of Gas delivered will be determined:
- (a) By correcting the error if the percentage of error is ascertainable by calibration, tests or mathematical calculation; or, in the absence of (a), then
 - (b) By estimating the Quantity of delivery by deliveries during the periods under similar conditions when the meter was registering accurately; or, in the absence of both (a) and (b), then
 - (c) By using the registration of any check meter or meters if installed and accurately registering.
- 3.8 Specific Gravity. The specific gravity of Gas flowing through the meters will be determined by means of a gas chromatograph located at Transporter's measuring station or at any other point on Transporter's system.
- 3.9 Flowing Temperature. The flowing temperature of the Gas being metered will be determined by means of a recording thermometer of a type acceptable to both parties, installed and maintained in accordance with the specifications set forth in the Gas Measurement Committee Report No. 3, prepared by the Gas Measurement Committee of the American Gas Association, dated September, 1985, or any subsequent revision.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 84 Original Sheet No. 84 : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

4. QUALITY

4.1 Gas Quality at Delivery Point(s). The Gas delivered by
Transporter for Shipper at the Delivery Point(s):

- (a) will be merchantable Natural Gas commercially free from objectionable odors, solid matter, dust, gums, and gum forming constituents, or any other substance which interferes with its intended purpose, or causes interference with the proper and safe operation of the lines, meters, regulators, or other appliances through which it may flow;
- (b) will contain not more than seven (7) pounds/MMcf of water;
- (c) will contain no hydrocarbons in liquid form at the temperature and pressure at which the Gas is delivered at the Delivery Point;
- (d) will not exceed a hydrocarbon dewpoint in excess of fifteen degrees (15) Fahrenheit at pressures up to 800 psig;
- (e) will contain not more than 0.2% by volume of oxygen;
- (f) will contain not more than 3.0% by volume of carbon dioxide or nitrogen;
- (g) will contain not more than a combined total of 4.0% by volume of inerts, including carbon dioxide, nitrogen, oxygen and any other inert compound;
- (h) will contain not more than 0.25 grain of hydrogen sulfide per 100 Cubic Feet of Gas (the Gas will not contain any entrained hydrogen sulfide treatment chemical (solvent) or its by-products);
- (i) will contain not more than 0.3 grains of mercaptan sulfur per 100 Cubic Feet of Gas;
- (j) will contain not more than 0.75 grains of total sulfur per 100 Cubic Feet of Gas;

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 85 Original Sheet No. 85 : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

4. QUALITY (Continued)

4.1 Gas Quality at Delivery Point(s). (Continued)

- (k) will not contain any toxic or hazardous substance, in concentrations which, in the normal use of the Gas, results in an unacceptable risk to health, is injurious to pipeline facilities, is a limit to merchantability or contrary to applicable governmental standards;
- (l) will have a minimum Total Heating Value of not less than nine hundred seventy (970) Btu's per Cubic Foot of Gas on a dry basis;
- (m) will have a temperature of not less than forty degrees (40) Fahrenheit, and not more than one hundred twenty degrees (120) Fahrenheit.

4.2 Gas Quality at Receipt Point(s). Gas nominated or delivered by Shipper to Transporter at the Receipt Point(s) for Transportation will comport with the requirements set forth in Paragraph 4.1 herein, or be subject to rejection and non-acceptance by Transporter pursuant to Section 4.5 (with the exception of the following Gas blending rights).

4.3 Gas Blending Rights. Notwithstanding Section 4.2, if the Composite Gas Stream contains less than ninety-five (95)% of the maximum allowable concentration of hydrogen sulfide (4.1(h)), mercaptan sulfur (4.1(i)), total sulfur (4.1(j)), nitrogen or carbon dioxide (4.1(f)), or total inerts (4.1(g)), then Transporter will allow reduced restrictions on said Gas components as described below and Shipper may tender, at any Receipt Point, Gas which contains not more than:

- (a) one (1) grain of hydrogen sulfide per 100 Cubic Feet of Gas, subject to the condition that the volume weighted average hydrogen sulfide content of the Composite Gas Stream does not exceed 0.25 grain per 100 Cubic Feet of Gas; and

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 86 Original Sheet No. 86 : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

4. QUALITY (Continued)

4.3 Gas Blending Rights. (Continued)

- (b) ten (10) grains of total sulfur per 100 Cubic Feet of Gas, subject to the condition that the volume weighted average total sulfur content of the Composite Gas Stream does not exceed 0.75 grain per 100 Cubic Feet of Gas; and
- (c) five (5) grains of mercaptan sulfur per 100 Cubic Feet of Gas, subject to the condition that the volume weighted average mercaptan sulfur content of the Composite Gas Stream does not exceed 0.30 grain per 100 Cubic Feet of Gas; and
- (d) four percent (4.0%) by volume of carbon dioxide, subject to the condition that the volume weighted average carbon dioxide content of the Composite Gas Stream does not exceed three percent (3.0%), and the Composite Gas Stream meets the requirements of Section 4.3(f) below; and
- (e) six percent (6.0%) by volume of nitrogen, subject to the condition that the volume weighted average nitrogen content of the Composite Gas Stream will not exceed three percent (3.0%), and the Composite Gas Stream meets the requirements of Section 4.3(f) below; and
- (f) six percent (6.0%) by volume of inerts, subject to the condition that the volume weighted average total inerts of the Composite Gas Stream will not exceed four percent (4.0%).

4.4 Quality Tests.

- (a) Location of Tests. The quality of the Gas received and delivered by Transporter hereunder will be determined by tests which Transporter will cause to be made at Receipt Points, and other locations along its system.

GENERAL TERMS AND CONDITIONS
(Continued)

4. QUALITY (Continued)

4.4 Quality Tests. (Continued)

- (b) Specification for Tests. Transporter will determine the Total Heating Value of Gas and its component analysis at least once each Month in accordance with the Gas Measurement Committee Report No. 3 prepared by the Gas Measurement Committee of the American Gas Association, dated September 1985 or any subsequent revisions (AGA-3). Such determination will be made using either an on-line chromatograph or by chromatographic analysis of a representative sample of Gas taken with a continuous flow proportional sampler. Chromatography will be performed in accordance with Gas Processors Association (GPA) publications 2261-86 and 2286-86 or any subsequent revisions. The values of the physical constants for the Gas components will be determined by the use of the physical constants listed in Table 5 of AGA-3. For components of the Gas not listed in said Table 5, GPA publication 2145-88 or any subsequent revision will be used.
- (c) Non-Hydrocarbon Tests. Tests will be made to determine the total sulfur, hydrogen sulfide, mercaptans, carbon dioxide, nitrogen and oxygen content of the Gas, and the hydrocarbon dew point and water vapor content of such Gas by approved standard methods in general use in the gas industry. Tests will be made frequently enough to assure that the Gas continuously conforms to the quality requirements.

4.5 Failure to Conform.

- (a) If the Gas offered for Transportation by Shipper will fail at any time to conform to any of the specifications set forth in Section 4.2, then Transporter will have the right, upon written (including by telecopy) or oral notice to Shipper, to immediately refuse to accept all or any portion of such Gas.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 88 Original Sheet No. 88 : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

4. QUALITY (Continued)

4.5 Failure to Conform. (Continued)

- (b) Notwithstanding the foregoing, however, in the event the provisions of Section 4.3 are in effect, the following procedures will apply:
 - (1) When the calculated quality of the Composite Gas Stream approaches 90% of the allowable maximums for those Gas components whose specifications are subject to blending, then Transporter will notify all Shippers whose Gas does not conform with Section 4.2.
 - (2) When the calculated quality of the Composite Gas Stream equals or exceeds 95% of the allowable maximums for those Gas components whose specifications are subject to blending, Transporter will immediately notify all Shippers whose Gas does not conform that Transporter will commence curtailing receipt of their Gas in the following manner:
 - (i) Transporter will determine which Gas nominations or receipts do not conform with Section 4.2. For each Shipper whose Gas nominations or deliveries to Transporter do not conform with Section 4.2, Transporter will identify the Quantity of the Gas component that is in excess of the limits set forth in Section 4.2, compute a total thereof for all Shippers, and calculate the percentage of said total for each Shipper.
 - (ii) The calculated percentage will be used to determine the Quantity of non-conforming component that each of the non-conforming Shippers must eliminate from its Gas nominations and/or deliveries, in order to bring said Composite Gas Stream back to 93% of the quality specifications, of Section 4.2. The required reduction of the non-conforming component will be calculated on the assumption that Shipper

GENERAL TERMS AND CONDITIONS
(Continued)

4. QUALITY (Continued)

4.5 Failure to Conform. (Continued)

will replace its nominations or deliveries of out of compliance Gas by the required reduction Volume using Gas containing none of the non-conforming component. The required reduction, as well as the newly calculated maximum allowable concentration of the non-conforming component, will be communicated to each of the non-conforming Shippers.

(iii) Shipper will reduce the non-conforming component by either replacing nominated or existing Gas deliveries to Transporter with Gas containing less of the non-conforming component or by reducing nominations or deliveries of non-conforming Gas until, inclusive of the reductions of non-conforming components similarly required of any other non-conforming Shippers, the composition of the Composite Gas Stream is again calculated to contain 93% or less of the maximum allowable quality specifications of Section 4.2.

(iv) Should Shipper fail to take adequate corrective action to comply with its obligation in Section 4.5(b)(2)(iii) to reduce the non-conforming component, Transporter will have the right to curtail receipts of non-conforming Gas from Shipper as determined in Section 4.5(b)(2)(ii) above.

(c) Continuation of Obligation to Pay. In the event Transporter refuses to accept Gas tendered by Shipper because such Gas does not conform to the specifications set forth herein, Shipper will not be relieved of its obligation to pay any Reservation Charge provided for in Shipper's Transportation Service Agreement.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 90 Original Sheet No. 90 : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

4. QUALITY (Continued)

- 4.6 Processing Rights. All oil and liquid hydrocarbons separated from the Gas prior to receipt by Transporter will remain the property of Shipper. All liquids or liquefiable hydrocarbons recovered by Transporter, after receipt of Gas hereunder by Transporter and prior to delivery of Gas by Transporter to Shipper, will be and remain the exclusive property of Transporter.

Effective Date: 09/01/2005 Status: Effective

FERC Docket: RP05-456-000

First Revised Sheet No. 91 First Revised Sheet No. 91 : Effective
Superseding: Sheet Nos. 91 And 92

(First Revised Sheet No. 91 supersedes Original Sheet No. 91 and First Revised Sheet No. 92. Second Revised Sheet No. 91 and Second Revised Sheet No. 92 are reserved for future use.)

Effective Date: 05/01/2001 Status: Effective

FERC Docket: RP01-299-000

First Revised Sheet No. 92 First Revised Sheet No. 92 : Effective
Superseding: Original Sheet No. 92

GENERAL TERMS AND CONDITIONS
(Continued)

5. INVOICING AND PAYMENT (Continued)

5.1 GISB Invoicing Standards. (Continued)

GISB 3.3.11: "Information provided with (sales and transportation) invoices should be consistent with information previously provided by the billing party, as updated for changes for settlement."

GISB 3.3.12: "All statements should be standardized to the same level of detail. The specific minimum level of detail on invoice, remittance and statement of account should be guided by the development of the data elements."

GISB 3.3.13: "Regarding inadequate detail supporting documentation, supporting documentation should be provided upon request, with timing of supporting documentation to follow the timing of the flowing gas transaction."

GISB 3.3.15: "Prior period adjustment time limits should be 6 months from the date of the initial transportation invoice and 7 months from date of initial sales invoice with a 3-month rebuttal period, excluding government-required rate changes. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard."

GISB 3.3.16: "Prior period adjustments are reported by production date, but they do not have to be invoiced separately by production month - nor is each production month a separate paper invoice page."

GISB 3.3.17: "Party making payment should submit supporting documentation; party receiving payment should apply payment per supporting documentation provided by the paying party; and if payment differs from invoiced amount, remittance detail should be provided with the payment except when payment is made by electronic funds transfer (EFT), in which case, the remittance detail is due within two Business Days of the payment due date."

GISB 3.3.18: "Identify invoice number(s) on all payments."

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Fifth Revised Sheet No. 93 Fifth Revised Sheet No. 93

Superseding: Fourth Revised Sheet No. 93

GENERAL TERMS AND CONDITIONS
(Continued)

5. INVOICING AND PAYMENT

- 5.1 NAESB WGQ Invoicing Standards. NAESB WGQ Invoicing Related Standards 3.3.1 through 3.3.13, 3.3.15 through 3.3.18, and 3.3.20 through 3.3.26 (Version 1.8, September 30, 2006) are incorporated by reference.
- 5.2 Invoicing. NAESB WGQ 3.3.14: "The imbalance statement should be rendered prior to or with the invoice, and the transportation invoice should be prepared on or before the 9th business day after the end of the production month. Rendered is defined as postmarked, time-stamped, and delivered to the designated site." When information necessary for invoicing purposes is in the control of Shipper, Shipper shall furnish such information to Transporter on or before the fifth Business Day of each Month. NAESB WGQ 2.3.7: "The cutoff for the closing of measurement is 5 business days after business month." NAESB WGQ 2.3.28: "Imbalance statements should be generated at the same time or prior to the generation of the transportation invoice." Both Transporter and Shipper shall have the right to examine, at reasonable times, the books, records and charts to the extent necessary to verify the accuracy of any statement, charge or computation made pursuant to the provisions hereof.
- 5.3 Payment. Shipper will pay Transporter for the service rendered during the preceding Month as invoiced by Transporter by the earlier of (i) the 25th day of each Month or (ii) ten (10) days after the receipt by Shipper of Transporter's invoice. Such payment will identify the invoice number and be made in immediately available funds on or before the due date to a depository designated by Transporter. If the payment due date falls on a day that the designated depository is not open in the normal course of business, to receive Shipper's payment, then Shipper's payment will be made on or before the Business Day prior to the payment due date that such depository is open in the normal course of business.

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Fifth Revised Sheet No. 94 Fifth Revised Sheet No. 94

Superseding: Substitute Fourth Revised Sheet No. 94

GENERAL TERMS AND CONDITIONS
(Continued)

5. INVOICING AND PAYMENT (Continued)

- 5.4 Correction of Invoicing Errors. In the event an error is discovered in any invoice rendered by Transporter, Shipper must contest such amount in writing within six months from the date that the invoice was rendered, otherwise the invoice will be deemed correct. Transporter will correct any invoicing errors (after a rebuttal period of three months or less) within thirty (30) days of the date that Shipper and Transporter agree that an invoicing error occurred.
- 5.5 Failure to Pay Invoices. Should Shipper fail to pay any of the amount of any invoice when such amount is due, unless such failure to pay is the result of Transporter's error, Shipper will pay a late charge which will be added to the next regular monthly invoice rendered to Shipper under this Section 5; provided, however that no invoice will be issued if the amount owed is for late charges only and the total amount is less than \$25.00. Such late charge will be determined by multiplying (a) the unpaid portion of the invoice by (b) the ratio of the number of days from the due date to the date of actual payment to 365, and (c) the annual interest rate as determined in accordance with 18 C.F.R. Section 154.501(d)(1) or any successor provision of the FERC's Regulations. If such failure to pay continues for thirty (30) days after payment is due, Transporter, in addition to any other remedy it may have under the Transportation Service Agreement, may suspend Transportation service until the full amount of all outstanding invoices, including interest applicable thereto, is paid; provided, however, that Transporter will provide Shipper with a minimum of five (5) days' notice before service is suspended. Transporter will suspend a Shipper's reservation charges while that Shipper's service is suspended. Transporter may also permanently terminate Transportation service; provided, however, that Transporter will provide both Shipper and the Commission with a minimum of thirty (30) days' notice before service is terminated. Notices to suspend and/or terminate service may be provided on or after the date payment is due if shipper fails to make payment in full on or before that date. Transporter will not be entitled to suspend further delivery of Gas if Shipper in good faith (a) disputes the amount of any such invoice or part thereof in writing; (b) pays the Transporter such amounts as it concedes to be correct; and provides documentation identifying the basis for the dispute.

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Second Revised Sheet No. 95 Second Revised Sheet No. 95

Superseding: Sub First Revised Sheet No. 95

GENERAL TERMS AND CONDITIONS
(Continued)

5. INVOICING AND PAYMENT (Continued)

5.5 Failure to Pay Invoices. (Continued)

In such event, Transporter may demand and Shipper, within thirty (30) days of such demand, will furnish good and sufficient surety bond, guaranteeing payment to Transporter of all disputed amounts for any invoices that are or will be affected by such dispute. If Shipper fails to provide a bond to Transporter guaranteeing payment, or if Shipper defaults in the conditions of such bond, then Transporter will have the right, after any necessary application to and authorization by the FERC, to terminate the Transportation Service Agreement. NAESB WGQ 2.3.26: "The time limitation for disputes of allocations should be 6 months from the date of the initial month-end allocation with a 3-month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard."

5.6 Disputed Invoices. NAESB WGQ 3.3.19: "If invoice is in dispute, pay portion not in dispute and provide documentation identifying basis for the dispute."

5.7 Right to Set Off Unpaid Amounts. In the event that Shipper does not pay the full amount due Transporter in accordance with Section 5.3 hereof, Transporter, without prejudice to any other rights or remedies it may have, will have the right to withhold and set off payment of any amounts of monies due or owing by Transporter to Shipper, whether in connection with this Agreement or otherwise, against any and all amounts or monies due or owing by Shipper to Transporter for services performed under the Transportation Service Agreement.

5.8 Right to Recover Collection Costs. Transporter is entitled to recover and may recover only from a defaulting party any reasonable expenses, costs or attorneys' fees incurred to recover amounts owed by such defaulting party pursuant to a rate schedule, service agreement, the General Terms and Conditions of this tariff, or for transportation services rendered by Transporter.

Effective Date: 09/01/2002 Status: Effective

FERC Docket: RP02-392-000

Fourth Revised Sheet No. 96 Fourth Revised Sheet No. 96 : Effective
Superseding: Sub Third Revised Sheet No. 96

GENERAL TERMS AND CONDITIONS
(Continued)

6. RECEIPT AND DELIVERY POINTS AND PRESSURES

6.1 Receipt Points.

- (a) Transporter will receive Gas for the account of any Shipper under Transporter's Rate Schedule KRI-1 at the Receipt Points set forth on Shipper's executed Transportation Service Agreement, as may be amended from time to time. Transporter will receive Gas for the account of any firm Shipper, up to the amount of Shipper's respective specified Receipt Point Entitlement, at the Primary Receipt Points set forth on Shipper's executed Transportation Service Agreement, as may be amended from time to time upon mutual written agreement of the parties. The Receipt Point Entitlement will be the maximum Quantity of Gas which Transporter is obligated to receive for Transportation at each respective Primary Receipt Point on any Day.

Any firm Shipper may add Primary Receipt Points to its Transportation Service Agreement, or increase or decrease its Receipt Point Entitlement at any particular Primary Receipt Point, subject to the availability of capacity; provided, however, except for service under Rate Schedule KRF-L1, that in the event of any such addition or increase Shipper must concurrently relinquish an equivalent amount of its Receipt Point Entitlement at any one or more of the Primary Receipt Points contained in its Transportation Service Agreement. Capacity at any Receipt Point that is part of a specific block of available capacity (comprised of a receipt point, a delivery point, and the mainline capacity between those points) that is posted for bid in accordance with Sections 27.2(a), 27.2(b), 27.2(c), or 27.2(d) is not available for amendment, unless such capacity is not awarded at the end of the posting period.

Additionally, firm Shippers may, subject to Section 13 of these General Terms and Conditions, nominate and schedule Gas for Transportation to Secondary Receipt Points.

Effective Date: 12/19/2009 Status: Effective

FERC Docket: RP10-160-000

Fourth Revised Sheet No. 97 Fourth Revised Sheet No. 97

Superseding: Third Revised Sheet No. 97

GENERAL TERMS AND CONDITIONS
(Continued)

6. RECEIPT AND DELIVERY POINTS AND PRESSURES (Continued)

6.1 Receipt Points. (Continued)

Transporter will not be required under any circumstances to receive Gas for the account of any Shipper where the total Quantity of Gas scheduled for Transportation on any Day is less than that required for the accurate measurement of quantities.

(b) In the event Shipper temporarily releases any or all of its Transportation rights to a Replacement Shipper under Section 15 of the General Terms and Conditions of this tariff and permits the Replacement Shipper to utilize Primary Receipt Points in connection with the Release, Shipper will be required to relinquish, for the entire term of the relevant Release, some portion or all of its Receipt Point Entitlement at any one or more of its Primary Receipt Points in an aggregate amount no less than the amount of the DMDQ released. Following expiration of the term of any Release which is not a permanent Release, Shipper will be entitled to utilize the Primary Receipt Points which the Replacement Shipper was entitled to utilize at the time of expiration of the Release Term, up to the amount of the Replacement Shipper's respective Receipt Point Entitlement at each such point.

(c) In the event Shipper permanently releases only a portion of its Transportation rights to a Replacement Shipper under Section 15 of the General Terms and Conditions of this tariff, Shipper's aggregate Receipt Point Entitlements must be released by the same percentage as Shipper's DMDQ and aggregate Delivery Point Entitlements are released.

6.2 Receipt Pressure. Gas will be delivered to Transporter at the Receipt Point(s) at pressures sufficient to allow the Gas to enter the facilities of Transporter, but will not be delivered at pressures in excess of the maximum allowable operating pressure

Effective Date: 12/19/2009 Status: Effective

FERC Docket: RP10-160-000

Fifth Revised Sheet No. 98 Fifth Revised Sheet No. 98

Superseding: Fourth Revised Sheet No. 98

GENERAL TERMS AND CONDITIONS
(Continued)

6. RECEIPT AND DELIVERY POINTS AND PRESSURES (Continued)

6.2 Receipt Pressure. (Continued)

of Transporter's facilities at the Receipt Point(s); provided, however, that Transporter and Shipper or Interconnect Operator may mutually agree to receipt point pressures, which will be established on a not unduly discriminatory basis. Notwithstanding the foregoing, Transporter is under no obligation to modify its line pressures to permit the entry of Shipper's Gas into its System.

6.3 Delivery Points.

- (a) Transporter will deliver Gas for the account of any Shipper under Transporter's Rate Schedule KRI-1 at the Delivery Points set forth on Shipper's executed Transportation Service Agreement, as may be amended from time to time. Transporter will deliver Gas for the account of any firm Shipper, up to the amount of Shipper's respective specified Delivery Point Entitlement, at the Primary Delivery Points set forth on Shipper's executed Transportation Service Agreement, as may be amended from time to time upon mutual written agreement of the parties. The Delivery Point Entitlement will be the maximum Quantity of Gas which Transporter is obligated to deliver at each respective Primary Delivery Point on any Day. Any firm Shipper may add Primary Delivery Points to its Transportation Service Agreement, or increase or decrease its Delivery Point Entitlement at any particular Primary Delivery Point, subject to the availability of capacity; provided, however, except for service under Rate Schedule KRF-11, that Shipper must concurrently relinquish an equivalent amount of its Delivery Point Entitlement at any one or more of the Primary Delivery Points contained in its Transportation Service Agreement. Capacity at any Delivery Point that is part of a specific block of available capacity (comprised of a receipt point, a delivery point, and the mainline capacity between those points) that is posted for bid in accordance with Sections 27.2(a), 27.2(b), 27.2(c), or 27.2(d) is not available for amendment, unless such capacity is not awarded at the end of the posting period.

Effective Date: 12/19/2009 Status: Effective

FERC Docket: RP10-160-000

Third Revised Sheet No. 98A Third Revised Sheet No. 98A

Superseding: Second Revised Sheet No. 98A

GENERAL TERMS AND CONDITIONS
(Continued)

6. RECEIPT AND DELIVERY POINTS AND PRESSURES (Continued)

6.3 Delivery Points. (Continued)

Additionally, firm Shippers may, subject to Section 13 of these General Terms and Conditions, nominate and schedule Gas for Transportation from Secondary Delivery Points. Transporter will not be required under any circumstances to deliver Gas for the account of any Shipper where the total Quantity of Gas scheduled for Transportation on any Day is less than that required for the accurate measurement of quantities.

- (b) In the event Shipper temporarily releases any or all of its Transportation rights to a Replacement Shipper under Section 15 of the General Terms and Conditions of this tariff and permits the Replacement Shipper to utilize Primary Delivery Points in connection with the Release, Shipper will be required to relinquish, for the entire term of the relevant Release, some portion or all of its Delivery Point Entitlement at any one or more of its Primary Delivery Points in an aggregate amount no less than the amount of the DMDQ released. Following expiration of the term of any Release which is not a permanent Release, Shipper will be entitled to utilize the Primary Delivery Points which the Replacement Shipper was entitled to utilize at the time of expiration of the Release Term, up to the amount of the Replacement Shipper's respective Delivery Point Entitlement at each such point.
- (c) In the event Shipper permanently releases only a portion of its Transportation rights to a Replacement Shipper under Section 15 of the General Terms and Conditions of this tariff, Shipper's aggregate Delivery Point Entitlements must be released by the same percentage as Shipper's DMDQ and aggregate Receipt Point Entitlements are released.

- 6.4 Transporter's Delivery Pressures. Transporter will deliver Gas for Shipper's account at the pressures existing from time to time in Transporter's facilities at the Delivery Point(s); provided, however, that Transporter and Shipper or Interconnect Operator may mutually agree to delivery point pressures, which will be established on a not unduly discriminatory basis.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 99 Original Sheet No. 99 : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

7. FORCE MAJEURE

- 7.1 Definition. The term "force majeure" as employed herein will include, but will not be limited to blockades, insurrections, riots, epidemics, floods, washouts, landslides, mudslides, earthquakes, extreme cold or freezing weather, lightning, restraints of rulers and peoples, civil disturbances, explosions, breakage or freezing of or accident to machinery or line of pipe, the order of any court or governmental authority having jurisdiction, and any other cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. Failure to prevent or settle any strike or strikes will not be considered a matter within the control of the party claiming suspension.
- 7.2 Obligations of Parties. In the event of either party's being rendered, wholly or in part by force majeure, unable to carry out its obligations under the Transportation Service Agreement, it is agreed that when such party gives notice and full particulars of such force majeure, in writing, by electronic mail or by telephone, to the other party, which will be done as soon as practicable after the occurrence of the event of force majeure relied on, then the obligations of the parties hereto so far as such obligations are affected by such force majeure will be suspended during the continuance of any period of force majeure, but for no longer period, and such inability to perform will, so far as possible, be remedied with all reasonable dispatch. Provided, however, that continued payment of the monthly reservation charge applicable to firm Transportation service under circumstances of non-delivery occasioned by Transporter's invocation of force majeure will be a matter for individual negotiation between Transporter and Shipper as set forth in the executed Transportation Service Agreement. Notwithstanding anything to the contrary which may be expressed or implied in an executed Transportation Service Agreement under Rate Schedule KRF-1, no adjustment to the monthly reservation charge for Shippers under Rate Schedule KRF-1 will be required for any interruption or curtailment of service at any Secondary Receipt Point or Secondary Delivery Point.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 100 Original Sheet No. 100 : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

7. FORCE MAJEURE (Continued)

- 7.3 Liability Not Relieved. Such causes or contingencies affecting the performance under the executed Transportation Service Agreement by either Transporter or Shipper, however, will not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor will such causes or contingencies affecting such performance relieve either party from its obligations to make payments of amounts then due in respect of Gas theretofore delivered.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 101 Original Sheet No. 101 : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

8. POSSESSION OF GAS AND RESPONSIBILITY

As between Transporter and Shipper, Shipper will be deemed to be in control and possession of the Gas prior to Shipper's delivery of the Gas to Transporter for Transportation at the Receipt Point(s). Transporter will be deemed to be in control and possession of the Gas following receipt of the Gas from Shipper at the Receipt Point(s) and prior to delivery of the Thermally Equivalent Gas Volumes (less any requisite fuel and loss reimbursement) to Shipper at the Delivery Point(s), after which Shipper will be deemed to be in control and possession.

Shipper will have no responsibility with respect to any Gas after it has been delivered to Transporter at the Receipt Point(s) on account of anything which may be done, happen or arise with respect to said Gas, prior to the redelivery of the Thermally Equivalent Volumes (less any requisite fuel and loss reimbursement) to Shipper at the Delivery Point(s). Transporter will have no responsibility with respect to said Gas prior to its delivery to Transporter at the Receipt Point(s), after its delivery to Shipper at the Delivery Point(s), or on account of anything which may be done, happen or arise with respect to said Gas prior to such receipt or after such delivery.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 102 Original Sheet No. 102 : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

9. STATUTORY REGULATION

Transporter's rates, charges, classifications and services as set forth in this tariff, including these General Terms and Conditions are subject to regulation by the FERC under the Natural Gas Act. Transporter will have the right to file from time to time with the FERC under Section 4 of the Natural Gas Act and to place into effect such new Rate Schedules and changes in its existing effective tariff as Transporter may find necessary from time to time to assure Transporter just and reasonable rates and charges as well as a rate of return sufficient, inter alia, to service the debt, attract capital, permit facilities expansion and provide adequate Natural Gas Transportation service to all of Transporter's customers. Without in any way limiting the generality of the foregoing, Transporter will have the right to file and to place into effect new Rate Schedules and/or new tariff sheets fairly and appropriately reflecting changes in the rates paid by Shipper for Natural Gas Transportation services or changes in the conditions of service attributable to such Transportation service. Shipper will have the right to protest any such new Rate Schedules or changes in rates or conditions of service before the FERC. Notwithstanding any other provision hereof, these provisions are subject to all valid legislation and all valid present or future orders, rules and regulations of duly constituted authorities now or hereafter having jurisdiction.

GENERAL TERMS AND CONDITIONS
(Continued)

10. OPERATING AND BALANCING PROCEDURES

- 10.1 General Procedure. Shipper will notify Transporter electronically on Transporter's Designated Site or by other modes of communication (if mutually agreed upon by Shipper and Transporter) each Day (or other time periods as mutually agreed upon by Shipper and Transporter) of the Transportation service and Quantity of Gas it desires scheduled on the following Day in accordance with Section 13.1. Transporter will advise Shipper on Transporter's Designated Site or by other modes of communication (if mutually agreed upon by Shipper and Transporter) of the Quantity it will accept for Transportation, which Quantity will be the scheduled Quantity unless operating conditions require an adjustment.
- 10.2 Limitation Upon Transporter's Daily Transportation Obligation. Transporter will not be obligated to deliver to Shipper on any Day a greater Quantity of Gas, on a Thermally Equivalent basis, than it has received from Shipper on such Day, reduced by the Quantity required for fuel used and lost and unaccounted-for gas.
- 10.3 Records of Scheduled Quantities. Transporter will keep accurate records of the Quantities of Gas scheduled for Transportation and any imbalances, which records will be made available to Shipper at its request. If Shipper's Gas is commingled with other Gas at the Receipt Point(s) or at the Delivery Point(s), the scheduling arrangements and Transporter's records will include procedures for the division of the total Quantity at such points.
- 10.4 Arrangements Prior to Receipt and After Delivery. It will be Shipper's obligation to make arrangements with other parties for delivery of Gas into Transporter's system at the Receipt Point(s) and for receipt of Gas after Transportation at the Delivery Point(s). Shipper will be obligated in such arrangements to require dispatching and operating coordination with Transporter and access to appropriate charts and records. Such arrangements will be satisfactory to Transporter.
- 10.5 Operating Information and Estimates. Upon request of Transporter, Shipper will from time to time submit estimates of the daily, monthly and annual Quantities of Gas to be transported hereunder together with such other operating data as Transporter may require in order to schedule its operations.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 104 First Revised Sheet No. 104 : Effective

Superseding: Original Sheet No. 104

GENERAL TERMS AND CONDITIONS
(Continued)

10. OPERATING AND BALANCING PROCEDURES (Continued)

10.6 Balancing of Transportation Quantities.

- (a) Uniform Receipts and Deliveries. Transporter and Shipper will undertake to maintain receipts and deliveries on a uniform hourly basis to the maximum extent practicable, subject to the provisions of the General Terms and Conditions of this tariff.
- (b) Departures from Scheduled Receipts and Deliveries. Shipper and Transporter will attempt to keep departures from scheduled receipts and deliveries to a minimum and will reconcile any imbalances, including required fuel for the Month, within thirty (30) days. Any adjustment to receipts and deliveries by Shipper, whether or not pursuant to notification from Transporter, will be coordinated with Transporter and accomplished in accordance with the scheduling procedures set forth in Section 13.

If on any Day Shipper delivers to Transporter quantities at the Receipt Point(s) which are in excess of or deficient by the greater of 2,000 Dth or two (2) percent of the quantities tendered for delivery to Shipper at the Delivery Point(s), Shipper will initiate corrective action immediately after notification by Transporter.

- (c) Scheduling Penalty. If on any Day the Quantity of Gas which Shipper has requested and Transporter has scheduled to deliver exceeds the Quantity delivered at the Delivery Point(s) or the Quantity received at the Receipt Point(s) by the greater of five percent or 2,000 Dth, then Shipper will pay Transporter a penalty equal to the rate prescribed by this paragraph times the amount by which the Quantity scheduled for delivery, less the greater of five percent or 2,000 Dth exceeds the lesser of the Quantity delivered at the Delivery Point(s) or the Quantity received at the Receipt Point(s). For customers receiving

Effective Date: 01/01/2003 Status: Effective

FERC Docket: RP00-337-003

Second Revised Sheet No. 105 Second Revised Sheet No. 105 : Effective
Superseding: First Revised Sheet No. 105

GENERAL TERMS AND CONDITIONS
(Continued)

10. OPERATING AND BALANCING PROCEDURES (Continued)

10.6 Balancing of Transportation Quantities. (Continued)

service under Rate Schedule KRI-1, the scheduling penalty rate will be that customer's Interruptible Transportation Rate then in effect. For customers receiving service under Rate Schedule KRF-1, the scheduling penalty rate will be that customer's transportation/commodity rate then in effect. Transporter will waive scheduling penalties if, in its reasonable judgment, Shipper's actions have not jeopardized system integrity. Penalties or waivers of said penalties will be applied uniformly and in a non-discriminatory manner. Penalties resulting from interruptible service being bumped by firm nominations in the Intraday 1 nomination cycle will be waived during non-critical periods. NAESB 1.3.51: "Intraday bump notices should indicate whether daily penalties will apply for the gas day for which quantities are reduced." The scheduling penalty will be calculated daily and invoiced monthly.

- (d) Imbalance Penalty. Any Shipper which fails to correct any imbalances within sixty (60) days may be assessed a penalty calculated as the product of: five dollars, times either (i) the Quantity, in Dekatherms, by which Shipper's takes of Gas from Transporter's system exceed Shipper's deliveries of Gas to Transporter's system less fuel used and lost and unaccounted-for gas or (ii), the Quantity, in Dekatherms, by which Shipper's deliveries of Gas to Transporter's system, less fuel used and lost and unaccounted-for gas, exceed Shipper's takes of Gas from Transporter's system. Transporter will waive imbalance penalties if, in its reasonable judgment, Shipper's actions have not jeopardized system integrity. Penalties or waivers of said penalties will be applied uniformly and in a non-discriminatory manner.

Effective Date: 01/01/2003 Status: Effective
FERC Docket: RP00-337-003

First Revised Sheet No. 106 First Revised Sheet No. 106 : Effective
Superseding: Original Sheet No. 106

GENERAL TERMS AND CONDITIONS
(Continued)

10. OPERATING AND BALANCING PROCEDURES (Continued)

- 10.7 Shipper Imbalance Netting. A Shipper Imbalance is created on any Gas Day when upstream allocated/scheduled receipts differ from downstream allocated/ scheduled deliveries. A Shipper may net Shipper Imbalances between its service agreements, provided that Transporter will be reimbursed for any difference in Transportation revenues that may result from such netting. Any difference in Transportation revenues that result in an overpayment to Transporter will be credited/refunded to the Shipper.
- 10.8 Shipper Imbalance Trading. A Shipper may trade imbalances with another Shipper, provided that the Shipper with an imbalance resulting from deliveries by Transporter in excess of receipts from Shipper will reimburse Transporter for any difference in Transportation revenues that may result from such trading. Any trading of Shipper Imbalances must result in each Shipper's imbalance decreasing.
- (a) All imbalance trading will be conducted through Transporter's Designated Site. If a Shipper desires to trade an imbalance, such Shipper must consent to Transporter's release of necessary information regarding the imbalance.
 - (b) Shippers that trade imbalances are responsible for making whatever arrangements they deem necessary to finalize and document the imbalance trade between them.
 - (c) Transporter will not be responsible for eliminating any imbalances between Shipper and any third party. Furthermore, Transporter will not be obligated to adjust or deviate from its standard operating and accounting procedures in order to alleviate any such imbalances.
 - (d) A Shipper may designate a third party to provide imbalance management services by executing an Agency Delegation Agreement, which may be obtained from Transporter's Marketing Services Department.

GENERAL TERMS AND CONDITIONS
(Continued)

10. OPERATING AND BALANCING PROCEDURES (Continued)

- 10.9 Corrective Action by Transporter. Transporter will have the right to take actions of whatever nature may be required (including termination or reduction of service to Shipper) to correct any imbalances which impair the operation of or threaten the integrity of its system, including maintenance of service to other Shippers.
- 10.10 Imbalances at Termination of Service. In the event the Thermally Equivalent quantities of Gas received and delivered are not in balance at the expiration of the primary term of the Transportation Service Agreement or such earlier termination as provided herein, then such balance shall be achieved at the earliest practical date, not to exceed 90 days after expiration or termination of the Transportation Service Agreement, by extending receipts or deliveries, as applicable, at the appropriate Receipt or Delivery Points, until such balance is achieved, or by such other method as is then mutually agreed upon by Transporter and Shipper.
- 10.11 Penalty Revenue Crediting. One hundred percent (100%) of all net penalty revenues received by Transporter will be credited to firm and interruptible Transportation Shippers paying maximum rates (including Shippers that elect 10-year or 15-year extended term rates), pro rata based on the total maximum rate revenues received from each Shipper during the calendar year, excluding revenues from ACA and any other surcharges approved by the Commission. For the purpose of determining whether a Shipper is paying maximum rates in a capacity release situation, the reservation/demand charges paid by a Replacement Shipper will be attributed to the Releasing Shipper if the Replacement Shipper is paying less than maximum rate. Negotiated Rate Shippers are not eligible to receive penalty revenue credits. Penalty revenue credits will be allocated only to those Shippers that were not assessed penalties on the day(s) for which such penalty revenues are to be credited. Penalty revenue credits will be reflected as a credit billing adjustment to each March billing for credits accrued during the prior calendar year.

Effective Date: 12/19/2009 Status: Effective

FERC Docket: RP10-160-002

Sub Fourth Revised Sheet No. 107 Sub Fourth Revised Sheet No. 107

Superseding: Fourth Revised Sheet No. 107

GENERAL TERMS AND CONDITIONS
(Continued)

11. SERVICE AGREEMENT AND SERVICE CONDITIONS

- 11.1 Form of Agreement. Shippers desiring service pursuant to Transporter's Rate Schedules shall execute a Transportation Service Agreement in the form contained in this Tariff. The executed Transportation Service Agreement, together with the General Terms and Conditions and applicable Rate Schedules, shall constitute the entire agreement between the parties for Gas transportation service provided therein and shall only be modified in writing.
- 11.2 Term of Agreement.
 - (a) The term of the executed Transportation Service Agreement shall be determined by agreement between Transporter and Shipper. Such term may include contingencies, such as completion of construction or board or governmental approval, and extension rights, such as a rollover, evergreen or right-of-first-refusal provision and, if applicable, a related termination provision.
 - (b) A Shipper eligible for a right of first refusal as set forth in Section 27.5(a) of the General Terms and Conditions may continue receiving service at the end of the term of any agreement, including any term extended pursuant to any contractual rollover or evergreen provision, as provided in Sections 27.5(a), (b), and (d).
- 11.3 Receipt and Delivery Point Entitlements. For shippers requesting new firm transportation service, the Receipt Point and Delivery Point entitlements specified on Exhibit "A" to the transportation service agreement must be equal to Shipper's Transportation Maximum Daily Quantity. For shippers that amend existing firm transportation service agreements, each ratio of Receipt Point and Delivery Point entitlement to total Transportation Maximum Daily Quantity or Maximum Daily Quantity (as applicable) must be retained, except in the case of a capacity release where Shipper must comply with Section 15.2(d) of the General Terms and Conditions.

Effective Date: 12/19/2009 Status: Effective

FERC Docket: RP10-160-002

Sub Fifth Revised Sheet No. 108 Sub Fifth Revised Sheet No. 108

Superseding: Fifth Revised Sheet No. 108

GENERAL TERMS AND CONDITIONS
(Continued)

11. SERVICE AGREEMENT AND SERVICE CONDITIONS (Continued)

- 11.4 Volumetric Obligations. The executed Transportation Service Agreement will set forth the maximum Volumes of Gas which Transporter will be obligated to transport and deliver to Shipper on any Day.
- 11.5 Alterations and Repairs. Transporter will have the right, without liability to Shipper, to curtail deliveries when necessary to alter, modify, enlarge, repair or maintain any facility or property that comprises a part of, or is appurtenant to, Transporter's transmission system or is otherwise related to the operation thereof. Transporter will endeavor to arrange such curtailment so as to cause a minimum of inconvenience to Shipper.
- 11.6 Properties and Facilities. Transporter and Shipper each assume full responsibility and liability for the maintenance and operation of their respective properties and facilities and will indemnify and hold harmless the other from all liability and expense on account of any and all damages, claims or actions, including injury to and death of persons, arising from any act, accident or omission in connection with or arising out of the installation, presence, maintenance and operation of properties and facilities of the indemnifying party. Transporter will have no obligation to odorize Gas delivered to Shipper under this tariff nor to maintain any odorant level.
- 11.7 Notices. Notices called for pursuant to any agreement between Transporter and Shipper will be in written or electronic form and will be considered as having been duly given when delivered personally, or when mailed, faxed, or sent by other electronic measures to either Shipper or Transporter at the place designated on Transporter's Designated Site.
- 11.8 Successors and Assigns. Any Transportation Service Agreement will be binding upon and inure to the benefit of the Transporter and Shipper and their respective successors and assigns. No assignment or transfer by either Transporter or Shipper thereunder will be made without the written consent of the other party. Such consent will not be unreasonably withheld. No such consent of Transporter or Shipper will be required when an assignment by Transporter or Shipper is the result of, and part of, a corporate acquisition, merger or reorganization. Nothing contained in a Transportation Service Agreement will prevent either Transporter

Effective Date: 12/19/2009 Status: Effective

FERC Docket: RP10-160-002

Sub Third Revised Sheet No. 108A Sub Third Revised Sheet No. 108A

Superseding: Third Revised Sheet No. 108A

11. SERVICE AGREEMENT AND SERVICE CONDITIONS (Continued)

11.8 Successors and Assigns (continued)

or Shipper from pledging, mortgaging or assigning its rights as security for its indebtedness and either Transporter or Shipper may assign to the pledgee or mortgagee (or to a trustee for the holder of such indebtedness) any money due or to become due under a Transportation Service Agreement. Any assignment will become effective the first day of the month following written notice that such assignment was effectuated. Upon request of either Transporter or Shipper, the other party will acknowledge in writing any permitted assignment and the right of any permitted assignee (and any assignee upon enforcement of any assignment made as security for indebtedness) to enforce a Transportation Service Agreement against such other party, and will also deliver such certificates, copies of corporate documents and opinions of counsel as may be reasonably requested by a permitted assignee relating to such party, any Transportation Service Agreement and any other matters relevant thereto. No permitted assignment will relieve the assigning party from any of its obligations under any Transportation Service Agreement. Shipper will confirm that the rights of Transporter under any Transportation Service Agreement that may be assigned include any right given or reserved to Transporter in the Transportation Service Agreement to consent to any assignment or transfer by Shipper of its rights and obligations thereunder.

11.9 Governmental Bodies. Notwithstanding any other provision, all Transportation Service Agreements will be subject to all laws, statutes, ordinances, regulations, rules and court decisions of governmental entities now or hereafter having jurisdiction.

11.10 Electronic Signature. Transporter and Shipper agree that a facsimile or other electronic version of any Transportation Service Agreement, when properly executed, electronically or otherwise, shall be considered for all purposes to be an original document, and shall be deemed for all purposes to be signed and shall constitute a binding agreement.

11.11 Transportation Service Agreements will be amended only by an instrument in writing (or in electronic format) executed by both Transporter and Shipper.

Effective Date: 12/19/2009 Status: Effective

FERC Docket: RP10-160-002

Sub First Revised Sheet No. 108B Sub First Revised Sheet No. 108B

Superseding: First Revised Sheet No. 108B

11. SERVICE AGREEMENT AND SERVICE CONDITIONS (Continued)

- 11.12 Multiple Counterparts. Transportation Service Agreements may be executed in multiple counterparts, all of which (including copies thereof) will constitute one and the same instrument, and each of which (including copies thereof) will be deemed an original.
- 11.13 Waivers. No waiver by either Transporter or Shipper of any one or more defaults by the other in the performance of any provisions of any Transportation Service Agreement will operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.
- 11.14 Liability. No liability for any act or omission of Transporter will be incurred by, or asserted against any other person or company who is a partner in Kern River Gas Transmission Company, or any owners, subsidiaries or affiliates of the partners. Any recourse for any liability of Transporter will be against Transporter only.
- 11.15 Headings. The headings of the Articles of any Transporter Service Agreement are inserted for convenience of reference only and will not affect the meaning or construction of a Transportation Service Agreement.
- 11.16 Governing Law. All Transportation Service Agreements will be construed in accordance with the laws of the State of Utah excluding any conflicts of law provisions thereof.

Effective Date: 01/01/2010 Status: Effective

FERC Docket: RP10-210-000

Seventh Revised Sheet No. 109 Seventh Revised Sheet No. 109

Superseding: Sixth Revised Sheet No. 109

GENERAL TERMS AND CONDITIONS

(Continued)

12. REIMBURSEMENT OF FUEL USED AND LOST AND UNACCOUNTED-FOR GAS

12.1 NAESB WGQ Fuel Reimbursement Standards. NAESB WGQ Standards 1.3.15, 1.3.16, 1.3.28 through 1.3.31 (Version 1.8, September 30, 2006) are incorporated by reference.

12.2 Transportation rates set forth on Sheet Nos. 5, 5-A, 6 and 7 are exclusive of fuel used and lost and unaccounted-for gas, which all Shippers will cause to be furnished in-kind each Day by applying a fuel reimbursement factor to Receipt Point nominations, as provided in NAESB 1.3.16. Such fuel reimbursement factor is the sum of the current compressor fuel factors applicable to either rolled-in rate service or incremental rate service on the 2003/2010 Expansions for the compressors used in the Transportation of Shipper's Gas and the current lost and unaccounted-for gas factor applicable to either system-wide Transportation (for both rolled-in and incremental rate services) or Transportation on the High Desert Lateral. The current factors are posted on Transporter's Designated Site on the Internet no less than seven calendar days before the beginning of the month.

Effective Date: 01/01/2010 Status: Effective

FERC Docket: RP10-210-000

Sixth Revised Sheet No. 110 Sixth Revised Sheet No. 110

Superseding: Fifth Revised Sheet No. 110

GENERAL TERMS AND CONDITIONS
(Continued)

12. REIMBURSEMENT OF FUEL USED AND LOST AND UNACCOUNTED-FOR GAS (Continued)

- 12.3 For rolled-in rate service, the compressor fuel factors will be determined monthly as follows: for each compressor station, the historical fuel usage at that site will be adjusted for known and expected operational changes to determine projected fuel usage attributable to rolled-in rate service for the month in which the factor is to be effective. The sum of the projected fuel usage and any required true-up adjustment will be divided by projected receipt quantities attributable to rolled-in rate service at that compressor that month. (The true-up adjustment for each compressor is the difference between total fuel used by rolled-in rate shippers at that compressor and net fuel reimbursed by rolled-in rate Shippers at that compressor two months earlier.)
- 12.4 For incremental rate service on the 2003/2010 Expansions, Transporter will determine compressor fuel factors for incremental rate service using the same method used for rolled-in rate service.
- 12.5 For interruptible and authorized overrun service, the compressor fuel factors will be determined monthly. Each factor will be a blended rate derived from the monthly fuel factors applicable to rolled-in rate service and incremental rate service on the 2003 Expansion, calculated on the basis of 48% for rolled-in service and 52% for incremental service. Effective on the in-service date of the 2010 Expansion, the blended rates will be derived from the monthly fuel factors applicable to rolled-in rate service and incremental rate service on the 2003/2010 Expansions, calculated on the basis of 45% for rolled-in service and 55% for incremental service.
- 12.6 Total fuel used at each compressor each month will be allocated between rolled-in and incremental rate groups on a pro rata basis using actual receipt quantities at each compressor, with the receipt quantities attributable to the incremental rate group adjusted by the following weighting factors: Muddy Creek - 1.56; Painter - 1.00; Anschutz - 1.00; Coyote Creek - 2.00; Salt Lake - 2.00; Elberta - 1.89; Fillmore - 2.13; Veyo - 2.00; Dry Lake - 2.00; Goodsprings - 2.12. Effective on the in-service date of the 2010 Expansion, the receipt quantities attributable to the incremental rate group will be adjusted by the following weighting factors: Muddy Creek - 1.40; Painter - 1.00; Anschutz - 1.00; Coyote Creek - 1.90; Salt Lake - 1.90; Elberta - 1.87; Fillmore - 1.87; Veyo - 1.87; Dry Lake - 1.88; Goodsprings - 2.10.
- 12.7 The system-wide lost and unaccounted-for gas factor applies to rolled-in rate service, incremental rate service on the 2003/2010 Expansions, and all overrun and interruptible service, but does not apply to service on the High Desert Lateral. The system-wide lost and unaccounted-for gas factor will be determined monthly as follows: the historical system-wide lost and unaccounted-for gas will be adjusted for known and expected operational changes to

Effective Date: 05/01/2003 Status: Effective

FERC Docket: CP01-422-004

Second Revised Sheet No. 110-A Second Revised Sheet No. 110-A : Effective
Superseding: First Revised Sheet No. 110-A

GENERAL TERMS AND CONDITIONS
(Continued)

12. REIMBURSEMENT OF FUEL USED AND LOST AND UNACCOUNTED-FOR GAS (Continued)

expected operational changes to determine projected system-wide lost and unaccounted-for gas for the month in which the factor is to be effective. The sum of the projected system-wide lost and unaccounted-for gas and any required true-up adjustment will be divided by total projected receipt quantities that month. (The true-up adjustment is the difference between the system-wide Gas that was lost and unaccounted-for and the net system-wide lost and unaccounted-for gas reimbursed by Shippers two months earlier.)

- 12.7 The High Desert Lateral lost and unaccounted-for gas factor will be determined monthly as follows: the historical High Desert Lateral lost and unaccounted-for gas will be adjusted for known and expected operational changes to determine projected High Desert Lateral lost and unaccounted-for gas for the month in which the factor is to be effective. The sum of the projected High Desert Lateral lost and unaccounted-for gas and any required true-up adjustment will be divided by total projected receipt quantities associated with the High Desert Lateral that month. (The true-up adjustment is the difference between the High Desert Lateral Gas that was lost and unaccounted-for and the net High Desert Lateral lost and unaccounted-for gas reimbursed by Shippers two months earlier.)
- 12.8 Backhaul Shippers will reimburse Transporter for system-wide lost and unaccounted-for gas, but will not reimburse Transporter for compressor fuel.
- 12.9 Transporter will file an annual report with the Commission by March 31 of each Year that supports the fuel and lost and unaccounted-for gas factors used for the 12-month period beginning January 1 of the prior Year.
- 12.10 If Shipper fails to nominate sufficient quantities to reimburse Transporter for compressor fuel used and lost and unaccounted-for gas, then Transporter will adjust the nomination accordingly and Shipper will be notified prior to Gas flowing.

Effective Date: 11/01/2004 Status: Suspended

FERC Docket: RP04-274-000

Third Revised Sheet No. 110-A Third Revised Sheet No. 110-A : Suspended

Superseding: Second Revised Sheet No. 110-A

GENERAL TERMS AND CONDITIONS
(Continued)

12. REIMBURSEMENT OF FUEL USED AND LOST AND UNACCOUNTED-FOR GAS (Continued)

determine projected system-wide lost and unaccounted-for gas for the month in which the factor is to be effective. The sum of the projected system-wide lost and unaccounted-for gas and any required true-up adjustment will be divided by total projected receipt quantities that month. (The true-up adjustment is the difference between the system-wide Gas that was lost and unaccounted-for and the net system-wide lost and unaccounted-for gas reimbursed by Shippers two months earlier.)

- 12.8 The High Desert Lateral lost and unaccounted-for gas factor will be determined monthly as follows: the historical High Desert Lateral lost and unaccounted-for gas will be adjusted for known and expected operational changes to determine projected High Desert Lateral lost and unaccounted-for gas for the month in which the factor is to be effective. The sum of the projected High Desert Lateral lost and unaccounted-for gas and any required true-up adjustment will be divided by total projected receipt quantities associated with the High Desert Lateral that month. (The true-up adjustment is the difference between the High Desert Lateral Gas that was lost and unaccounted-for and the net High Desert Lateral lost and unaccounted-for gas reimbursed by Shippers two months earlier.)
- 12.9 Backhaul Shippers will reimburse Transporter for system-wide lost and unaccounted-for gas, but will not reimburse Transporter for compressor fuel.
- 12.10 Transporter will file an annual report with the Commission by March 31 of each Year that supports the fuel and lost and unaccounted-for gas factors used for the 12-month period beginning January 1 of the prior Year.
- 12.11 If Shipper fails to nominate sufficient quantities to reimburse Transporter for compressor fuel used and lost and unaccounted-for gas, then Transporter will adjust the nomination accordingly and Shipper will be notified prior to Gas flowing.

Effective Date: 01/01/2010 Status: Effective

FERC Docket: RP10-210-000

Fifth Revised Sheet No. 110B Fifth Revised Sheet No. 110B

Superseding: Fourth Revised Sheet No. 110B

GENERAL TERMS AND CONDITIONS
(Continued)

12. REIMBURSEMENT OF FUEL USED AND LOST AND UNACCOUNTED-FOR GAS (Continued)

12.12 Electric Compressor Fuel Surcharge. (Continued)

- (1) Transporter will determine the electric compressor fuel surcharge for rolled-in rate service beginning April 1, 2003, using the following formula:

W = $(X + Y) / Z$, where:
W = Electric Compressor Fuel Surcharge for Rolled-In Rate Service
X = Transporter's share of the electricity costs for the Daggett compressor projected for the twelve months beginning April 1 of the current year attributable to rolled-in rate service
Y = The amount, positive or negative, remaining in the Electric Compressor Fuel Deferral Account at the end of the previous calendar year attributable to rolled-in rate service.
Z = Quantities of gas projected to flow on Transporter's system through the Daggett interconnect for the twelve months beginning April 1 of the current year attributable to rolled-in rate service.
- (2) Transporter will determine an electric compressor fuel surcharge for incremental rate service using the same method as used for the rolled-in rate service.
- (3) The electric compressor fuel surcharge for interruptible and authorized overrun service will be a blended rate derived from the surcharges applicable to rolled-in rate service and incremental rate service on the 2003 Expansion, calculated on the basis of 48% for rolled-in service and 52% for incremental service. Effective on the in-service date of the 2010 Expansion, the blended rate will be derived from the surcharges applicable to rolled-in rate service and incremental rate service on the 2003/2010 Expansions, calculated on the basis of 45% for rolled-in service and 55% for incremental service.

Effective Date: 02/01/2006 Status: Effective

FERC Docket: RP06-160-000

Third Revised Sheet No. 110-C Third Revised Sheet No. 110-C : Effective
Superseding: Second Revised Sheet No. 110-C

GENERAL TERMS AND CONDITIONS
(Continued)

12. REIMBURSEMENT OF FUEL USED AND LOST AND UNACCOUNTED-FOR GAS (Continued)

12.12 Electric Compressor Fuel Surcharge. (Continued)

- (c) Electric Compressor Fuel Deferral Account. Each month, following the in-service date of the Daggett compressor, Transporter will determine the difference between the total amount payable by Shippers for collection by Transporter through the electric compressor fuel surcharge during the previous month and the previous month's electricity costs incurred at the Daggett compressor. Transporter will record such difference in an electric compressor fuel deferral account.
- (d) Transporter's share of the total monthly electricity cost will be allocated between rolled-in rate service and incremental rate service pro rata, based on the estimated electricity costs underlying the initial surcharges for the rolled-in and incremental surcharges (i.e. rolled-in costs of \$2,350,843 and incremental costs of \$1,050,544). The differences between the allocated electricity costs and the surcharges payable by each rate group will be reflected separately in the electric compressor fuel deferral account.

Effective Date: 01/01/2010 Status: Effective

FERC Docket: RP10-210-000

Fifth Revised Sheet No. 110A.1 Fifth Revised Sheet No. 110A.1

Superseding: Fourth Revised Sheet No. 110A.1

GENERAL TERMS AND CONDITIONS
(Continued)

12. REIMBURSEMENT OF FUEL USED AND LOST AND UNACCOUNTED-FOR GAS (Continued)

12.12 Electric Compressor Fuel Surcharge.

- (a) Applicability. An electric compressor fuel surcharge is applicable to all Gas that flows from any receipt point on Transporter's wholly-owned system to delivery points downstream of the Daggett Compressor into the facilities jointly owned by Transporter and Mojave Pipeline Company. Effective January 1, 2006, Transporter and Mojave Pipeline Company will share the power costs associated with the Daggett Compressor, pursuant to either the terms and conditions of the August 29, 1989 Construction, Operation and Maintenance Agreement, as amended, or the September 30, 2004 Daggett Term Sheet, whichever is effective. Shipper will reimburse Transporter for its share of Transporter's portion of the electricity costs incurred at the Daggett Compressor (including all associated refunds, surcharges, billing adjustments and interest), by paying the electric compressor fuel surcharge applicable to either rolled-in rate or incremental rate service on the 2003/2010 Expansions on the Quantity of Gas scheduled for Shipper by Transporter through the Daggett Compressor.
- (b) Surcharge Calculation. The electric compressor fuel surcharges will be determined annually, to become effective on April 1 of each year. At least thirty (30) days prior to the effective date, Transporter will file workpapers with the Commission calculating the electric compressor fuel surcharges for the twelve months beginning April 1, and will also file revised Sheet Nos. 5, 5A and 6, which set forth the revised surcharges in Transporter's FERC Gas Tariff.

Effective Date: 09/01/2005 Status: Effective

FERC Docket: RP05-456-000

First Revised Sheet No. 111 First Revised Sheet No. 111 : Effective
Superseding: Sheet Nos. 111-116

(First Revised Sheet No. 111 supersedes Original Sheet No. 111, First Revised Sheet No. 112, Original Sheet No. 113, Third Revised Sheet No. 114, First Revised Sheet No. 115, and First Revised Sheet No. 116. Second Revised Sheet 111, Second Revised Sheet No. 112, First Revised Sheet No. 113, Fourth Revised Sheet No. 114, Second Revised Sheet No. 115, and Second Revised Sheet No. 116 are reserved for future use.)

Effective Date: 05/01/2001 Status: Effective

FERC Docket: RP01-299-000

First Revised Sheet No. 112 First Revised Sheet No. 112 : Effective
Superseding: Original Sheet No. 112

GENERAL TERMS AND CONDITIONS
(Continued)

13. SCHEDULING OF RECEIPTS AND DELIVERIES (Continued)

13.1 Nomination Process. (Continued)

GISB 1.3.9: "All nominations, including intra-day nominations, should be based on a daily quantity; thus, an intra-day nominator need not submit an hourly nomination. Intra-day nominations should include an effective date and time. The interconnected parties should agree on the hourly flows of the intra-day nomination, if not otherwise addressed in transporter's contract or tariff."

GISB 1.3.19: "Overrun quantities should be requested on a separate transaction."

GISB 1.3.20: "The receiver of a nomination initiates the confirmation process. The party that would receive a Request For Confirmation or an unsolicited Confirmation Response may waive the obligation of the sender to send."

GISB 1.3.21: "The sending party should adhere to nomination, confirmation, and scheduling deadlines. It is the party receiving the request who has the right to waive the deadline."

GISB 1.3.24: "When used, Package ID should be: a) supported for nominating and scheduling; b) mutually agreed between the applicable parties for allocations and imbalance reporting; c) supported for invoicing (sales and purchase); and d) mutually agreed for transport invoicing."

GISB 1.3.25: "Use of the Package ID is at the discretion of the service requester, and if sent, should be accepted and processed by the service provider."

GISB 1.3.26: "The declaration to the affected parties of operational flow orders, critical periods, and/or critical notices should describe the conditions and the specific responses required from the affected parties."

GENERAL TERMS AND CONDITIONS
(Continued)

13. SCHEDULING OF RECEIPTS AND DELIVERIES (Continued)

13.1 Nomination Process. (Continued)

GISB 1.3.27: "The key should be composed of: service requester contract (Service Agreement), transaction type, upstream party, upstream contract (when applicable), receipt location (as applicable), downstream party (as applicable), downstream contract (when applicable), delivery location (as applicable), package ID, upstream package ID (where mutually agreed), downstream package ID (where mutually agreed), capacity type indicator (where mutually agreed). Upon receipt by a service provider from a service requester of a transaction whose key elements match those previously received by the service provider from the service requester, the service provider should then process the begin date/time and end date/time consistent with the intentions of the standard 1.3.7 and then process the rest of the transaction's data elements consistent with the applicable standards to determine the business results. When data is not supplied (e.g. is not applicable, is not supported or is not mutually agreed upon) the pertinent portion of the key would be determined to be null."

GISB 1.3.34: "Notice procedures of operational flow order conditions should be clearly defined in tariffs."

GISB 1.3.35: "For request to confirm and confirmation response processes, all parties will seek to confirm by means of communicating at the applicable detail/summary level all transactions with respect to a location."

GISB 1.3.36: "In the confirmation process, where a party requesting confirmation (a Confirmation Requester) is not itself a Transportation Service Provider, the location code to be used when sending a Request for Confirmation should be the location code associated with the location where gas will be scheduled by the Transportation Service Provider; and, where a Confirmation Requester is also a Transportation Service Provider; then, as between these confirming parties

Third Revised Sheet No. 114 Third Revised Sheet No. 114 : Effective
Superseding: Second Revised Sheet No. 114

GENERAL TERMS AND CONDITIONS
(Continued)

13. SCHEDULING OF RECEIPTS AND DELIVERIES (Continued)

13.1 Nomination Process. (Continued)

(the Confirmation Requester and the Confirming Parties), and absent their mutual agreement to the contrary, the location code to be used when sending a Request for Confirmation should be the location code used by the Transportation Service Provider sending the Request for Confirmation."

NAESB WGQ 1.3.37: "With the exception of otherwise stated NAESB WGQ nominations deadlines, when a Transportation Service Provider receives a Nomination document from a Service Requester by the conclusion of a given quarter hour period, the Transportation Service Provider will send to the Service Requester's designated site a corresponding Quick Response document by the conclusion of the subsequent quarter hour period.

The quarter hour periods will be defined to begin on the hour and at 15, 30, and 45 minutes past the hour. A given quarter hour will contain all transactions whose receipt time is less than the beginning of the subsequent quarter hour."

NAESB WGQ 1.3.38: "Transportation Service Provider's nightly processing and routine maintenance occurring outside of normal business hours are apt to interrupt the normal schedule for nominations/quick response turnaround stated in NAESB WGQ Standard 1.3.37. Such delays should be kept to a minimum. The normal schedule should be resumed at the earliest opportunity and no later than the start of normal working hours the following day, seven days per week."

NAESB WGQ Nominations Related Standards 1.3.47 through 1.3.50, 1.3.52 through 1.3.63 and 1.3.79 (Version 1.6, July 31, 2002), are incorporated by reference.

(b) Initial Service.

Shipper will provide Transporter with a completed Customer Nomination Form either in written form or electronically on Transporter's Designated Site. No transportation service will commence unless or until Transporter has received the

First Revised Sheet No. 115 First Revised Sheet No. 115 : Effective
Superseding: Original Sheet No. 115

GENERAL TERMS AND CONDITIONS
(Continued)

13. SCHEDULING OF RECEIPTS AND DELIVERIES (Continued)

13.1 Nomination Process. (Continued)

completed Customer Nomination Form and has advised Shipper that service may commence.

NAESB 1.3.7: "All nominations should be considered original nominations and should be replaced to be changed. When a nomination for a date range is received, each day within that range is considered an original nomination. When a subsequent nomination is received for one or more days within that range, the previous nomination is superseded by the subsequent nomination only to the extent of the days specified. The days of the previous nomination outside the range of the subsequent nomination are unaffected. Nominations have a prospective effect only."

The sending party should adhere to nomination, confirmation and scheduling deadlines. It is the party receiving the request who has the right to waive the deadline. Any such waivers made by the Transporter will be made on a non-discriminatory basis to all similarly situated Shippers.

NAESB 1.3.6: "Nominations received after nomination deadline should be scheduled after the nominations received before the nomination deadline."

Pursuant to NAESB 1.3.2, all Transportation Service Providers should support the following standard nomination cycles:

- (i) Timely Nomination Cycle.
 - (a) Nomination leaves control of nominating party by 11:30 a.m. Central Clock Time (CCT);
 - (b) Nomination received by Transporter (including from Title Transfer Tracking Service Providers (TTTSPs) by 11:45 a.m. (CCT);

Effective Date: 10/01/2002 Status: Effective

FERC Docket: RP02-482-000

First Revised Sheet No. 116 First Revised Sheet No. 116 : Effective

Superseding: Original Sheet No. 116

GENERAL TERMS AND CONDITIONS
(Continued)

13. SCHEDULING OF RECEIPTS AND DELIVERIES (Continued)

13.1 Nomination Process.(Continued)

- (c) Transporter sends quick response by noon (12:00 p.m. CCT);
 - (d) Transporter receives completed confirmations from upstream and downstream connected parties by 3:30 p.m. (CCT);
 - (e) Shipper and point operator receive scheduled quantities by 4:30 p.m. (CCT on the day prior to flow).
- (ii) Evening Nomination Cycle:
- (a) Nomination leaves control of nominating party by 6:00 p.m. (CCT);
 - (b) Nomination received by Transporter (including from TTTSPs) by 6:15 p.m. (CCT);
 - (c) Transporter sends quick response by 6:30 p.m. (CCT);
 - (d) Transporter receives completed confirmations from upstream and downstream connected parties by 9:00 p.m. (CCT);
 - (e) Transporter provides scheduled quantities to affected Shippers, point operators and bumped parties (notice to bumped parties) by 10:00 p.m. (CCT on the day prior to flow).

Scheduled quantities resulting from an Evening Nomination that does not cause another Service Requester on the subject Transportation Service Provider to receive notice that it is being bumped should be effective at 9:00 a.m. on gas day; and when an Evening Nomination causes another Service

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Third Revised Sheet No. 117 Third Revised Sheet No. 117

Superseding: Second Revised Sheet No. 117

GENERAL TERMS AND CONDITIONS

(Continued)

13. SCHEDULING OF RECEIPTS AND DELIVERIES

13.1 Nomination Process.

- (a) NAESB WGQ Nomination Standards. NAESB WGQ Nominations Related Definitions and Standards 1.2.1, 1.2.2, 1.2.5, 1.2.6, 1.2.8 through 1.2.11, 1.2.16 through 1.2.19, 1.3.3 through 1.3.9, 1.3.17 through 1.3.21, 1.3.24 through 1.3.27, 1.3.32 through 1.3.50, 1.3.52 through 1.3.77 and 1.3.79 (Version 1.8, September 30, 2006) are incorporated by reference.

- (b) Initial Service.

Shipper will provide Transporter with a completed Customer Nomination Form either in written form or electronically on Transporter's Designated Site. No transportation service will commence unless or until Transporter has received the completed Customer Nomination Form and has advised Shipper that service may commence.

Pursuant to NAESB WGQ 1.3.2, all Transportation Service Providers should support the following standard nomination cycles:

- (i) Timely Nomination Cycle.

- (a) Nomination leaves control of nominating party by 11:30 a.m. Central Clock Time (CCT);
- (b) Nomination received by Transporter (including from Title Transfer Tracking Service Providers (TTTSPs) by 11:45 a.m. (CCT);

Effective Date: 09/01/2005 Status: Effective

FERC Docket: RP05-456-000

Fourth Revised Sheet No. 118 Fourth Revised Sheet No. 118 : Effective
Superseding: Third Revised Sheet No. 118

GENERAL TERMS AND CONDITIONS
(Continued)

13. SCHEDULING OF RECEIPTS AND DELIVERIES (Continued)

13.1 Nomination Process.(Continued)

- (c) Transporter sends quick response by noon (12:00 p.m. CCT);
 - (d) Transporter receives completed confirmations from upstream and downstream connected parties by 3:30 p.m. (CCT);
 - (e) Shipper and point operator receive scheduled quantities by 4:30 p.m. (CCT on the day prior to flow).
- (ii) Evening Nomination Cycle:
- (a) Nomination leaves control of nominating party by 6:00 p.m. (CCT);
 - (b) Nomination received by Transporter (including from TTTSPs) by 6:15 p.m. (CCT);
 - (c) Transporter sends quick response by 6:30 p.m. (CCT);
 - (d) Transporter receives completed confirmations from upstream and downstream connected parties by 9:00 p.m. (CCT);
 - (e) Transporter provides scheduled quantities to affected Shippers, point operators and bumped parties (notice to bumped parties) by 10:00 p.m. (CCT on the day prior to flow).

Scheduled quantities resulting from an Evening Nomination that does not cause another Service Requester on the subject Transportation Service Provider to receive notice that it is being bumped should be effective at 9:00 a.m. on gas day; and when an Evening Nomination causes another Service

Effective Date: 09/01/2005 Status: Effective

FERC Docket: RP05-456-000

First Revised Sheet No. 119 First Revised Sheet No. 119 : Effective
Superseding: Original Sheet No. 119

GENERAL TERMS AND CONDITIONS
(Continued)

13. SCHEDULING OF RECEIPTS AND DELIVERIES (Continued)

13.1 Nomination Process. (Continued)

Requester on the subject Transportation Service
Provider to receive notice that it is being bumped,
the scheduled quantities should be effective at 9:00
a.m. on gas day.

(iii) Intraday 1 Nomination Cycle.

- (a) Nomination leaves control of nominating party by 10:00 a.m. (CCT);
- (b) Nomination received by Transporter (including from TTTSPs) by 10:15 a.m. (CCT);
- (c) Transporter sends quick response by 10:30 a.m. (CCT);
- (d) Transporter receives completed confirmations from upstream and downstream connected parties by 1:00 p.m. (CCT);
- (e) Transporter provides scheduled quantities to affected Shippers, point operators and bumped parties (notice to bumped parties) by 2:00 p.m. (CCT on gas day).
- (f) Scheduled quantities from Intraday 1 Nominations effective by 5:00 p.m. (CCT on gas day.)

(iv) Intraday 2 Nomination Cycle.

- (a) Nomination leaves control of nominating party by 5:00 p.m. (CCT);
- (b) Nomination received by Transporter (including from TTTSPs) by 5:15 p.m. (CCT);

Effective Date: 09/01/2005 Status: Effective

FERC Docket: RP05-456-000

First Revised Sheet No. 120 First Revised Sheet No. 120 : Effective
Superseding: Original Sheet No. 120

GENERAL TERMS AND CONDITIONS
(Continued)

13. SCHEDULING OF RECEIPTS AND DELIVERIES (Continued)

13.1 Nomination Process. (Continued)

- (c) Transporter sends quick response by 5:30 p.m. (CCT);
- (d) Transporter receives completed confirmations from upstream and downstream connected parties by 8:00 p.m. (CCT);
- (e) Transporter provides scheduled quantities to affected Shippers and point operators by 9:00 p.m. (central clock time on the gas day).
- (f) Scheduled quantities from Intraday 2 Nominations effective at 9:00 p.m. (CCT on gas day.)
- (g) Bumping is not allowed during the Intraday 2 Nomination Cycle.
- (v) For purposes of 1.3.2 ii, iii, and iv, "provide" shall mean, for transmittals pursuant to standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.
- (vi) The Timely Nomination/Intraday Nomination Model included in NAESB WGQ 1.3.2(vi) is incorporated by reference.

Effective Date: 07/01/2009 Status: Effective

FERC Docket: RP09-616-000

Second Revised Sheet No. 121 Second Revised Sheet No. 121

Superseding: First Revised Sheet No. 121

GENERAL TERMS AND CONDITIONS
(Continued)

13. SCHEDULING OF RECEIPTS AND DELIVERIES (Continued)

13.1 Nomination Process. (Continued)

(c) Intra-Day Nominations.

If Transporter determines at any time that the capacity of its system or any portion thereof, including the point(s) at which Gas is tendered for Transportation, is sufficient to serve Transportation requirements for which nominations have been received in accordance with Section 13.1(a) but which have not been scheduled to receive service on that Day, Transporter may notify affected Shippers and may allocate available capacity to such requirements in accordance with this Section 13.1(c) on the basis of requested nominations which are confirmed by such Shippers by telephone or by other means of communication within one hour of the time that such notice is provided.

To initiate an Intra-Day Nomination, Shipper must submit a completed Customer Nomination Form indicating the revisions to be made and the dates for which such revisions are applicable. Transporter will notify Shippers and Interconnect Operators of scheduled Intra-Day quantities.

NAESB WGQ 1.3.11: "Intra-day nominations can be used to request increases or decreases in total flow, changes to receipt points, or changes to delivery points of scheduled gas."

NAESB WGQ 1.3.13: "Intra-day nominations do not rollover (i.e. Intra-day nominations span one day only). Intra-day nominations do not replace the remainder of a standing nomination. There is no need to re-nominate if intra-day nomination modifies existing nomination."

Effective Date: 09/01/2005 Status: Effective

FERC Docket: RP05-456-000

First Revised Sheet No. 122 First Revised Sheet No. 122 : Effective
Superseding: Original Sheet No. 122

GENERAL TERMS AND CONDITIONS
(Continued)

13. SCHEDULING OF RECEIPTS AND DELIVERIES (Continued)

13.1 Nomination Process. (Continued)

(d) Unconfirmed Nominations. NAESB WGQ 1.3.22:

- (i) "With respect to the timely nomination/confirmation process at a receipt or delivery point, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the confirmed quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the lesser of the confirmation quantity or the previously scheduled quantity should be the new confirmed quantity.
- (ii) With respect to the processing of requests for increase during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the previously scheduled quantity should be the new confirmed quantity.

GENERAL TERMS AND CONDITIONS
(Continued)

13. SCHEDULING OF RECEIPTS AND DELIVERIES (Continued)

13.1 Nomination Process. (Continued)

- (iii) With respect to the processing of the requests for decreases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity, but in any event no less than the elapsed-prorated-scheduled quantity. If there is no response to a Request For Confirmation or an unsolicited Confirmation Response, the greater of the confirmation quantity or the elapsed-prorated-scheduled quantity should be the new confirmed quantity.
- (iv) With respect to 1.3.22 i, ii, and iii, if there is no response to a request for confirmation or an unsolicited confirmation response, the Transportation Service Provider should provide the Service Requester with the following information to explain why the nomination failed, as applicable:
 - (1) the Service Requester's Transportation Service Provider did not conduct the confirmation;
 - (2) the Service Requester is told by its Transportation Service Provider that the upstream confirming party did not conduct the confirmation;
 - (3) the Service Requester is told by its Transportation Service Provider that the upstream Service Requester did not have the gas or submit the nomination;
 - (4) the Service Requester is told by its Transportation Service Provider that the downstream confirming party did not conduct the confirmation;

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Third Revised Sheet No. 124 Third Revised Sheet No. 124

Superseding: Second Revised Sheet No. 124

GENERAL TERMS AND CONDITIONS
(Continued)

13. SCHEDULING OF RECEIPTS AND DELIVERIES (Continued)

13.1 Nomination Process. (Continued)

- (5) the Service Requester is told by its Transportation Service Provider that the downstream Service Requester did not have the market or submit the nomination.

This information should be imparted to the Service Requester on the Scheduled Quantity document."

- (e) Ranking of Service. NAESB 1.3.23: "Ranking should be included in the list of data elements. Transportation service providers should use service requester provided rankings when making reductions during the scheduling process when this does not conflict with tariff-based rules."

13.2 Scheduling Process.

- (a) Scheduling Priorities. The Quantity of Gas that Transporter is obligated to deliver on any Day will be limited to the Quantity of Gas received by Transporter for Shipper's account on such Day as adjusted for fuel used and lost and unaccounted-for gas. Scheduled deliveries by Transporter for a Shipper will be subject to confirmation of scheduled receipts by Transporter for Shipper's account, except as provided in Section 13.2(b). Transporter will schedule nominated Quantities in the following sequence: first, by mainline capacity; and, second, by Receipt Points and Delivery Points, as follows:

- (1) Mainline Capacity. Mainline capacity will be allocated in the priority and sequence described below:

- (i) To Shippers nominating Firm Transportation Service.

If mainline capacity is constrained and Transporter cannot accommodate the total Quantities nominated, then available capacity will be allocated as follows:

Effective Date: 12/01/2007 Status: Effective

FERC Docket: RP08-01-000

Fourth Revised Sheet No. 125 Fourth Revised Sheet No. 125 : Effective
Superseding: Third Revised Sheet No. 125

GENERAL TERMS AND CONDITIONS
(Continued)

13. SCHEDULING OF RECEIPTS AND DELIVERIES (Continued)

13.2 Scheduling Process. (Continued)

- a) First, among Shippers submitting within-the-path nominations through the constrained area, pro rata based on each Shipper's current TMDQ in the constrained area; and
 - b) Second, among Shippers submitting out-of-path nominations through the constrained area, pro rata based on each Shipper's confirmed, out-of-path nominations through the constrained area.
- (ii) To Shippers nominating Interruptible Transportation Service and Authorized Overrun Service.

If available mainline capacity is insufficient to accommodate the total Quantities nominated, then available capacity will be allocated as follows:

- a) First, based on rate paid, in the priority and sequence described below. For index-based, discounted rates, the rate used for scheduling purposes will be the rate calculated from the most current index prices available prior to the Timely Nomination Cycle set forth in NAESB WGQ 1.3.2.
 - 1) To Shippers paying the Maximum Base Tariff Rate, including (i) Shippers paying a Negotiated Rate where the Negotiated Rate is a stated rate per Dekatherm that is greater than or equal to the Maximum Base Tariff Rate, and (ii) Shippers paying a discounted Rate based on index prices where such rate would otherwise exceed the Maximum Base Tariff Rate, but is capped at the Maximum Base Tariff Rate.
 - 2) To Shippers paying less than the Maximum Base Tariff Rate, from highest rate to lowest rate, including Shippers paying a Negotiated Rate where the Negotiated Rate is a stated rate per Dekatherm that is lower than the Maximum Base Tariff Rate but higher than the Minimum Base Tariff Rate,

Effective Date: 05/01/2004 Status: Effective

FERC Docket: RP04-235-000

Second Revised Sheet No. 126 Second Revised Sheet No. 126 : Effective
Superseding: First Revised Sheet No. 126

GENERAL TERMS AND CONDITIONS
(Continued)

13. SCHEDULING OF RECEIPTS AND DELIVERIES (Continued)

13.2 Scheduling Process. (Continued)

or where the Negotiated Rate is based on a formula that includes a specified minimum Negotiated Rate to be paid that is higher than the Minimum Base Tariff Rate, in which case the specified minimum Negotiated Rate will be used for scheduling purposes. A Shipper will have the right to increase its rate paid in order to obtain a higher scheduling priority for Quantities nominated pursuant to Transporter's interruptible Transportation Service Agreements.

3) To Shippers paying the Minimum Base Tariff Rate, including (i) Shippers paying a Negotiated Rate where the Negotiated Rate is based on a formula with no specified minimum Negotiated Rate to be paid or the specified minimum rate is the Minimum Base Tariff Rate, and (ii) Shippers paying a discounted Rate based on index prices where such rate would otherwise be less than the Minimum Base Tariff Rate, but is limited to the Minimum Base Tariff Rate. In those cases, the Minimum Base Tariff Rate will be used for scheduling purposes. A Shipper will have the right to increase its rate paid in order to obtain a higher scheduling priority for Quantities nominated pursuant to Transporter's interruptible Transportation Service Agreements.

b) Second, based on the Priority of Service Date when two or more Shippers are paying the same rate, and available mainline capacity is insufficient to accommodate all nominations at the same rate; and

Effective Date: 12/01/2007 Status: Effective

FERC Docket: RP08-01-000

Third Revised Sheet No. 127 Third Revised Sheet No. 127 : Effective
Superseding: Second Revised Sheet No. 127

GENERAL TERMS AND CONDITIONS
(Continued)

13. SCHEDULING OF RECEIPTS AND DELIVERIES (Continued)

13.2 Scheduling Process. (Continued)

- c) Third, pro rata based on nominated Quantities when two or more Shippers are paying the same rate, have the same Priority of Service Date, and available mainline capacity is insufficient to accommodate all nominations at the same rate with the same Priority of Service Date.
- (2) Receipt Point and Delivery Point Capacity:
After mainline capacity has been allocated, Receipt Point and Delivery Point capacity will be allocated in the priority and sequence described below:
 - (i) To Shippers nominating Firm Transportation Service with primary entitlements at the Receipt Points and Delivery Points.

If Receipt Point or Delivery Point capacity is constrained, then available capacity will be allocated pro rata, based on each Shipper's primary entitlements at the constrained point.
 - (ii) To Shippers nominating Firm Transportation Service without primary entitlements at the Receipt Points and Delivery Points.

If Receipt Point or Delivery Point capacity is constrained, then available capacity will be allocated pro rata, based on each Shipper's confirmed nominations at the constrained point.
 - (iii) To Shippers nominating Interruptible Transportation Service and Authorized Overrun Service.

If Receipt Point or Delivery Point capacity is insufficient to accommodate the total Quantities nominated, then available capacity will be allocated as follows: first, based on rate paid as set forth in Section 13.2(a)(1)(ii)a); second, based on Priority of Service Date; and third, pro rata, based on nominated Quantities.

Effective Date: 10/01/2002 Status: Effective

FERC Docket: RP02-482-000

Second Revised Sheet No. 128 Second Revised Sheet No. 128 : Effective
Superseding: First Sheet No. 128

GENERAL TERMS AND CONDITIONS
(Continued)

13. SCHEDULING OF RECEIPTS AND DELIVERIES (Continued)

13.2 Scheduling Process. (Continued)

- (b) Bumping. During each nomination cycle, available capacity will be scheduled pursuant to the priority and sequence described in Section 13.2(a). Once scheduled, nominations for Firm Transportation Service will not be bumped. Nominations for Interruptible Transportation Service and Authorized Overrun Service will not be bumped below Elapsed-Prorated-Scheduled-Quantities in the Intraday 1 nomination cycle, and will not be bumped in the Intraday 2 cycle.

If Quantities are reduced as a result of bumping, Transporter will provide advance notice to each affected Shipper and will indicate whether penalties will apply. Such notice will be provided on Transporter's Designated Site and by Internet E-mail or direct notification to the Shipper's Internet URL address, as specified by the Shipper.

Each Shipper will designate an operational contact for Transporter to notify on a 24-hour a day, 365 days a year basis. If Transporter is unable to notify any Shipper because that Shipper's contact is unavailable, such Shipper will be solely responsible for any consequences arising from such failure of communication.

- (c) Contractual Priorities. The foregoing scheduling priorities and capacity allocation methodologies will control and govern the provision of service on Transporter's system, notwithstanding anything to the contrary which may be expressed or implied in any executed Transportation Service Agreement.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Second Revised Sheet No. 129 Second Revised Sheet No. 129 : Effective
Superseding: First Revised Sheet No. 129

GENERAL TERMS AND CONDITIONS
(Continued)

13. SCHEDULING OF RECEIPTS AND DELIVERIES (Continued)

13.3 Interruption/Curtailment Procedures.

- (a) If, at any time, Transporter determines that the capacity of its system or any portion thereof, including capacity at Receipt Points or Delivery Points, is insufficient for any reason to serve all scheduled Quantities, then Transporter will, without liability to any Shipper, curtail or interrupt deliveries. Such curtailment or interruption will occur in a reverse order to the scheduling sequence set forth in Section 13.2, subject to NAESB WGQ 1.2.12, relating to Elapsed-Prorated-Scheduled Quantities.
- (b) Notwithstanding the foregoing, no Shipper receiving interruptible service or Authorized Overrun Service during a Month will have such service curtailed solely to provide service to another Shipper either to commence or to increase interruptible service or Authorized Overrun Service during such Month.

The foregoing scheduling priorities and capacity allocation methodologies will control and govern service on Transporter's system, notwithstanding anything to the contrary which may be expressed or implied in any executed Transportation Service Agreement.

FERC Docket: RP09-466-000

Superseding: Second Revised Sheet No. 130

•

•

13.4 Allocation of Receipts.

Unless prohibited by applicable law or regulation, the quantities received by Transporter at any Receipt Point will be allocated among Shippers and services as follows:

- (a) In accordance with allocation procedures specifically agreed to by Transporter and the Interconnect Operator of the Receipt Point(s), as set forth in an Operational Balancing Agreement (OBA), provided; however, Transporter will not be required to enter into agreements with such Interconnect Operators if they are not creditworthy in accordance with the provisions set forth in Section 29 of the General Terms and Conditions of this tariff. (Any OBA is a contract between two parties which specifies the procedures to manage operating variances at an interconnect.)

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Second Revised Sheet No. 131 Second Revised Sheet No. 131

Superseding: First Revised Sheet No. 131

GENERAL TERMS AND CONDITIONS
(Continued)

13. SCHEDULING OF RECEIPTS AND DELIVERIES (Continued)

13.4 Allocation of Receipts. (Continued)

- (b) In the absence of a methodology set forth in 13.4(a), Shipper will cause the Interconnect Operator at the Receipt Point to notify Transporter of the pre-determined allocation ("PDA") methodology to be utilized in determining actual receipts among all Shippers scheduled to receive service at the Receipt Point. Such notification may be submitted electronically to Transporter's Designated Site or, if mutually agreed between Transporter and Interconnect Operator, by other modes of communication. NAESB WGQ 2.3.5: "The upstream or downstream party providing the point confirmation should submit the pre-determined allocation to the allocating party after or during confirmation and before start of gas day." Such PDA will be effective for the term specified in the PDA agreement, provided that the term may not cover a period of less than one Day. The chosen methodology must allocate receipts, to the maximum extent possible, based upon confirmed nominations.
- (c) In the absence of methodology set forth in 13.4 (a) or (b) above, Transporter will rely on its default methodology of allocating quantities to all Shippers. NAESB WGQ 2.3.18: "The types of allocation methodologies is a list from which two parties may agree. If the two parties cannot agree upon an allocation methodology, pro rata based upon confirmed nominations should be used as the default method. The party responsible for custody transfer (the party performing the measurement function) should provide the allocation."

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Third Revised Sheet No. 132 Third Revised Sheet No. 132

Superseding: Second Revised Sheet No. 132

GENERAL TERMS AND CONDITIONS
(Continued)

13. SCHEDULING OF RECEIPTS AND DELIVERIES (Continued)

13.5 Allocation of Deliveries.

Unless prohibited by applicable law or regulation, the quantities delivered by Transporter at any Delivery Point will be allocated among Shippers and services as follows:

- (a) In accordance with any allocation procedures specifically agreed to by Transporter and the Interconnect Operator of Delivery Point(s) as set forth in the Operational Balancing Agreement; provided, however, Transporter will not be required to enter into agreements with such Interconnect Operators if they are not creditworthy in accordance with the provisions set forth in Section 29 of the General Terms and Conditions of this tariff.
- (b) In the absence of a methodology set forth in 13.5(a) above, Shipper will cause the Interconnect Operator at the Delivery Point to notify Transporter of the pre-determined allocation ("PDA") methodology to be utilized in determining actual deliveries among all Shippers and services scheduling service at such Delivery Point. Such notification may be submitted electronically to Transporter's Designated Site or, if mutually agreed between Transporter and Shipper, by other modes of communication. NAESB WGQ 2.3.5: "The upstream or downstream party providing the point confirmation should submit the PDA to the allocating party after or during confirmation and before the start of the gas day." Such PDA will be effective for the term specified in the PDA agreement provided that such term may not cover a period of less than one Day. The chosen methodology must allocate deliveries, to the maximum extent possible, based upon confirmed nominations.
- (c) In the absence of a methodology as described in 13.5(a) or (b) above, Transporter may rely on its default methodology of allocating quantities to all Shippers. NAESB WGQ 2.3.18: "The types of allocation methodologies is a list from which two parties may agree. If the two parties cannot agree upon an allocation methodology, pro rata based upon confirmed nominations should be used as the default method. The party responsible for custody transfer (the party performing the measurement function) should provide the allocation."

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 133 Original Sheet No. 133 : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

13. SCHEDULING OF RECEIPTS AND DELIVERIES (Continued)

13.6 Notification of Allocation Rules.

Upon written notification to Transporter, the Interconnect Operator may change its respective allocations and allocation methodologies prospectively during the Month, but not retroactively.

Upon receipt of a request from Shipper, Transporter will notify Shipper of the allocation procedure utilized at Shipper's Receipt and Delivery Points.

Effective Date: 03/01/2009 Status: Effective

FERC Docket: RP09-306-000

First Revised Sheet No. 134 First Revised Sheet No. 134

Superseding: Original Sheet No. 134

GENERAL TERMS AND CONDITIONS
(Continued)

14. WARRANTY OF TITLE TO GAS

This section 14 will apply to all Transportation service unless otherwise provided in the applicable Rate Schedule or Transportation Service Agreement. Shipper warrants for itself, its successors and assigns, that Shipper will have title to the Gas at the time the Gas is delivered to Transporter and while the Gas is being transported by Transporter. Shipper will indemnify Transporter and save it harmless from all suits, actions, debts, accounts, dangers, costs, losses, and expenses arising from or out of any adverse claims of any and all persons to said Gas and/or to royalties, taxes, license fees, or charges thereon which are applicable for such delivery of Gas and that Shipper will indemnify Transporter and save it harmless from all taxes or assessments which may be levied and assessed upon such delivery and which are by law payable by and the obligation of the party making such delivery. If Shipper's title or right to deliver Gas to be transported is questioned or involved in any action, Shipper will not qualify for or will be ineligible to continue to receive service until such time as Shipper's title or right to deliver is free from question; provided, however, Transporter will allow Shipper to qualify for or continue receiving service under this tariff if Shipper furnishes a bond satisfactory to Transporter. Title to the Gas received by Transporter at the Receipt Point(s) will not pass to Transporter.

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP04- 4-000

Fifth Revised Sheet No. 135 Fifth Revised Sheet No. 135 : Effective
Superseding: Fourth Revised Sheet No. 135

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM

15.1 Applicability.

- (a) This Section 15 implements Section 284.8 of the FERC's regulations and is applicable to any Shipper that holds rights to firm Transportation service pursuant to an executed Transportation Service Agreement under Rate Schedule KRF-1, KRF-L1, CH-1, MO-1, UP-1 or SH-1 contained in this Tariff ("Base Transportation Service Agreement"), who elects to release on a permanent or temporary basis all or any portion of such firm Transportation rights ("Releasing Shipper"). A Releasing Shipper will have the right to permanently release any volumetric portion of its firm Transportation rights and/or to segment and temporarily release any portion of its Transportation rights, but only to the extent that the Transportation rights so released are acquired by another party pursuant to the provisions of this Section 15 which executes a Released Transportation Service Agreement in the form set forth in this Tariff ("Replacement Shipper"). Any party which desires to bid on and obtain Transportation rights released under the provisions of this Section 15 will be known as a "Bidder." Unless expressly prohibited by the Releasing Shipper, a Bidder which successfully becomes a Replacement Shipper also may release any or all of the rights it has acquired hereunder as reflected in its Released Transportation Service Agreement, subject to the terms and conditions of this Section 15, and will be deemed a "Releasing Shipper" with respect to such proposed release. For purposes of this Section 15, the service agreement under which a Releasing Shipper releases Transportation rights, whether a Base Transportation Service Agreement or a Released Transportation Service Agreement, will be referred to at times in this Section 15 as the "Releasing Shipper's Service Agreement."

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Third Revised Sheet No. 136 Third Revised Sheet No. 136
Superseding: Second Revised Sheet No. 136

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.1 Applicability. (Continued)

- (b) NAESB WGQ Capacity Release Standards. NAESB WGQ Capacity Release Related Definitions and Standards 5.2.1, 5.2.2, 5.3.5, 5.3.9 through 5.3.12, 5.3.17 through 5.3.23, 5.3.26 through 5.3.43, 5.3.46, 5.3.51, 5.3.52, and 5.3.55 through 5.3.60 (Version 1.8, September 30, 2006) are incorporated by reference.

Effective Date: 09/01/2005 Status: Effective

FERC Docket: RP05-456-000

Fourth Revised Sheet No. 137 Fourth Revised Sheet No. 137 : Effective
Superseding: Third Revised Sheet No. 137

RESERVED FOR FUTURE USE

Effective Date: 11/01/2004 Status: Effective

FERC Docket: RP04-619-000

Second Revised Sheet No. 138 Second Revised Sheet No. 138 : Effective

Superseding: First Revised Sheet No. 138

GENERAL TERMS AND CONDITIONS

(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.2 Releasing Shipper's Release Request.

A Releasing Shipper that desires to release its rights to service must electronically submit a Release Request via Transporter's Designated Site on the Internet, in accordance with the applicable time requirements and deadlines contained in this Section 15, and must specify whether the release request is temporary or permanent. The Release Request will contain the following information, and the Release will comply with and otherwise be subject to the following terms and conditions:

- (a) Releasing Shipper's: legal name, address, Service Agreement number, Dunn and Bradstreet number, as well as the name, telephone number, and fax number of the person to contact concerning the Release Request;
- (b) the DMDQ to be released (or any minimum and maximum acceptable DMDQ);
- (c) the commencement date (or earliest acceptable commencement date) and expiration date (or latest acceptable expiration date, provided, however, that for permanent releases, the expiration date must coincide with the expiration date of the Releasing Shipper's Transportation Service Agreement), and any minimum and maximum acceptable term of the Release (the "Release Term"), as well as the applicable posting and bidding periods for any Release under Section 15.3 which the Releasing Shipper desires Transporter to post for bidding pursuant to Section 15.4, and any other applicable posting and bidding periods which the Releasing Shipper desires Transporter to utilize instead of the applicable minimum periods set forth in Section 15.8; provided, however, that all specified bidding and posting periods will be stated in terms of the number of Business Days in the relevant period;
- (d) with respect to the Receipt Points and Delivery Points for the Release of a volumetric portion or a segment of Releasing Shipper's capacity:

Effective Date: 11/01/2004 Status: Effective

FERC Docket: RP04-619-000

Second Revised Sheet No. 139 Second Revised Sheet No. 139 : Effective
Superseding: First Revised Sheet No. 139

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.2 Releasing Shipper's Release Request. (Continued)

- (1) whether the Replacement Shipper will be permitted to utilize Primary Receipt Points and Primary Delivery Points in connection with the Release, and, if so, the specific Primary Receipt Points and Primary Delivery Points, and the respective associated Receipt and Delivery Point Entitlements at each such point, at which the Releasing Shipper is willing to release its Transportation rights and at which the Replacement Shipper must acquire such rights.
- (2) if the Releasing Shipper permits the Replacement Shipper to utilize Primary Receipt Points and Primary Delivery Points in connection with a temporary Release, then the Release Request must also specify whether the Releasing Shipper will permit the Replacement Shipper to change the Primary Receipt Points and Primary Delivery Points or the respective associated Receipt and Delivery Point Entitlements at such points. To the extent expressly permitted by the Releasing Shipper and subject to any restrictions imposed by the Releasing Shipper, the Replacement Shipper will be entitled to utilize any Primary Receipt Points or Primary Delivery Points on Transporter's System in connection with the Release, subject also to capacity availability and all applicable terms and conditions of Transporter's tariff.
- (3) To the extent that the Release Request expressly permits the Replacement Shipper to utilize Primary Receipt Points and Primary Delivery Points, then the Releasing Shipper and the Replacement Shipper must comply with the requirements of Section 6.1 and Section 6.3 of the General Terms and Conditions of this tariff regarding any required relinquishment of Receipt Point or Delivery Point Entitlements.

Eighth Revised Sheet No. 140 Eighth Revised Sheet No. 140
Superseding: Seventh Revised Sheet No. 140

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.2 Releasing Shipper's Release Request. (Continued)

- (4) The Replacement Shipper will be entitled to utilize any Secondary Receipt Point or Secondary Delivery Point on Transporter's System in connection with any Release, subject to all applicable terms and conditions contained in Transporter's tariff.
- (e) the daily reservation rate in dollars and cents or percent of maximum tariff rate for the service to be released ("Release Reservation Rate"), and any and all other applicable reservation charges and surcharges for the service to be released (collectively, the "Release Reservation Surcharges"), including any minimum acceptable Release Reservation Rate and Release Reservation Surcharges; provided, however, that for permanent releases, the Release Reservation Rate and Release Reservation Surcharges must be equal to or higher than the rate and surcharges that the Releasing Shipper is obligated to pay to Transporter for the released capacity. The Release Reservation Rate and the Release Reservation Surcharges will be collectively referred to at times in this Section 15 as the "Total Release Reservation Charge." The Release Request should indicate if the Releasing Shipper wishes to release its capacity at a rate that is calculated using a formula based on index prices for specific receipt and/or delivery points or upon other published pricing reference points. Index-based rates will be no higher than the Maximum Base Tariff Reservation/Demand Rates set forth on Sheet Nos. 5 and 5-A of Transporter's Tariff, unless the Release is exempt from the rate ceiling under Section 15.11(d). In either case, such rates shall be no lower than the Minimum Base Tariff Reservation/Demand Rates set forth on Sheet Nos. 5 and 5-A of Transporter's Tariff. The Release Request must also specify whether the Releasing Shipper will accept bids designed on a one-part volumetric basis for all or any portion of the Total Release Reservation Charge and, if so, the corresponding objective, nondiscriminatory economic standard which the Releasing Shipper desires Transporter to utilize to determine the award of the Release if any or all bids are submitted on a one-part volumetric basis;

Effective Date: 11/01/2004 Status: Effective

FERC Docket: RP04-619-000

Second Revised Sheet No. 141 Second Revised Sheet No. 141 : Effective
Superseding: First Revised Sheet No. 141

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.2 Releasing Shipper's Release Request. (Continued)

- (f) for temporary releases, whether the Release will occur on a firm recallable or nonrecallable basis and, if on a recallable basis, the specific terms and conditions under which recall may occur;
- (g) NAESB WGQ 5.3.8: "Reput method and rights should be specified at the time of the deal. Reput methods and rights are individually negotiated between the releasing shipper and replacement shipper."
- (h) whether bids may be submitted on a contingency basis (including, but not limited to, the contingency that Releasing Shipper will make a payment to Replacement Shipper as consideration for accepting a release) and, if so, the objective, nondiscriminatory terms and conditions governing acceptance of such bids, and all related requirements concerning any bids submitted on a non-contingency basis; provided, however, that any and all such contingencies must be resolved during the evaluation period;
- (i) whether Releasing Shipper desires the: 1) highest rate, 2) net revenue, 3) present value, or 4) other shipper-defined, nondiscriminatory methodology agreed to by Transporter to be utilized in determining the award of the Release rights;
- (j) whether the Releasing Shipper desires to have the proposed Release marketed by Transporter in accordance with Section 15.12;
- (k) an irrevocable statement that, subject only to the provisions of Section 15.4(d), the Releasing Shipper will release its Transportation rights on the terms and conditions set forth in its Release Request if all such terms and conditions are accepted by a Bidder, including any and all terms and conditions governing bids which may be submitted on a contingency basis; and

Effective Date: 11/01/2004 Status: Effective

FERC Docket: RP04-619-000

First Revised Sheet No. 142 First Revised Sheet No. 142 : Effective

Superseding: Original Sheet No. 142

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.2 Releasing Shipper's Release Request. (Continued)

- (1) whether the Releasing Shipper has entered into a binding agreement to release such Transportation rights to a party who has executed a Released Transportation Service Agreement with Transporter ("Prearranged Bidder"). In such event, the Releasing Shipper additionally will submit:
 - (1) Prearranged Bidder's: legal name, Released Transportation Service Agreement number; Dunn and Bradstreet number, as well as the name, telephone number, and fax number of the person to contact concerning the Pre-Arranged Release;
 - (2) the Release Term, DMDQ, Release Reservation Rate, Release Reservation Surcharges, and all other terms and conditions to which the Prearranged Bidder has agreed, including without limitation whether either the Release Reservation Rate or Release Reservation Surcharges will be paid on a one-part volumetric basis; and
 - (3) a statement which represents and warrants that the Prearranged Bidder has entered into a binding agreement with the Releasing Shipper to accept the Transportation rights on the terms and conditions prescribed in the Release Request. Upon Transporter's request, the Releasing Shipper will provide Transporter with a true and complete copy of a fully executed written agreement between the Releasing Shipper and the Prearranged Bidder concerning the proposed Release.
- (m) for temporary releases, whether there are any restrictions upon the Replacement Shipper's right to release subsequently any or all of the Transportation rights received from the Releasing Shipper under the Release; and

Effective Date: 11/01/2004 Status: Effective

FERC Docket: RP04-619-000

Original Sheet No. 142-A Original Sheet No. 142-A : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.2 Releasing Shipper's Release Request. (Continued)

- (n) any other terms and conditions of the Release, including whether Releasing Shipper will require Replacement Shipper to execute a contract with the Releasing Shipper with respect to the Release, a copy of which will be provided by Releasing Shipper to any Bidder upon request. In the event of a conflict, the terms and conditions of Transporter's Tariff, the Base Transportation Service Agreement, and the Released Transportation Service Agreement will take precedence over the terms and conditions contained in any such contract between the Releasing Shipper and the Replacement Shipper.

15.3 Releases Permitted Without Prior Posting and Bidding.

A Releasing Shipper may, at its option, elect to release some or all of its Transportation rights without following the prior posting and bidding procedures set forth in this Section 15, if its proposed Release qualifies under this Section 15.3.

Substitute Third Revised Sheet No. 143 Substitute Third Revised Sheet No. 143
Superseding: Third Revised Sheet No. 143

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.3 Releases Permitted Without Prior Posting and Bidding. (Continued)

- (a) 31 Days or Less Release Election: Prior posting and bidding pursuant to the procedures set forth in this Section 15 will not be required if:
- (1) the Release is for a term of 31 days or less;
 - (2) the Releasing Shipper has submitted to Transporter a Release Request with respect to the Release;
 - (3) the proposed Replacement Shipper has entered into an effective Released Transportation Service Agreement with Transporter incorporating the information, terms and conditions contained in the Releasing Shipper's Release Request;
 - (4) the Release is not rolled-over, renewed or otherwise extended beyond the term described in Section 15.3(a)(1), unless the Releasing Shipper either follows the prior posting and bidding procedures set forth in this Section 15, or the new or extended Release is exempt from the prior posting and bidding procedures pursuant to the provisions of Section 15.3(b), (c) or (d); and
 - (5) the commencement date of the term of any Release under this Section 15.3(a) is at least 28 Days after the termination date of any previous Release under this Section 15.3(a) by Releasing Shipper to the same Replacement Shipper, or if the previous Release to the same Replacement Shipper occurred either pursuant to the prior posting and bidding procedures set forth in this Section 15 or pursuant to Section 15.3(b), (c) or (d).

In the event the Releasing Shipper elects to release its Transportation rights under this Section 15.3(a) without prior posting and bidding, then Transporter will post the terms and conditions of the Release and the identity of the Replacement Shipper on its Designated Site no later than when the first nomination is submitted under the transaction. Such posting will state whether the capacity release is a Release to a marketer participating in a state-regulated retail access program or a Release to an asset manager and will describe the asset manager's obligation to deliver to or purchase gas from the Releasing Shipper.

Effective Date: 07/30/2008 Status: Effective

FERC Docket: RP09-306-000

Sixth Revised Sheet No. 144 Sixth Revised Sheet No. 144

Superseding: Fifth Revised Sheet No. 144

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.3 Releases Permitted Without Prior Posting and Bidding. (Continued)

- (b) Maximum Rate Long-Term Releases to Prearranged Bidder:
Prior posting and bidding pursuant to the procedures set forth in this Section 15 will not be required for releases of more than one year if the Releasing Shipper has provided to Transporter the information required by Section 15.2(1) regarding a Prearranged Bidder which has agreed to pay a Total Release Reservation Charge which is equal to Transporter's combined respective maximum Daily Reservation Rate and any and all other maximum reservation charges and surcharges applicable to the rate schedule governing the Transportation rights to be released (the "Governing Rate Schedule"), or the one-part volumetric equivalent thereof, as may be revised from time to time (individually, the "Tariff Reservation Rate" and the "Tariff Reservation Surcharges," and collectively, the "Total Tariff Reservation Charge"). In the event the Releasing Shipper elects to release its Transportation rights under this Section 15.3(b) without prior posting and bidding, then Transporter will post the terms and conditions of any Release under this Section 15.3(b) and the identity of the Prearranged Bidder on its Designated Site no later than 9:00 a.m. CCT.
- (c) Release to an Asset Manager: Prior posting and bidding pursuant to the procedures set forth in this Section 15 will not be required for any pre-arranged release to an asset manager, defined as a release that contains the condition that the Releasing Shipper may call upon the Replacement Shipper to deliver to, or purchase from, the Releasing Shipper a volume of gas up to 100 percent of the daily contract demand of the released transportation according to the following schedule:
 - (1) If the capacity release is for a period of one year or less, the asset manager's delivery or purchase obligation must apply on any day during a minimum period of the lesser of five months (or 155 days) or the term of the release.

Effective Date: 07/30/2008 Status: Effective

FERC Docket: RP09-306-000

Original Sheet No. 144A Original Sheet No. 144A

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.3 Releases Permitted Without Prior Posting and Bidding. (Continued)

- (2) If the capacity release is for a period of more than one year, the asset manager's delivery or purchase obligation must apply on any day during a minimum period of five months (or 155 days) of each twelve month period of the release, and on five-twelfths of the days of any additional period of the release not equal to twelve months.
- (d) Release to Marketer Participating in State-Regulated Retail Access Program: Prior posting and bidding pursuant to the procedures set forth in this Section 15 will not be required for any pre-arranged capacity release that will be utilized by the Replacement Shipper to provide the gas supply requirement of retail consumers pursuant to a retail access program approved by the state agency with jurisdiction over the local distribution company that provides delivery service to such retail consumers.

15.4 Transporter's Posting of Release Requests.

- (a) NAESB 5.3.24: "Capacity release facilitator should post offers and bids, including prearranged deals, upon receipt. A releasing shipper may request a later posting time for posting of such offer, and the capacity release service facilitator should support such request insofar as it comports with the standard Capacity Release timeline specified in NAESB Standard 5.3.2." Notwithstanding the foregoing, Transporter will not post the identity of any Prearranged Bidder pursuant to this Section 15.4(a). The period of time for Transporter's posting of the information related to the Release ("Posting Period"), and the period of time during which bids will be received on such Release "Bidding Period"), will be in accordance with the relevant periods of time set forth in Section 15.8.

Effective Date: 01/01/2004 Status: Effective

FERC Docket: RP04- 68-000

Fourth Revised Sheet No. 145 Fourth Revised Sheet No. 145 : Effective
Superseding: Third Revised Sheet No. 145

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.4 Transporter's Posting of Release Requests. (Continued)

- (b) In the event the Release Request indicates that bids for the Release will be accepted on a one-part volumetric basis for the Release Reservation Rate or the Release Reservation Surcharges, Transporter will determine the applicable respective maximum one-part volumetric Release Reservation Rate and Release Reservation Surcharges and will post this information pursuant to Section 15.4(a). The applicable maximum one-part volumetric Release Reservation Rate will be the applicable Daily Reservation Rate set forth in Transporter's Tariff, which is the 100% load factor equivalent of the applicable maximum Tariff Reservation Rate. The applicable maximum one-part volumetric Release Reservation Surcharges will be the 100% load factor equivalent of the applicable maximum Tariff Reservation Surcharges.
- (c) Transporter makes no express or implied representation or warranty to any party concerning the willingness or ability either of any Releasing Shipper to release Transportation rights hereunder or of any Bidder to accept Transportation rights hereunder.
- (d) NAESB 5.3.25: "A releasing shipper should not be able to specify an extension of the original bid period or the pre-arranged deal match period, without posting a new release."
- (e) NAESB 5.3.16: "The releasing party has the right to withdraw its offer during the bid period, where unanticipated circumstances justify and no minimum bid has been made."
NAESB 5.3.14: "Offers should be binding until written or electronic notice of withdrawal is received by the capacity release service provider." Transporter will post notice of withdrawal on its Designated Site as soon as possible, but in no event more than one Business Day, following receipt of such notice.

Effective Date: 04/20/2009 Status: Effective

FERC Docket: RP09-466-000

First Revised Sheet No. 146 First Revised Sheet No. 146

Superseding: Original Sheet No. 146

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.5 Bidding for Transportation Rights.

- (a) Any party that desires to become a Prearranged Bidder or Bidder, or to otherwise acquire a Release pursuant to this Section 15, must pre-qualify with Transporter by entering into a Released Transportation Service Agreement with Transporter, after first satisfactorily demonstrating sufficient creditworthiness in the same manner and subject to the same terms and conditions as required for firm Shippers under Section 29 of the General Terms and Conditions of this tariff.

The creditworthiness requirement will be continuing in nature with respect to the Release in the same manner and to the same extent as prescribed for firm Shippers under Section 29 of the General Terms and Conditions of this tariff, and will apply with respect to any and all Releases desired by a potential Replacement Shipper. No potential Replacement Shipper will be entitled to receive any released firm Transportation service rights pursuant to this Section 15 for which it has not first satisfactorily demonstrated sufficient creditworthiness with Transporter. Any satisfactory guarantee provided by the Releasing Shipper or by any third party on behalf of a potential Replacement Shipper in accordance with this Section 15 and Section 29 of the General Terms and Conditions of this tariff must provide, without limitation, that the Guarantor will guarantee all financial obligations of the Replacement Shipper under its Released Transportation Service Agreement with respect to the Release.

- (b) Bidders may submit bids only during the Bidding Period applicable to a Release Request. A Bidder may not simultaneously submit multiple bids for the same Release. All bids will be submitted via Transporter's Designated Site on the Internet, and will comply with and otherwise be subject to all terms and conditions set forth in the Release Request. All bids will contain the following information for each Release Request:

Effective Date: 01/01/2003 Status: Effective

FERC Docket: RP00-337-003

Second Revised Sheet No. 147 Second Revised Sheet No. 147 : Effective
Superseding: First Revised Sheet No. 147

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.5 Bidding for Transportation Rights. (Continued)

- (1) the Bidder's: legal name, address, Released Transportation Service Agreement number, Dunn and Bradstreet number, as well as the name, telephone number, and fax number of the person to contact concerning the bid;
- (2) the Releasing Shipper's Service Agreement number and the Release Request number to which the bid relates;
- (3) the Total Release Reservation Charge, including the Release Reservation Rate and the Release Reservation Surcharges, that the Bidder is willing to pay for the released Transportation rights, which must be no less than any respective minimum Total Release Reservation Charge, Release Reservation Rate, or Release Reservation Surcharges specified in the Release Request, and no less than any applicable respective minimum Tariff Reservation Rate or Tariff Reservation Surcharges. The Bidder must also specify whether the Total Release Reservation Charge will be paid in whole or in part on a one-part volumetric basis, to the extent permitted by the Releasing Shipper;
- (4) the DMDQ for the bid, which must be no less than any minimum DMDQ and no more than any maximum DMDQ specified in the Release Request;
- (5) the proposed date of commencement and date of expiration of the Release Term, which must be consistent with the Release Term specified in the Release Request;
- (6) the primary Receipt Point and primary Delivery Point Entitlements that it wishes to acquire, subject to Section 26.2(b) of the General Terms and Conditions of this tariff;

Effective Date: 11/01/2004 Status: Effective

FERC Docket: RP04-619-000

Fourth Revised Sheet No. 148 Fourth Revised Sheet No. 148 : Effective

Superseding: Third Revised Sheet No. 148

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.5 Bidding for Transportation Rights. (Continued)

- (7) the objective terms and conditions of any and all contingencies upon which the bid is submitted (including, but not limited to, the contingency that the Releasing Shipper will make a payment to the Replacement Shipper as consideration for accepting a release), if the Release Request specifically provides for the submission of such contingent bids, including the date by which Bidder will notify Transporter either in writing or electronically on Transporter's Designated Site if any and all such contingencies have not been satisfied;
- (8) an irrevocable statement that, subject only to the provisions of Section 15.5(d), the Bidder agrees to accept the Release in accordance with all other terms and conditions of the Release Request, including any and all terms and conditions governing bids which are submitted on a contingency basis.
- (c) Upon electronic receipt by Transporter from Bidder of all applicable information required by this Section 15.5, Transporter will post such information on its Designated Site, except for the identity of the Bidder, unless Releasing Shipper requests an alternate posting period which comports with the standard timeline as set forth in Section 15.8 of this tariff.

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.5 Bidding for Transportation Rights. (Continued)

- (d) NAESB 5.3.13: "Bids should be binding until written or electronic notice of withdrawal is received by the capacity release service provider." NAESB 5.3.15: "Bids cannot be withdrawn after the bid period ends." Transporter will post notice of such withdrawal on its Designated Site, to the extent that the bid has already been posted pursuant to Section 15.5(c), as soon as possible but in no event more than one Business Day following Transporter's receipt of Bidder's notice of withdrawal. Any Bidder which withdraws a bid pursuant to this Section 15.5 (d) may, at any time during the Bidding Period, submit one or more subsequent bids in accordance with this Section 15.5 for the same Release Request; provided, however, that Bidder may not submit a subsequent bid without first withdrawing an existing bid, and provided further that any subsequent bid submitted must contain a total value that is equal to or higher than the total value of any previous bid which Bidder has submitted for the same Release Request.

15.6 Determination of Successful Bidder.

- (a) NAESB 5.3.3: "For the capacity release business process timing model, only the following methodologies are required to be supported by capacity release service providers and provided to releasing shippers as choices from which they may select and, once chosen, should be used in determining the awards from the bid(s) submitted. They are: 1) highest rate, 2) net revenue and 3) present value. Other choices of bid evaluation methodology (including other releasing shipper defined evaluation methodologies) can be accorded similar timeline evaluation treatment at the discretion of the capacity release service provider. However, the capacity release service provider is not required to offer other choices or similar timeline treatment for other choices, nor, is the capacity release service provider held to the timeline should the releasing shipper elect another method of evaluation."

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Third Revised Sheet No. 150 Third Revised Sheet No. 150

Superseding: Second Revised Sheet No. 150

GENERAL TERMS AND CONDITIONS

(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.6 Determination of Successful Bidder. (Continued)

The Release Request must specify one of the following methodologies for determining the award from the bids submitted: (1) highest rate, (2) net revenue, (3) present value, or (4) other shipper-defined, nondiscriminatory methodology agreed to by Transporter. NAESB WGQ 5.3.4: "When the capacity release service provider makes awards of capacity for which there have been multiple bids meeting minimum conditions, the capacity release facilitator should award the bids, best bid first, until all offered capacity is awarded." If applied methodology, for any reason, cannot be effectively applied to permit Transporter to determine the successful Bidder, then Transporter will use a lottery to choose between bids of equal value.

(1) Highest Rate methodology: the highest rate bid that meets the minimum terms and conditions of the release

(2) Net Revenue methodology: $R \times N \times V = \text{Net Revenue}$
where: R = the reservation charge and reservation surcharge
 N = term of the agreement, in Days
 V = Quantity, stated in Dth

(3) Present Value methodology:

$$R \times \frac{1 - (1+i)^{-n}}{i} \times V = \text{Present Value}$$

where: R = the reservation charge(s) and reservation surcharge(s)
 n = term of agreement, in Days
 i = the annual rate of interest prescribed by FERC as computed in accordance with the formula set forth in 18 C.F.R. Section 154.501(d)
 V = Quantity stated in Dth

Effective Date: 11/01/2004 Status: Effective

FERC Docket: RP04-619-000

Original Sheet No. 150-A Original Sheet No. 150-A : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.6 Determination of Successful Bidder. (Continued)

- (4) Other Methodology: the shipper-defined,
nondiscriminatory evaluation methodology agreed to by
Transporter, which may include (but is not limited to)
a payment by Releasing Shipper to Replacement Shipper
as consideration for accepting a release.

Effective Date: 07/01/2009 Status: Effective

FERC Docket: RP09-616-000

Third Revised Sheet No. 151 Third Revised Sheet No. 151

Superseding: Second Revised Sheet No. 151

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.6 Determination of Successful Bidder. (Continued)

- (b) If a Release Request includes a Prearranged Bidder, then the Release will be awarded to the Prearranged Bidder if its bid has a value which is equal to or higher than the highest value of each of the bids submitted by all other Bidders, or if it matches any bid having a higher value within the time period provided by Section 15.8.
- (c) If only one Bidder has submitted a bid which reflects the highest value, then the Release will be awarded to that Bidder, subject to any Prearranged Bidder's exercise of its right of first refusal as set forth above.
- (d) If two or more Bidders have submitted bids which each reflect the highest value and these combined bids exceed the offered capacity, then, subject to any Prearranged Bidder's exercise of its right of first refusal, the Release will be awarded on the basis of a lottery that randomly assigns a priority to such Bidders. The Bidder with the highest priority will be awarded the Release to the extent of the DMDQ for which it has submitted a bid. If the award of capacity to the Bidder with the highest priority does not result in allocation of all available capacity, then Transporter will continue to award remaining capacity based on the priorities established by lottery until all of the capacity has been awarded or all bids have been satisfied to the extent possible. Transporter will conduct the lottery in an objective, nondiscriminatory manner.
- (e) Transporter will post on its Designated Site for a period of ten Business Days the terms of the successful bid and the identity of the successful Bidder in accordance with the relevant periods of time set forth in Section 15.8 of this Tariff.

15.7 Exhibit "RP" and Exhibit "RS".

- (a) Prior to the date of commencement of the Release Term as specified by the successful Bidder, Transporter will prepare and transmit to the successful Bidder an initial Exhibit "RP" to its Released Transportation Service Agreement stating all applicable terms and conditions of

Effective Date: 07/01/2009 Status: Effective

FERC Docket: RP09-616-000

Second Revised Sheet No. 152 Second Revised Sheet No. 152

Superseding: First Revised Sheet No. 152

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.7 Exhibit "RP" and Exhibit "RS". (Continued)

the Release, including without limitation the DMDQ and associated TMDQ, Release Reservation Rate, Release Reservation Surcharges, Total Release Reservation Charge, usage rate, volumetric surcharges, any and all other applicable rates, charges and surcharges, Release Term, Receipt Point Entitlements at any and all of the Replacement Shipper's specified Primary Receipt Points and Delivery Point Entitlements at any and all of the Replacement Shipper's specified Primary Delivery Points, and Governing Rate Schedule. An initial Exhibit "RS" will likewise be prepared by Transporter and made available to the Releasing Shipper to reflect that the Releasing Shipper has released all or a portion of its Transportation rights, and which contains all applicable terms and conditions of the Release.

- (b) A Replacement Shipper that subsequently obtains a separate Release from either the same or a different Releasing Shipper by successfully bidding on a subsequent Release Request will not execute an additional Released Transportation Service Agreement; rather, the terms and conditions of each such additional Release will be the subject of an appropriate additional Exhibit "RP" (designated sequentially as "Exhibit RP-1", "Exhibit RP-2", etc.) to be added to such Replacement Shipper's Released Transportation Service Agreement. The Releasing Shipper will likewise receive an appropriate additional Exhibit "RS" (designated sequentially as "Exhibit RS-1", "Exhibit RS-2", etc.) to the Releasing Shipper's Service Agreement reflecting the terms and conditions of any subsequent Release of the Releasing Shipper's Transportation rights.
- (c) Transporter will make available on Transporter's Designated Site an electronic version of all initial and additional exhibits for Releasing Shippers and Replacement Shippers based on the applicable information and terms and conditions set forth in the applicable Release Request and the successful bid. Each such exhibit will be deemed incorporated in the Transportation Service Agreement to which it relates, and

Effective Date: 07/01/2009 Status: Effective

FERC Docket: RP09-616-000

Second Revised Sheet No. 153 Second Revised Sheet No. 153

Superseding: First Revised Sheet No. 153

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.7 Exhibit "RP" and Exhibit "RS". (Continued)

will thereby be deemed to amend both such agreements effective upon the date of the commencement of the term of the relevant Release without execution by Transporter, the Releasing Shipper, or the Replacement Shipper; provided, however, that any such exhibit will be deemed ineffective and otherwise null and void if the relevant Release was acquired subject to any contingencies and the Replacement Shipper notifies Transporter in writing via e-mail or facsimile prior to the applicable deadline that all such contingencies have not been satisfied. Service to the Replacement Shipper will commence and continue in accordance with the terms and conditions of the Released Transportation Service Agreement and the relevant Exhibit "RP", and service to the Releasing Shipper will commence in accordance with the terms and conditions of the Releasing Shipper's Service Agreement and the relevant Exhibit "RS", regardless of whether Transporter has first posted the terms and conditions of the successful bid pursuant to Section 15.6(c).

Effective Date: 07/01/2003 Status: Effective

FERC Docket: RP03-374-000

Third Revised Sheet No. 154 Third Revised Sheet No. 154 : Effective
Superseding: 1st Rev First Revised Sheet No. 154

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.8 Applicable Deadlines.

- (a) NAESB WGQ 5.3.1: "The Capacity Release timeline is applicable to all parties involved in the Capacity Release process; however, it is only applicable if 1) all information provided by the parties to the transaction is valid and the acquiring shipper has been determined to be credit worthy before the capacity release bid is tendered and (2) there are no special terms or conditions of the release." Pursuant to NAESB WGQ Standard 5.3.2 the capacity release timeline set forth below in Central Clock Time will apply.

For biddable releases (less than 1 year):

- (1) offers should be tendered by 12:00 p.m. on a Business Day;
- (2) open season ends no later than 1:00 p.m. on a Business Day (evaluation period begins at 1:00 p.m. during which contingency is eliminated, determination of best bid is made, and ties are broken);
- (3) evaluation period ends and award posting if no match required at 2:00 p.m.;
- (4) match or award is communicated by 2:00 p.m.;
- (5) match response by 2:30 p.m.;
- (6) where match required, award posting by 3:00 p.m.;
- (7) contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

Effective Date: 07/01/2003 Status: Effective

FERC Docket: RP03-374-000

Third Revised Sheet No. 155 Third Revised Sheet No. 155 : Effective
Superseding: 1st Rev First Revised Sheet No. 155

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.8 Applicable Deadlines. (Continued)

For biddable releases (1 year or more):

- (1) Offers should be tendered by 12:00 p.m. four Business Days before award;
- (2) open season ends no later than 1:00 p.m. on the Business Day before timely nominations are due (open season is three Business Days);
- (3) evaluation period begins at 1:00 p.m. during which contingency is eliminated, determination of best bid is made, and ties are broken;
- (4) evaluation period ends and award posting if no match required at 2:00 p.m.;
- (5) match or award is communicated by 2:00 p.m.;
- (6) match response by 2:30 p.m.;
- (7) where match required, award posting by 3:00 p.m.;
- (8) contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

For non-biddable releases:

- (1) Timely Cycle
 - (i) posting of prearranged deals not subject to bid are due by 10:30 a.m.;
 - (ii) contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

Effective Date: 07/01/2003 Status: Effective

FERC Docket: RP03-374-000

Second Revised Sheet No. 155-A Second Revised Sheet No. 155-A : Effective
Superseding: First Revised Sheet No. 155-A

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.8 Applicable Deadlines. (Continued)

(2) Evening Cycle

- (i) posting of prearranged deals not subject to bid are due by 5:00 p.m.;
- (ii) contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract.
(Central Clock Time)

(3) Intraday 1 Cycle

- (i) posting of prearranged deals not subject to bid are due by 9:00 a.m.;
- (ii) contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract.
(Central Clock Time)

(4) Intraday 2 Cycle

- (i) posting of prearranged deals not subject to bid are due by 4:00 p.m.;
- (2) contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract.
(Central Clock Time)

15.9 Submission of Release Requests and Bids.

- (a) All parties will electronically submit all necessary information, Release Requests and bids to Transporter.
- (b) Any party designated as a pre-arranged bidder on a Release Request will confirm acceptance of the Releasing Shipper's offer by electronic execution of Replacement Shipper's contract prior to 10:00 a.m. CCT one Business Day prior to gas flow.

Effective Date: 11/01/2004 Status: Effective
FERC Docket: RP04-619-000

Third Revised Sheet No. 156 Third Revised Sheet No. 156 : Effective
Superseding: Second Revised Sheet No. 156

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.9 Submission of Release Requests and Bids. (Continued)

- (c) Any Releasing Shipper, Replacement Shipper, or Bidder which transmits to Transporter on Transporter's Designated Site any information, Release Request, or bid permitted or required by this Section 15, expressly represents and warrants that such transmittal will be performed only by a person who has been duly authorized by the Releasing Shipper, the Replacement Shipper, or the Bidder, as applicable, to perform such transmittal, and to duly bind the Releasing Shipper, the Replacement Shipper, or the Bidder, as applicable, to any and all obligations which may result from such transmittal pursuant to the provisions of this Section 15.

15.10 Invoicing and Payment.

- (a) A Releasing Shipper who has executed an effective Base Transportation Service Agreement with Transporter ("Base Shipper") will remain responsible for payment to Transporter of the reservation rate and any and all other applicable reservation charges and surcharges for firm Transportation Service provided under its Base Transportation Service Agreement prior to any Release thereunder; provided, however, that Transporter will not unreasonably refuse to relieve such Base Shipper from any future liability under its Base Transportation Service Agreement which may arise after the Base Shipper has unconditionally released to a Replacement Shipper all of the DMDQ stated in the Base Transportation Service Agreement, and Replacement Shipper has agreed to pay Transporter a total rate (including surcharges) that is equal to or higher than the total rate that the Releasing Shipper is obligated to pay Transporter, for the entire remaining term of the Base Transportation Service Agreement. (Any payments made by Releasing Shipper

Effective Date: 11/01/2004 Status: Effective
FERC Docket: RP04-619-000

Third Revised Sheet No. 157 Third Revised Sheet No. 157 : Effective
Superseding: Second Revised Sheet No. 157

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.10 Invoicing and Payment. (Continued)

to Replacement Shipper as consideration for accepting a permanent release will not be considered to be a discount from the maximum applicable tariff rate.) Releasing Shipper also is responsible for payment obligations, payment procedures and crediting mechanisms that vary from or are in addition to those set forth herein when those provisions are part of a Negotiated Rate service agreement. A Releasing Shipper who is not a Base Shipper will likewise remain responsible for payment to Transporter of, without limitation, the Release Reservation Rate and the Release Reservation Surcharges for service provided under its Released Transportation Service Agreement prior to any subsequent Release thereunder.

- (b) The Releasing Shipper will initially be invoiced only for the reservation and usage rates and any and all other applicable charges and surcharges which are related to the service provided by Transporter under the Releasing Shipper's Service Agreement subsequent to any and all Releases thereunder; and, for temporary releases, for any additional amount by which the Releasing Shipper's combined reservation rate and reservation surcharges for any Day may exceed the Total Release Reservation Charge for any corresponding Day during the term of any Release by the Releasing Shipper. Transporter will invoice the Replacement Shipper and the Replacement Shipper will pay Transporter in accordance with Section 5 of the General Terms and Conditions of this Tariff based upon the Total Release Reservation Charge, usage charge and any and all other applicable charges and surcharges incorporated in the Released Transportation Service Agreement.

Effective Date: 11/01/2004 Status: Effective

FERC Docket: RP04-619-000

Second Revised Sheet No. 158 Second Revised Sheet No. 158 : Effective
Superseding: First Revised Sheet No. 158

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.10 Invoicing and Payment. (Continued)

The usage rate and any and all volumetric charges and surcharges to be paid to Transporter by the Replacement Shipper (respectively, the "Release Usage Rate" and "Release Volumetric Surcharges") will be the maximum usage rate and maximum volumetric charges and surcharges applicable to the Governing Rate Schedule, as such rates, charges, and surcharges may be revised from time to time (respectively, the "Tariff Volumetric Rate" and "Tariff Usage Surcharges"), unless otherwise agreed in writing by Transporter and the Replacement Shipper prior to the date of commencement of the Release Term.

- c) Except in the case of a permanent release where Transporter has agreed to relieve Releasing Shipper of future payment liability pursuant to Section 15.10(a), if the Replacement Shipper fails to pay all or any portion of any invoice from Transporter by the date on which payment is due, Transporter will send an invoice to the Releasing Shipper for all unpaid amounts related to the Release Reservation Rate and the Release Reservation Surcharges, up to the amount of the reservation rate and reservation surcharges for which the Releasing Shipper is responsible under the Releasing Shipper's Service Agreement prior to any Releases thereunder (the "Default Invoice"). The Default Invoice will include the amount of any and all applicable interest charges and penalties related to nonpayment by the Replacement Shipper of all or any portion of the Release Reservation Rate and the Release Reservation Surcharges which have accrued from

Effective Date: 02/01/2006 Status: Effective

FERC Docket: RP06-160-000

Second Revised Sheet No. 159 Second Revised Sheet No. 159 : Effective

Superseding: First Revised Sheet No. 159

GENERAL TERMS AND CONDITIONS

(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.10 Invoicing and Payment. (Continued)

the date of receipt of Transporter's invoice by the Replacement Shipper. The Default Invoice will also reflect a credit for any and all amounts paid to Transporter by the Replacement Shipper, including any amounts related to payment of the Release Usage Rate and Release Volumetric Surcharges to the extent that the Release Usage Rate and Release Volumetric Surcharges are less than or equal to the corresponding usage rates and volumetric charges and surcharges paid by the Releasing Shipper to Transporter for service under the Transportation Service Agreement or Released Transportation Service Agreement, as applicable. The Releasing Shipper will pay the amount of the Default Invoice to Transporter within the applicable period of time prescribed in the Releasing Shipper's Service Agreement for payment of invoices. The Releasing Shipper will be solely responsible for seeking and obtaining reimbursement for any such payment from the Replacement Shipper; provided, however, that Transporter will credit the Releasing Shipper's next invoice following Transporter's receipt of any payment by the Replacement Shipper of any amounts reflected in any Default Invoice which were paid by the Releasing Shipper. The foregoing credit will include any interest on such amounts paid by the Replacement Shipper which may have accrued commencing ten Days after the date on which the relevant payment from the Replacement Shipper was received by Transporter.

- (d) Failure by the Releasing Shipper or the Replacement Shipper to maintain creditworthiness or to pay timely all or any portion of any invoice from Transporter, including any failure by the Releasing Shipper to pay timely the amount of any Default Invoice, will entitle Transporter to exercise the remedies available under the Base Transportation Service Agreement and this Tariff, including suspension and termination of service to the Releasing Shipper and/or the Replacement Shipper, as warranted, as well as any other remedies available to Transporter.

If Releasing Shipper's Transportation Service Agreement is terminated, or rejected in bankruptcy, Replacement Shipper may continue to receive service if such Shipper agrees to pay, for the remaining term of Replacement Shipper's Transportation Service Agreement, the lesser of (1) Releasing Shipper's contract rate; (2) the maximum tariff rate applicable to Releasing Shipper's capacity; or (3) another rate acceptable to Transporter.

Effective Date: 11/01/2004 Status: Effective

FERC Docket: RP04-619-000

First Revised Sheet No. 160 First Revised Sheet No. 160 : Effective

Superseding: Original Sheet No. 160

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.10 Invoicing and Payment. (Continued)

Except in the case of a permanent release where Transporter has agreed to relieve Releasing Shipper of future payment liability pursuant to Section 15.10(a), in the event of failure by the Replacement Shipper to pay timely all or any portion of any invoice from Transporter, the Releasing Shipper will likewise be entitled to recall temporarily or permanently all of its Transportation rights which were released to the Replacement Shipper under the relevant Release, provided, however, that the Releasing Shipper must provide both Transporter and the Replacement Shipper with not less than two (2) Days prior written notice of its intent to exercise such recall.

- (e) Except in the case of a permanent release where Transporter has agreed to relieve Releasing Shipper of future payment liability pursuant to Section 15.10(a), any and all increases in the applicable Tariff Reservation Rate or the applicable Tariff Reservation Surcharges will remain the primary responsibility of the Releasing Shipper to the extent provided in the Releasing Shipper's Service Agreement; provided, however, that the Releasing Shipper may provide in its Release Request that the Release Reservation Rate and the Release Reservation Surcharges will increase in accordance with any corresponding increases in the applicable Tariff Reservation Rate or the applicable Tariff Reservation Surcharges. Any refunds or credits of any rates or charges ordered by the FERC will be paid by Transporter solely to the Base Shipper, subject however to Transporter's right to seek relief at the FERC or in the courts from the obligation to make any such refunds or credits. Any Base Shipper which receives such refunds or credits will be solely responsible for determining what portion, if any, of such refunds or credits must be additionally refunded to any and all Releasing Shippers and Replacement Shippers who received directly or indirectly a release of Transportation rights under such Shipper's Base Transportation Service Agreement; provided, however, that in the case of a permanent release, any refunds or credits that accrue for service on the released capacity on or after the effective date of the release will be paid by Transporter to the Replacement Shipper.

Effective Date: 11/01/2004 Status: Effective

FERC Docket: RP04-619-000

Original Sheet No. 160-A Original Sheet No. 160-A : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.11 Further Conditions on Release of Transportation Rights

- (a) Any party participating in the Release program set forth in this Section 15 agrees to be bound by and will comply with the terms and conditions of this Tariff, and all applicable Commission rules, orders and regulations.

Effective Date: 07/30/2008 Status: Effective

FERC Docket: RP09-306-001

Substitute Fifth Revised Sheet No. 161 Substitute Fifth Revised Sheet No. 161
Superseding: Fourth Revised Sheet No. 161

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.11 Further Conditions on Release of Transportation Rights. (Cont.)

- (b) All terms and conditions in all Release Requests must be objectively stated, applicable to all potential Bidders and nondiscriminatory.
- (c) The minimum term for any Release will be one Day and the maximum term will be the remaining term of the relevant Transportation Service Agreement, or the remaining term of firm Transportation service provided under the relevant Released Transportation Service Agreement as determined in accordance with the Release Term of all effective Exhibits "RS" and Exhibits "RP" thereto, as may be revised from time to time. The minimum DMDQ for any Release will be 500 Dth per Day and the maximum DMDQ will be the maximum DMDQ set forth in the Releasing Shipper's Service Agreement, as revised from time to time in accordance with any and all effective Exhibits "RS" and Exhibits "RP" thereto.
- (d) Any Release of one year or less that is to take effect on or before one year from the date Transporter is notified of the Release shall not be subject to a rate ceiling. Such Release shall be subject to market-based bidding unless exempt from bidding under Section 15.3(a), (c) or (d). The maximum rates paid by the Replacement Shipper for service under any other Release will be the applicable maximum Tariff Reservation Rate and Tariff Reservation Surcharges, and applicable maximum Tariff Usage Rate and Tariff Volumetric Surcharges, as well as all other applicable maximum rates, charges and surcharges set forth in this Tariff, all as may be revised from time to time, notwithstanding any discount to such rates, charges or surcharges then in effect for the Releasing Shipper. The Release Reservation Rate and Release Reservation Surcharges will for all purposes of this Section 15 be stated in relation to and on the same basis as the Daily Reservation/Demand Rate set forth in this Tariff for service under the Governing Rate Schedule, subject to the additional provisions of Section 15.4(b) concerning any Release Reservation Rate or Release Reservation Surcharges which may be paid on a one-part volumetric basis. The maximum rate that may be charged for a Release will not be affected by the amount of any marketing fee paid by the Releasing Shipper to Transporter in accordance with Section 15.12.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Second Revised Sheet No. 162 Second Revised Sheet No. 162 : Effective
Superseding: Sub First Revised Sheet No. 162

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.11 Further Conditions on Release of Transportation Rights.
(Continued)

- (e) All terms and conditions of service provided under any Release must be consistent with and will be subject to all terms and conditions of the Releasing Shipper's Service Agreement, and with all applicable terms and conditions of this Tariff, including without limitation the provisions on nominations, scheduling and curtailment of Transportation service as set forth in Section 13 of the General Terms and Conditions of this Tariff. Any subsequent Release hereunder by a Replacement Shipper additionally must be consistent with the terms and conditions of such Replacement Shipper's Released Transportation Service Agreement and any and all effective Exhibits "RS" and Exhibits "RP" thereto.
- (f) Transporter will reject any Release Request or any bid which does not conform in all respects to the requirements of this Section 15, and such rejected Release Request or bid will be deemed null and void from the time of such rejection.
- (g) Transporter will accept nominations, schedule Transportation, afford priority of service and curtail service based on instructions and communications from the Releasing Shipper and the Replacement Shipper which are consistent with one another and with the terms and conditions of their respective Transportation Service Agreements and this Tariff. In the event such instructions or communications from the Releasing Shipper and Replacement Shipper in Transporter's sole opinion are inconsistent or conflicting, Transporter will comply with the instructions and communications of the Releasing Shipper; provided, however, that such instructions and communications must not be inconsistent with this Tariff, in Transporter's sole opinion.

Effective Date: 07/01/2003 Status: Effective

FERC Docket: RP03-374-000

Second Revised Sheet No. 163 Second Revised Sheet No. 163 : Effective
Superseding: Sub First Revised Sheet No. 163

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.11 Further Conditions on Release of Transportation Rights.
(Continued)

- (h) All Transportation rights released hereunder will be scheduled and curtailed as firm Transportation service under Section 13 of these General Terms and Conditions. Interruption or curtailment of such released service will be in accordance with interruption or curtailment of firm service under this Tariff, and additionally as may be prescribed by the terms and conditions of the release.
- (i) Notwithstanding any other provision set forth in this Section 15, Transporter will have no liability of any nature whatsoever to any party in connection with the performance or nonperformance of any of Transporter's obligations set forth in this Section 15, except to the extent that any such liabilities arise solely from Transporter's negligent performance of any obligations for which Transporter is solely and directly responsible.

15.12 Recalls and Reputs of Released Capacity. Releasing Shippers may, to the extent permitted as a condition of the capacity release, recall released capacity. For the recall notification provided to Transporter, the quantity should be expressed in terms of adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity. The following NAESB WGQ Standards will apply:

NAESB WGQ 5.3.44: "All Transportation Service Providers (TSPs) should support the following recall notification periods for all released capacity subject to recall rights:

Effective Date: 07/01/2003 Status: Effective

FERC Docket: RP03-374-000

Original Sheet No. 163-A Original Sheet No. 163-A : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.12 Recalls and Reputs of Released Capacity. (Continued)

(i) Timely Recall Notification:

- (a) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 8:00 a.m. on the day that Timely Nominations are due;
- (b) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. on the day that Timely Nominations are due (Central Clock Time);

(ii) Early Evening Recall Notification:

- (a) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 3:00 p.m. on the day that Evening Nominations are due;
- (b) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. on the day that Evening Nominations are due (Central Clock Time);

(iii) Evening Recall Notification:

- (a) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 5:00 p.m. on the day that Evening Nominations are due;
- (b) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 6:00 p.m. on the day that Evening Nominations are due (Central Clock Time);

Effective Date: 07/01/2003 Status: Effective

FERC Docket: RP03-374-000

Original Sheet No. 163-B Original Sheet No. 163-B : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.12 Recalls and Reputs of Released Capacity. (Continued)

(iv) Intraday 1 Recall Notification:

- (a) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 7:00 a.m. on the day that Intraday 1 Nominations are due;
- (b) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 8:00 a.m. on the day that Intraday 1 Nominations are due (Central Clock Time); and

(v) Intraday 2 Recall Notification:

- (a) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 2:30 p.m. on the day that Intraday 2 Nominations are due;
- (b) The TSP should provide notification of such recall to all affected Replacement Shippers no later than 3:30 p.m. on the day that Intraday 2 Nominations are due (Central Clock Time)."

NAESB WGQ 5.3.45: "For recall notification provided to the Transportation Service Provider (TSP) prior to the recall notification deadline specified in NAESB WGQ Standard No. 5.3.44 and received between 7:00 a.m. and 5:00 p.m., the TSP should provide notification to all affected Replacement Shippers no later than one hour after receipt of such recall notification.

For recall notification provided to the TSP after 5:00 p.m. and prior to 7:00 a.m., the TSP should provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification. (Central Clock Time)."

Effective Date: 07/01/2003 Status: Effective

FERC Docket: RP03-374-000

Original Sheet No. 163-C Original Sheet No. 163-C : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.12 Recalls and Reputs of Released Capacity. (Continued)

NAESB WGQ 5.3.47: "The Replacement Shipper should provide the Transportation Service Provider (TSP) with no more than two Internet E-mail addresses to be used for recall notification. The obligation of the TSP to provide notification is waived until at least one of the addresses has been provided."

NAESB WGQ 5.3.48: "The Releasing Shipper should provide capacity recall notification to the Transportation Service Provider (TSP) through the TSP's Customer Activities Website. The recall notification should specify the recall notification period for the specified effective gas day, as well as any other information needed to uniquely identify the capacity being recalled."

NAESB WGQ 5.3.49: "Recalled capacity notices should indicate whether penalties will apply for the gas day for which quantities are reduced due to a capacity recall."

NAESB WGQ 5.3.50: "A Transportation Service Provider should support the ability for the Releasing Shipper to specify, as a condition of a capacity release offer, which recall notification period(s), as provided in NAESB WGQ Standard No.5.3.44, will be available for use by the parties."

Effective Date: 07/01/2003 Status: Effective

FERC Docket: RP03-374-000

Second Revised Sheet No. 164 Second Revised Sheet No. 164 : Effective
Superseding: First Revised Sheet No. 164

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.12 Recalls and Reputs of Released Capacity. (Continued)

NAESB WGQ 5.3.53: "When capacity is recalled, it may not be reput for the same gas day."

NAESB WGQ 5.3.54: "The deadline for notifying the Transportation Service Provider of a reput is 8:00 a.m. to allow for timely nominations to flow on the next gas day."

NAESB WGQ 5.3.7: "Transportation service providers should support the function of reputting by releasing shippers."

15.13 Marketing Fee Agreement.

Transporter will be entitled to receive a marketing fee from the Releasing Shipper in the event Transporter and the Releasing Shipper agree that Transporter will actively market the Transportation rights to be released. All of the terms and conditions pertaining to the provision of such marketing services by Transporter will be set forth in a written agreement executed by Transporter and the Releasing Shipper.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Fifth Revised Sheet No. 165 Fifth Revised Sheet No. 165 : Effective

Superseding: Fourth Revised Sheet No. 165

. GENERAL TERMS AND CONDITIONS .
(Continued)

16. INFORMATION AND COMMUNICATIONS REGARDING TRANSPORTATION SERVICES

Section 16 describes the information and procedures Transporter will make available pursuant to FERC Order Nos. 587, 636, 637 and 2004.

- 16.1 System and Service Information. Any person desiring information on the availability, pricing, or other terms of the Transportation services can call Marketing and Customer Services at (801) 937-6111.
- 16.2 Service Complaints. Customers are encouraged to resolve any disputes informally with their designated customer representatives. A formal complaint concerning any Transportation services offered by Transporter will specifically state that it is a complaint under Order No. 602 and will be directed, preferably in writing, to the Manager of Marketing and Customer Services, Kern River Gas Transmission Company, 2755 E. Cottonwood Parkway, Suite 300, P.O. Box 71400, Salt Lake City, UT 84171-0400. The Manager or a designee of the Manager will respond initially to the complainant within forty-eight (48) hours (exclusive of weekends and holidays), and in writing within thirty (30) Days.
- 16.3 Energy Affiliates. Information required to be made available pursuant to Order No. 2004, as set forth in 18 CFR Section 358, is posted on Transporter's Designated Site.
- 16.4 Valid Service Requests. The specific information and format required from a Shipper for a valid Transportation Service Agreement is available on Transporter's Designated Site.
- 16.5 Rapids II.
 - (a) Transporter has established an interactive computer system, RAPIDS II, to publicize information concerning its services and available Transportation capacity and to facilitate Shippers' use of the services provided by Kern River. RAPIDS II is available on a nondiscriminatory basis for use by any party (hereinafter "User") that has compatible

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Third Revised Sheet No. 166 Third Revised Sheet No. 166 : Effective
Superseding: Second Revised Sheet No. 166

GENERAL TERMS AND CONDITIONS
(Continued)

16. INFORMATION AND COMMUNICATIONS REGARDING TRANSPORTATION SERVICES

16.5 Rapids II. (Continued)

equipment for electronic transmission of data and has executed a RAPIDS II Access Agreement, which is available from Transporter's Marketing and Customer Services Department.

RAPIDS II will allow Users to (a) request new services or request amendments of existing Transportation Service Agreements, (b) submit nominations pursuant to the applicable Rate Schedule and the General Terms and Conditions contained in this tariff, (c) participate in Transporter's Capacity Release Program, and (d) obtain the following information:

- (1) the operationally available and unsubscribed capacity on Transporter's System for firm and interruptible forward haul Transportation service, including capacity available at all Receipt Points and Delivery Points;
- (2) the firm Transportation release information described in Section 15 of these General Terms and Conditions;
- (3) standards of conduct information under Order No. 2004;
- (4) offers to purchase released Transportation rights from firm Shippers and the terms and conditions of such offers;
- (5) general system notices concerning operating conditions on Transporter's pipeline.

Transporter will update the information on its Designated Site as frequently as is necessary, but will not be obligated to provide updates more frequently than once per Day. Transporter's RAPIDS II system includes a Designated

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP04- 4-000

Third Revised Sheet No. 167 Third Revised Sheet No. 167 : Effective
Superseding: Second Revised Sheet No. 167

GENERAL TERMS AND CONDITIONS
(Continued)

16. INFORMATION AND COMMUNICATIONS REGARDING TRANSPORTATION SERVICES
(Continued)

16.5 Rapids II. (Continued)

Site that is menu-driven and incorporates search functions, an on-line help feature and the capability for users to download information. The Designated Site displays the most recent information ahead of less current data.

Transporter will retain daily back-up records of the information displayed on the Designated Site and will make such records available for review upon request. Persons that wish to utilize Transporter's RAPIDS II system should contact Transporter at the address below to obtain detailed access and log-on information:

Kern River Gas Transmission Company
Attn: Marketing and Customer Services
2755 E. Cottonwood Parkway, Suite 300
P.O. Box 71400
Salt Lake City, UT 84171-0400
Telephone No.: (801)937-6111 Fax No.: (801)937-6444

- (b) Transporter will use reasonable efforts to ensure the accuracy of information presented on RAPIDS II; however, Transporter makes no representation or warranty of any kind to any person concerning the use of RAPIDS II, including, without limitation, the accuracy of any posted information, and will not be liable to any person for any damages which may arise in connection with the posting of information on RAPIDS II by Transporter or any third parties, or as a result of any person's use, abuse or misuse of RAPIDS II, unless and only to the extent that such damages are caused solely by Transporter's negligence in the performance of any obligations for which Transporter is solely and directly responsible. Notwithstanding the foregoing, in no event will Transporter be liable to any party for any special, incidental, or consequential damages which may arise in connection with the posting of information on RAPIDS II.

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-001

Sub Third Revised Sheet No. 168 Sub Third Revised Sheet No. 168

Superseding: Third Revised Sheet No. 168

GENERAL TERMS AND CONDITIONS
(Continued)

16. INFORMATION AND COMMUNICATIONS REGARDING TRANSPORTATION SERVICES
(Continued)

16.6 Electronic Trading Partner Communications

Transporter will support NAESB-approved Electronic Data Interchange ("EDI") communications through Transporter's Designated Site. Transporter will update and maintain the Designated Site with the information outlined in Section 16.5(a) (1)-(5). Access to the Designated Site may be obtained by connecting through either the Internet or a third party, on-line service provider. In order to execute transactions on the Designated Site, Shipper must submit a completed standard NAESB Form of Electronic Data Interchange Trading Partner Agreement to Transporter. Such form may be obtained from Transporter's Marketing and Customer Services Department. There is no fee associated with the use of the Designated Site.

16.7 NAESB WGQ Internet Electronic Transportation Standards.

NAESB WGQ Internet Electronic Transportation Standards (Version 1.8, September 30, 2006), with the exception of Standard 10.3.2, and including 10.2.1 through 10.2.38, 10.3.1, and 10.3.3 through 10.3.25 are incorporated by reference.

Effective Date: 08/01/2004 Status: Effective

FERC Docket: RP04-339-000

First Revised Sheet No. 169 First Revised Sheet No. 169 : Effective
Superseding: Sheet Nos. 169 And 170

First Revised Sheet No. 169 supersedes Original Sheet Nos. 169 and 170.
These sheets are reserved for future use.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 170 Original Sheet No. 170 : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

17. GAS RESEARCH INSTITUTE SURCHARGE

- 17.4 Voluntary Contributions. Transporter will provide a "check the box" option on invoices for Shippers to voluntarily contribute funds to GRI in addition to amounts collected through the GRI Surcharges.
- 17.5 Remittance to GRI. Transporter will collect from Shippers and remit to GRI, not later than fifteen (15) days after receipt, all amounts attributable to the GRI Surcharge and voluntary GRI contributions, less any amounts properly payable to a federal, state or local authority relating to amounts collected hereunder.

Effective Date: 08/01/2004 Status: Effective

FERC Docket: RP04-339-000

1st Rev Third Revised Sheet No. 171 1st Rev Third Revised Sheet No. 171 : Effective
Superseding: Third Revised Sheet No. 171

GENERAL TERMS AND CONDITIONS
(Continued)

18. REVENUE SHARING

18.1 Annual Revenue Threshold Level. Pursuant to the provisions of this Section 18, commencing May 1, 1999 and continuing for the period that the Settlement rates in the Stipulation and Agreement of Settlement filed March 31, 1999 (Settlement), are in effect, Transporter and its Shippers agree to a revenue sharing arrangement consistent with the following principles. Transporter will retain all revenues generated up to an Annual Revenue Threshold Level of \$177.3 million, excluding revenues from ACA and any other surcharges approved by the Commission, and excluding penalty revenues to the extent they are credited to firm or interruptible customers pursuant to Section 10.11 of the General Terms and Conditions of this tariff. Any revenue generated above this Annual Revenue Threshold Level (as adjusted pursuant to Section 18.2 below) will be shared on a 50/50 basis between Transporter and all primary and replacement firm Transportation Shippers paying maximum rates on an annual or seasonal basis.

18.2 Adjustments to Annual Revenue Threshold Level.

- (a) The Annual Revenue Threshold Level of \$177.3 million will be reduced by:
 - (1) the difference between the annual revenue at the Settlement rate of \$0.6399/Dth (or such other rate which might be in effect, if and when an extended term (ET) program is implemented) for any ET Shippers and the annual revenue at the total extended term rate for those ET Shippers, to be effective on the date of implementation of rates under an ET program; and/or
 - (2) the difference between the annual revenue at the Settlement rate of \$0.6399/Dth (or such other rate which might be in effect when any rate reduction takes effect) for all Shippers and the annual revenue at any total reduced rate resulting from refinancing savings, to be effective on the date of implementation of a rate reduction resulting from such refinancing.

Effective Date: 11/01/2004 Status: Suspended

FERC Docket: RP04-274-000

Fourth Revised Sheet No. 171 Fourth Revised Sheet No. 171 : Suspended
Superseding: Sheet Nos. 171 And 172

Fourth Revised Sheet No. 171 supersedes
Third Revised Sheet No. 171 and Original Sheet No. 172.
These sheets are reserved for future use.

Effective Date: 08/01/2004 Status: Effective

FERC Docket: RP04-339-000

First Revised Sheet No. 172 First Revised Sheet No. 172 : Effective

Superseding: Original Sheet No. 172

GENERAL TERMS AND CONDITIONS
(Continued)

18. REVENUE SHARING (Continued)

18.2 Adjustments to Annual Revenue Threshold Level. (Continued)

- (b) The Annual Revenue Threshold Level of \$177.3 million will be increased by:
 - (1) The annual cost of service attributable to incremental rate system expansions and/or other new transmission facilities, excluding cost-of-service components associated with general system costs to the extent such cost-of-service components are already being recovered as general and administrative expenses or are related to the general plant within existing rates, to be effective on the in-service date of the expansion; and/or
 - (2) The net increase in total system revenues (revenues from new service contracts, less reduced revenues from existing service contracts at the lower rolled-in rates) attributable to rolled-in rate system expansions, to be effective on the in-service date of the expansion.
- (c) Transporter will submit an Annual Threshold Report within 90 days following the end of each 12-month period (or any partial period at the end of the Settlement) to support any adjustments to the Annual Revenue Threshold Level pursuant to Sections 18.2(a) or (b) above. Such report will also identify the Shippers receiving credits and the amounts received.

- 18.3 Distribution of Credits. The amount to be credited to the Shippers will be distributed within 90 days following the end of each twelve-month period (or any partial period at the end of the Settlement) to each primary and replacement firm Transportation Shipper paying maximum rates on an annual or seasonal basis, pro rata based on the total maximum rate revenues received from each Shipper for the revenue sharing period, excluding revenues from ACA and any other surcharges approved by the Commission. For the purpose of determining whether a Shipper is paying maximum rates, the reservation/demand charges paid by a Replacement Shipper will be attributed to the Releasing Shipper if the Replacement Shipper is paying less than maximum rate.

Effective Date: 08/01/2004 Status: Effective

FERC Docket: RP04-339-000

First Revised Sheet No. 173 First Revised Sheet No. 173 : Effective
Superseding: Original Sheet No. 173

(Reserved for Future Use)

Effective Date: 02/01/2006 Status: Effective

FERC Docket: RP06-160-000

First Revised Sheet No. 174 First Revised Sheet No. 174 : Effective

Superseding: Original Sheet No. 174

GENERAL TERMS AND CONDITIONS
(Continued)

20. FACILITIES

- 20.1 Definitions. For purposes of this Section, Facilities are defined as the facilities that are necessary for the receipt of Gas from, or the delivery of Gas to, one or more Shippers. Facilities include, but are not limited to, receipt and delivery laterals, and Receipt and Delivery Point measurement equipment. They do not include any facilities that increase the system capacity, such as additional mainline compression or looping facilities.

For purposes of this Section, Shipper is defined as any entity with whom Transporter has entered into a Transportation Service Agreement or a separate facilities agreement to reimburse Transporter for the cost of facilities constructed, modified or rearranged pursuant to this section.

- 20.2 Installation and Reimbursement. Except as otherwise provided in agreements executed by Transporter prior to June 3, 1996, Transporter is not obligated or required to construct, modify, or rearrange any facilities in order to perform any service, including any facilities necessary to receive Gas from, deliver Gas to, or measure any Gas received from or delivered to any Shipper. In the event Transporter agrees to construct, modify, or rearrange facilities for receipt or delivery of a Shipper's Gas, Transporter will have the right to condition its agreement to so construct, modify or rearrange its facilities by requiring that Shipper pay Transporter for the costs associated with the installation, construction, modification, operation, maintenance and/or rearrangement of such facilities. In so conditioning its agreement to require Shipper to pay such costs, Transporter and Shipper will mutually agree to one of the following:
- (a) a contribution in aid of construction ("CIAC") associated with such construction, modification and/or rearrangement of facilities, including a gross-up for applicable state and federal income tax expense; or
 - (b) a CIAC associated with such construction, modification, and/or rearrangement of facilities, including a gross-up for applicable state and federal income tax expense and the associated costs of operation and maintenance; or

Effective Date: 02/01/2006 Status: Effective

FERC Docket: RP06-160-000

Second Revised Sheet No. 175 Second Revised Sheet No. 175 : Effective
Superseding: First Revised Sheet No. 175

GENERAL TERMS AND CONDITIONS
(Continued)

20. FACILITIES (Continued)

20.2 Installation and Reimbursement. (Continued)

- (c) an incremental facilities charge which is based on, as appropriate, Transporter's capital costs associated with such facilities, including depreciation, return on debt and equity, related income taxes and all other taxes, and all associated operating and maintenance costs.

Such CIAC or incremental facility charge will be set forth, as appropriate, in the Transportation Service Agreement with Shipper or in a separate facilities reimbursement agreement with Shipper. Transporter will not use the revenues resulting from such incremental facilities charge or the costs associated with such CIAC and/or incremental facilities charge to determine Transporter's general rates.

All facility installation requests will be handled by Transporter in a manner that is not unduly discriminatory. For purposes of determining whether to condition its agreement on Shipper paying for the facilities, Transporter will evaluate, among other criteria, the subscription level and/or estimated throughput, cost of facilities, operating and maintenance and administrative/general expenses associated with the facilities.

For any Shipper that fails to meet Transporter's creditworthiness standards, Transporter may require Shipper to provide an irrevocable letter of credit or cash collateral in an amount up to the total cost of the facilities (including income taxes, if applicable) or a written guarantee up to the total cost of facilities (including income taxes, if applicable) from a third party on behalf of Shipper that satisfies Transporter's credit requirements.

For facilities which Transporter determines to be economically beneficial, Transporter will pay for the construction, modification or rearrangement of such facilities. In cases where Shipper constructs, modifies or rearranges facilities to accommodate the delivery of Gas to Transporter, or the receipt of Gas from Transporter, Transporter may make a CIAC to Shipper as Transporter determines is economically beneficial. Such CIACs will be made in a non-discriminatory manner to all similarly situated Shippers. However, if Transporter is unable to fully recover the cost of such facilities in a Section 4 or Section 5 rate proceeding or if Shipper ceases utilizing the applicable facilities and the net book value of such facilities is greater than zero, then Shipper will reimburse Transporter for the net book value of such facilities, or the unamortized value of the CIAC, including related income taxes.

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Third Revised Sheet No. 176 Third Revised Sheet No. 176

Superseding: Second Revised Sheet No. 176

GENERAL TERMS AND CONDITIONS
(Continued)

21. NAESB WGQ DEFINITIONS, STANDARDS AND MODELS

- 21.1 Transporter incorporates by reference the following NAESB WGQ data sets, definitions, standards and models:

Additional Standards (General Standards, Creditworthiness Standards and Gas/Electric Operational Communications Standards) (Version 1.8, September 3, 2006) 0.2.1 through 0.2.3, 0.3.1 through 0.3.15, but excludes Standard 0.4.1 for Storage Information dataset that is not applicable to Transporter's services

Nominations Related Standards (Version 1.8, September 30, 2006) 1.4.1 through 1.4.7

Flowing Gas Related Standards (Version 1.8, September 30, 2006) 2.4.1 through 2.4.18

Invoicing Related Standards (Version 1.8, September 30, 2006) 3.4.1 through 3.4.4

Electronic Delivery Mechanism Related Standards (Version 1.8, September 30, 2006) with the exception of Standard 4.3.4, and including 4.2.1 through 4.2.20, 4.3.1 through 4.3.3, 4.3.5, 4.3.16 through 4.3.18, 4.3.20, 4.3.22, 4.3.23 as applicable in Order No. 717 (RM07-1-000, dated October 27, 2008) and the standards contained in Recommendation R08026 (January 6, 2009), 4.3.24 through 4.3.36, 4.3.38 through 4.3.62, 4.3.65 through 4.3.69, 4.3.72 through 4.3.76, 4.3.78 through 4.3.87, and 4.3.89 through 4.3.93

Capacity Release Related Standards (Version 1.8, September 30, 2006) 5.4.1 through 5.4.23.

Contract Related Standards (Version 1.8, September 30, 2006) 6.3.1, 6.3.3, 6.5.2 through 6.5.4 but, excludes 6.3.1.CA, 6.3.2, 6.3.4 and 6.5.1 that are not applicable to Transporter's services.

- 21.2 Transporter has adopted the standard NAESB WGQ Electronic Data Interchange Trading Partner Agreement, which may be obtained from Transporter's Marketing and Customer Services Department.

Effective Date: 09/01/2005 Status: Effective

FERC Docket: RP05-456-000

Fifth Revised Sheet No. 177 Fifth Revised Sheet No. 177 : Effective
Superseding: Sub Fourth Revised Sheet No. 177

RESERVED FOR FUTURE USE

Effective Date: 08/13/2010 Status: Effective

FERC Docket: RP10-962-000

Ninth Revised Sheet No. 178 Ninth Revised Sheet No. 178

Superseding: Eighth Revised Sheet No. 178

GENERAL TERMS AND CONDITIONS
(Continued)

22. POOLING

22.1 General.

- (a) The following NAESB WGQ Definition will apply:

NAESB WGQ 1.2.3: "Pooling is: 1) the aggregation of gas from multiple physical and/or logical points to a single physical or logical point, and/or 2) the dis-aggregation of gas from a single physical or logical point to multiple physical and/or logical points."

- (b) Availability. Pooling is available as an optional service in the supply area pools and market area pools listed below.

- (1) Supply Area Pools. The Receipt Points associated with each supply area pool are listed below:

- (i) Muddy Creek Firm Pool and Muddy Creek AOS/Interruptible Pool Receipt Points:
 - Opal 1-4001
 - NWP 1-4002
 - CIG 1-4008
 - OVT 1-4009
 - Roberson Creek Rcpt OTC 1-4012
 - Roberson Creek WIC 1-4812
 - Roberson Creek REX 1-4822
 - Pioneer 1-4013
 - Hams Fork OTC 1-4016
 - Hams Fork WIC 1-4816
 - Hams Fork REX 1-4826
 - Rendezvous 1-4014
- (ii) Questar Firm Pool and Questar AOS/Interruptible Pool Receipt Point:
 - Questar 1-4007
- (iii) Painter Firm Pool and Painter AOS/Interruptible Pool Receipt Points:
 - Painter 1-4005
 - Carter Creek 1-4003
 - Whitney Canyon 1-4004
 - Overthrust 1-4015
 - WIC 1-4815
 - Clear Creek 1-4011
 - REX 121 1-4825
- (iv) Anschutz Firm Pool and Anschutz AOS/Interruptible Pool Receipt Point:
 - Anschutz 1-4006
- (v) Goshen Firm Pool and Goshen AOS/Interruptible Pool Receipt Point:
 - Goshen 1-4010
- (vi) Dag Moj Firm Pool and Dag Moj AOS/Interruptible Pool Receipt Point:
 - Dag Moj 2-6002

Effective Date: 06/01/2007 Status: Effective

FERC Docket: RP07-437-000

Sixth Revised Sheet No. 179 Sixth Revised Sheet No. 179 : Effective
Superseding: Fifth Revised Sheet No. 179

GENERAL TERMS AND CONDITIONS
(Continued)

22. POOLING (Continued)

22.1 General. (Continued)

- (2) Market Area Pools. The Delivery Points associated with each market area pool are listed below. A Delivery Point can receive deliveries from the associated Market Area Pool only if the Delivery Point operator has executed an OBA with Transporter or has designated swing as the PDA methodology at the Delivery Point.
 - (i) Great Salt Lake Firm Pool and Great Salt Lake AOS/Interruptible Pool Delivery Points:
Warm Springs 2-4030
Redwood 2-4031
 - (ii) Northern Utah Firm Pool and Northern Utah AOS/Interruptible Pool Delivery Points:
Hunter Park 2-4014
Riverton 2-4020
West Valley 2-4019
Eagle Mountain 2-4018
Goshen 2-4029
Lake Side 2-4032
 - (iii) Central Utah Firm Pool and Central Utah AOS/Interruptible Pool Delivery Points:
Dog Valley 2-4003
Scipio 2-4004
Holden 2-4005
Fillmore 2-4006
 - (iv) Southern Utah Firm Pool and Southern Utah AOS/Interruptible Pool Delivery Points:
Milford 2-4007
Wecco 2-4010
Newcastle 2-4008
Central 2-4009
 - (v) Utah/Nevada Firm Pool and Utah/Nevada Interruptible Pool Delivery Points:
Reid-Gardner 2-4033
 - (vi) Nevada Firm Pool and Nevada AOS/Interruptible Pool Delivery Points:
Harry Allen 2-4015
Apex 2-4002
Pecos 2-4013
Lone Mountain 2-4012
Blue Diamond 2-4016
Centennial 2-4022
Arrolime 2-4023
Silverhawk 2-4027
Moapa 2-4024
 - (vii) Cal/Nev Firm Pool and Cal/Nev AOS/Interruptible Pool Delivery Points:
Primm 2-4017
PG&E Daggett 2-4011
Bighorn 2-4025
Dag Moj 2-5024

Effective Date: 06/01/2007 Status: Effective

FERC Docket: RP07-437-000

Third Revised Sheet No. 179-A Third Revised Sheet No. 179-A : Effective
Superseding: Second Revised Sheet No. 179-A

GENERAL TERMS AND CONDITIONS
(Continued)

22. POOLING (Continued)

22.1 General. (Continued)

(viii) California Firm Pool and California AOS/Interruptible

Pool Delivery Points:

Coolwater 2-5001
Boron 2-5002
Racetrack 2-5003
SE Kern River 2-5004
Kern River 2-5005
China Grade 2-5006
Sycamore 2-5007
N Kern River 2-5008
Mt. Poso 2-5009
Kern Front 2-5010
Wheeler Ridge 2-5011
South Midway 2-5012
Taft 2-5013
Midway Midset 2-5014
Midway Santa Fe 2-5015
Oxford 2-5016
North Midway 2-5017
Crocker Springs 2-5018
McKittrick 2-5019
17Z Chevron 2-5020
17Z Mobil 2-5021
17Z Shell 2-5022
17Z Texaco 2-5023
Kern River Santa Fe 2-5025
Bear Mountain 2-5026
Tehachapi Cummings 2-5027
Granite 2-5028
Grapevine 2-5029
La Paloma 2-5030
Sunrise 2-5031
Kramer Junction 2-5032
Sidewinder 2-5033
Pastoria 2-5034

(ix) 17-Z Firm Pool and 17-Z Interruptible

Pool Delivery Points:

All Kern River Delivery Points

Effective Date: 07/01/2001 Status: Effective

FERC Docket: RP01-440-000

First Revised Sheet No. 180 First Revised Sheet No. 180 : Effective
Superseding: Original Sheet No. 180

GENERAL TERMS AND CONDITIONS
(Continued)

22. POOLING (Continued)

- 22.2 Nominations. All pooling parties are subject to the applicable operating conditions outlined in Section 10 and to the applicable nomination and scheduling conditions outlined in Section 13 of the General Terms and Conditions. Transporter will assign a pooling number to any party wishing to aggregate Gas in a supply area pool or to deliver Gas from a market area pool. Each pooling party may use any or all pools under a single pooling number.
- (a) Receipt Point to Supply Area Pool. To aggregate Gas in a supply area pool, a pooling party will nominate to the pool from a Receipt Point associated with that pool, using its pooling number.
 - (b) Supply Area Pool to Delivery Point. To transport Gas from a supply area pool to a Delivery Point, a Shipper will nominate from the pool to the Delivery Point, using its Transportation Service Agreement.
 - (c) Supply Area Pool to Market Area Pool. To transport Gas from a supply area pool to a market area pool, a Shipper will use its Transportation Service Agreement.
 - (d) Receipt Point to Market Area Pool. To transport and aggregate Gas from a Receipt Point to a market area pool, a Shipper will nominate to the pool from any Receipt Point, using its Transportation Service Agreement.
 - (e) Market Area Pool to Delivery Point. To deliver Gas from a market area pool to a Delivery Point, a pooling party will nominate from the pool to a Delivery Point associated with that pool, using its pooling number.
- 22.3 Balancing. No imbalances in pools are allowed. If daily quantities nominated to a designated pool and/or from a designated pool are not matched by corresponding upstream and downstream confirmations, Transporter will schedule the lower Quantity.

Effective Date: 07/01/2001 Status: Effective

FERC Docket: RP01-440-000

First Revised Sheet No. 181 First Revised Sheet No. 181 : Effective
Superseding: Original Sheet No. 181

GENERAL TERMS AND CONDITIONS
(Continued)

22. POOLING (Continued)

22.4 Capacity Rights/Priority of Service. Capacity rights and priority of service from the Receipt Point to the Delivery Point for all Gas that is pooled are determined by the Transportation Service Agreement used to transport the Gas either from the supply area pool or to the market area pool.

22.5 Charges.

- (a) Receipt Point to Supply Area Pool. Nominations to a supply area pool from a Receipt Point associated with that pool will not incur Transportation charges or be subject to fuel reimbursement.
- (b) Supply Area Pool to Delivery Point. Nominations from a supply area pool to a Delivery Point will incur Transportation charges and applicable surcharges. Fuel reimbursement will be determined pursuant to Section 12 of these General Terms and Conditions.
- (c) Supply Area Pool to Market Area Pool. Nominations from a supply area pool to a market area pool will incur Transportation charges and applicable surcharges. Fuel reimbursement will be determined pursuant to Section 12 of these General Terms and Conditions.
- (d) Receipt Point to Market Area Pool. Nominations to a market area pool from a Receipt Point will incur Transportation charges and applicable surcharges. Fuel reimbursement will be determined pursuant to Section 12 of these General Terms and Conditions.
- (e) Market Area Pool to Delivery Point. Nominations from a market area pool to any Delivery Point associated with that pool will not incur Transportation charges or be subject to fuel reimbursement.

Effective Date: 07/01/2001 Status: Effective

FERC Docket: RP01-440-000

Original Sheet No. 181-A Original Sheet No. 181-A : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

22. POOLING (Continued)

22.6 Warranty and Liability.

- (a) Pooling party warrants that it has title to or the right to transfer title to Gas nominated under the pooling provisions of this tariff. Pooling party will indemnify Transporter and save it harmless from all suits, actions, damages, costs, losses, and expenses (including reasonable attorneys' fees) arising from breach of this warranty.
- (b) Transporter will have no liability to pooling party for any and all damages and costs arising out of an intended or completed pooling transaction except to the extent such liability is shown to be the result of the negligence or willful misconduct of Transporter.
- (c) Pooling party agrees to defend, indemnify, and hold harmless Transporter, its officers, agents, employees and contractors ("Indemnitee") against any liability, suit, action, claim, damage, or expenses whatsoever, including costs and attorneys' fees ("Liabilities and Expenses") occurring in connection with or relating in any way to pooling party's use or reliance on Transporter's pooling services, whether such Liabilities and Expenses are suffered by Indemnitee as a direct or indirect result of pooling party's use of or reliance on Transporter's pooling services or other omissions or tortious acts by pooling party, except to the extent such Liabilities and Expenses are shown to be the result of the negligence or willful misconduct of Transporter.
- (d) Neither Transporter nor pooling party will be liable to the other or to any other party for any consequential, punitive, special, or other damages arising in any way from any error, omission, or inaccuracy of Transporter's pooling services.

Effective Date: 09/01/2005 Status: Effective

FERC Docket: RP05-456-000

Second Revised Sheet No. 181-B Second Revised Sheet No. 181-B : Effective
Superseding: First Revised Sheet No. 181-B

GENERAL TERMS AND CONDITIONS
(Continued)

22. POOLING (Continued)

22.7 Title Transfer Tracking.

- (a) The following NAESB WGQ Definitions will apply:

NAESB WGQ 1.2.13: "'Title,' if not otherwise addressed in the Transporter's contract or tariff, is the term used to identify the ownership of gas."

NAESB WGQ 1.2.14: "Title Transfer is the change of title to gas between parties at a location."

NAESB WGQ 1.2.15: "Title Transfer Tracking is the process of accounting for the progression of title changes from party to party that does not effect a physical transfer of the gas."

- (b) Availability. Title Transfer Tracking is available as an optional service in any of the supply area pools or market area pools described in Section 22.1(b) to any party that executes an agreement for such service.
- (c) Third Party Account Administrator. Shipper may designate a third party to provide title transfer tracking services.
- (d) Capacity Rights/Priority of Service. Capacity rights and priority of service from the Receipt Point to the Delivery Point for all Gas on which title has been transferred are determined by the Transportation Service Agreement used to transport the Gas either from the supply area pool or to the market area pool.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

First Revised Sheet No. 182 First Revised Sheet No. 182 : Effective
Superseding: Original Sheet No. 182

GENERAL TERMS AND CONDITIONS
(Continued)

23. NEGOTIATED RATES

23.1 Availability. Shipper and Transporter may agree to Negotiated Rates, as defined in Section 1 of the General Terms and Conditions of this tariff, for a specific term of service under any rate schedule contained in this tariff. The rates as shown on Transporter's Statement of Rates are available as Recourse Rates for any Shipper that does not negotiate a rate with Transporter.

23.2 Applicability.

- (a) Existing Service. Notwithstanding anything to the contrary contained in this tariff, Transporter and Shipper may mutually agree to negotiate rates and contract term for all or any portion of the capacity under any existing service agreement, provided that Shipper has not acquired its capacity through a capacity release. If only a portion of the capacity under any existing service agreement will be priced at Negotiated Rates, the original service agreement must first be bifurcated, and Recourse Rates will continue to apply to the service agreement not subject to the Negotiated Rates.
- (b) New Service.
 - (1) Requests for Service. Transporter and Shipper may mutually agree to negotiated rates and contract term for any available capacity that is requested by Shipper in accordance with Section 3.1 of Rate Schedule KRF-1, provided that such capacity has been posted for informational purposes, but is not posted for bid at the time of Shipper's request.
 - (2) Bids on Posted Capacity. If available capacity is posted for bid and Transporter has determined that it is willing to consider bids at Negotiated Rates, Transporter must specify in its posting that it will consider Negotiated Rate bids in addition to Recourse Rate and discounted Recourse Rate bids.
- (c) Expiring/Terminating Service. An existing Shipper with a right-of-first-refusal as outlined in Section 27.5 of the General Terms and Conditions may retain all or a portion of

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 183 Original Sheet No. 183 : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

23. NEGOTIATED RATES (Continued)

23.2 Applicability. (Continued)

its capacity when such capacity is posted subject to Negotiated Rate offers (1) by matching the highest Negotiated Rate offer submitted by another Shipper that meets or exceeds the lowest rate Transporter is willing to accept for such service, or (2) by paying a Recourse Rate or discounted Recourse Rate per Dth that is equivalent to the Negotiated Rate for the capacity it wishes to retain; provided, however, that nothing herein shall obligate Transporter to render service to any Shipper at rates less than Transporter's then applicable Maximum Base Tariff Rates.

23.3 Bid Evaluation and Award Criteria.

- (a) If Transporter determines that it is willing to accept Negotiated Rate offers for capacity that is available pursuant to Sections 23.2(b)(2) or 23.2(c) above, it will state in its posting the specific basis on which Negotiated Rate offers will be considered and one of the following methods for calculating the value of the guaranteed revenues used to determine the winning bid:
- (i) Net Present Value (rate x quantity x term, discounted using the interest rate(s) shown in the posting);
 - (ii) Revenue (rate x quantity); or
 - (iii) Rate.
- (b) If Transporter's posting specifies that it will accept Negotiated Rate bids tied to an index or indices, Transporter will post an assumed value for such index or indices, where such assumed value is based on both historical and projected index prices. This assumed value will be used to compare Negotiated Rate bids with Recourse Rate and discounted Recourse Rate bids; provided, however, that if a Shipper with a Negotiated Rate bid tied to an index or indices has submitted the bid with the highest value and is awarded the capacity, such Shipper will pay according to the actual value of the index or indices at the time service is rendered.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 184 Original Sheet No. 184 : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

23. NEGOTIATED RATES (Continued)

23.3 Bid Evaluation and Award Criteria. (Continued)

- (c) For bid evaluation purposes, the value of a Negotiated Rate bid will be capped at the value of such bid at Transporter's Recourse Rate.
- (d) Subject to Section 23.3(c) above, capacity will be awarded to the Shipper that submits the bid with the highest value, regardless of whether such bid is a Recourse Rate, a discounted Recourse Rate or a Negotiated Rate bid, provided that the highest bid meets or exceeds the lowest rate that Transporter is willing to accept for the capacity.
- (e) If more than one bid has the same value, Transporter will notify the tying bidders, and those bidders will have an opportunity to improve their bids by submitting tie-breaker bids via fax within 24 hours of notification by Transporter. If a tie still exists, Transporter will allocate the available capacity on a pro rata basis to all tying bidders that have indicated in their tie-breaker bids their willingness to accept a proportionate share of such capacity.

23.4 Filing Requirement. Transporter will submit to the Commission a tariff sheet stating the name of the Shipper, the Negotiated Rate, the rate schedule, the receipt and delivery points, the contract quantities and the term applicable to any Negotiated Rate service agreement. Unless Transporter executes and files a non-conforming service agreement, such tariff sheet will contain a statement that the Negotiated Rate service agreement does not deviate in any material aspect from the form of service agreement in the tariff for the applicable rate schedule.

23.5 Rate Treatment. Transporter will not seek in future general rate proceedings discount-type adjustments to demand charge billing determinants for capacity converted from Recourse Rate service agreements to Negotiated Rate service agreements, unless the Recourse Rate had already been discounted. In those situations where Transporter had granted a market-justified discount to the Recourse Rate and subsequently converted the service agreement to a Negotiated Rate service agreement, Transporter may seek a discount-type adjustment, based on the greater of: (a) the

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 185 Original Sheet No. 185 : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

23. NEGOTIATED RATES (Continued)

23.5 Rate Treatment. (Continued)

Negotiated Rate revenues received or (b) the discounted Recourse Rate revenues which otherwise would have been received, but Transporter will have the burden of proof to demonstrate the appropriateness of both the existence and level of any such adjustment. The procedural rights of all parties will be preserved to contest the propriety of the proposed adjustment.

23.6 Limitations. This Section 23 does not authorize Transporter to negotiate terms and conditions of service.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Sheet Nos. 186 - 299 Sheet Nos. 186 - 299 : Effective

RESERVED FOR FUTURE USE

Effective Date: 11/01/2004 Status: Suspended

FERC Docket: RP04-274-000

First Revised Sheet No. 186 First Revised Sheet No. 186 : Suspended
Superseding: Original Sheet No. 186

(Reserved for Future Use)

Effective Date: 01/01/2004 Status: Effective
FERC Docket: RP04- 68-000

First Revised Sheet No. 187 First Revised Sheet No. 187 : Effective
Superseding: Original Sheet No. 187

GENERAL TERMS AND CONDITIONS
(Continued)

25. MCF TO DTH CONVERSION METHODOLOGY

- 25.1 Applicability. This Section applies to all Shippers receiving firm service pursuant to Transportation Service Agreements executed on an Mcf basis under Rate Schedule KRF-1, CH-1, UP-1, MO-1 or SH-1.
- 25.2 Conversion Methodology. Effective May 1, 2002, Transporter will convert any Maximum Daily Quantities (MDQs) stated in Transportation Service Agreements on a volumetric (Mcf) basis to Demand Maximum Daily Quantities (DMDQs), Transportation Maximum Daily Quantities (TMDQs), and Receipt and Delivery Point Entitlements, all on a thermal (Dth) basis, using the methodology described in this Section.
- 25.3 DMDQ. For the purpose of determining a Shipper's obligation to pay daily reservation/demand charges, Transporter will convert the MDQ stated in the Shipper's Transportation Service Agreement to a DMDQ by multiplying such Shipper's MDQ by Transporter's weighted average, system-wide Btu factor. This factor is the weighted average Btu per cubic foot of gas that flowed under all firm service agreements on Transporter's system during the twelve-month period from October 1, 2000 through September 30, 2001, divided by 1000.
- 25.4 TMDQ. For the purpose of determining a Shipper's right to receive firm Transportation on the mainline, Transporter will convert the MDQ stated in the Shipper's Transportation Service Agreement to a TMDQ by multiplying such MDQ by Shipper's base average Btu factor. Shipper's base average Btu factor is the weighted average Btu per cubic foot of gas that flowed under Shipper's Transportation Service Agreement during the twelve-month period from October 1, 2000 through September 30, 2001, divided by 1000.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

Original Sheet No. 188 Original Sheet No. 188 : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

25. MCF TO DTH CONVERSION METHODOLOGY (Continued)

25.4 TMDQ. (Continued)

If a Shipper does not flow gas under its Transportation Service Agreement during the twelve-month period from October 1, 2000 through September 30, 2001, Transporter will determine Shipper's TMDQ by multiplying Shipper's MDQ by the weighted average Btu value of gas at the primary Receipt Points listed on Shipper's Transportation Service Agreement (in proportion to Shipper's entitlements at each Receipt Point) during the twelve-month period from October 1, 2000 through September 30, 2001, divided by 1000.

- a. Monthly Adjustments to TMDQ. Transporter will review Shipper's weighted average Btu value each Month, and Shipper's ongoing right to receive firm transportation will be adjusted, if necessary, in accordance with the following:
 - (1) Commencing on the effective date of a Shipper's conversion and continuing on a monthly basis thereafter, Transporter will compare the current average Btu value of Shipper's gas (the weighted average Btu per cubic foot of gas that flowed under Shipper's Transportation Service Agreement during the previous month) to Shipper's base average Btu. If Shipper's current average Btu value deviates by 5 Btu or more from Shipper's base average Btu value, Transporter will adjust Shipper's TMDQ to be equal to the product of Shipper's MDQ and Shipper's current average Btu per cubic foot, divided by 1000.
 - (2) Any adjusted TMDQ established pursuant to this Section will become effective on the first day of the month following Transporter's notification to Shipper and will be subject to further monthly adjustments as set forth in this Section. Transporter will notify any affected Shippers of the adjustments no less than seven calendar days before the beginning of the month that the adjusted TMDQ is to become effective.

First Revised Sheet No. 189 First Revised Sheet No. 189 : Effective
Superseding: Original Sheet No. 189

GENERAL TERMS AND CONDITIONS
(Continued)

25. MCF TO DTH CONVERSION METHODOLOGY

25.4 TMDQ. (Continued)

- b. Emergency Adjustments to TMDQ. If, on any given day, the gas flowing under Shipper's Transportation Service Agreement has a weighted average Btu per cubic foot that deviates by 15 Btu or more from Shipper's base average Btu value and Transporter determines that it is in jeopardy of being unable to meet all of its firm service commitments, Transporter will calculate an emergency-adjusted TMDQ to be effective at the beginning of the next gas day. Such emergency-adjusted TMDQ will be equal to the product of Shipper's MDQ and Shipper's weighted average Btu per cubic foot for the gas day on which such emergency adjustment is calculated, divided by 1000. Transporter will notify affected Shipper immediately of any adjustment pursuant to this Section, which will remain effective until Shipper's daily weighted average Btu per cubic foot is within 5 Btu of Shipper's base average Btu, at which time Transporter will revise the TMDQ to be equal to Shipper's MDQ multiplied by its base average Btu factor.
- c. TMDQ for Capacity Releases. If a Releasing Shipper elects to release all or a portion of its rights to service pursuant to a Transportation Service Agreement executed on an MCF basis, such Shipper will specify the DMDQ to be released on its Release Request. Transporter will determine the TMDQ associated with the release as follows:
 - (1) the DMDQ to be released will be divided by the weighted average, system-wide Btu factor that was used to convert releasing Shipper's MDQ to a DMDQ in order to establish an assumed MDQ for the replacement Shipper; and
 - (2) the replacement Shipper's assumed MDQ will be multiplied by releasing Shipper's base average Btu factor, to determine replacement Shipper's TMDQ.

The TMDQ acquired by the replacement Shipper will be subject to monthly and/or emergency adjustments pursuant to this Section, using the base average Btu of the releasing Shipper and the assumed MDQ of the replacement Shipper.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

Original Sheet No. 190 Original Sheet No. 190 : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

25. MCF TO DTH CONVERSION METHODOLOGY (Continued)

- d. TMDQ for Expiring Capacity Releases and Capacity Recalls. When a capacity release expires, or when a Releasing Shipper elects to recall all or a portion of its released capacity, Transporter will determine the associated TMDQ to be restored to the releasing Shipper by dividing the DMDQ being restored by the weighted average, system-wide Btu factor that was used to convert releasing Shipper's MDQ to a DMDQ and multiplying the result by the releasing Shipper's base average Btu factor.

- 25.5 Receipt and Delivery Point Entitlements. For the purpose of determining rights to capacity at Receipt and Delivery Points, the Receipt and Delivery Point Entitlements stated on a Shipper's Transportation Service Agreement will be converted using a Btu conversion factor of 1.0.

If a Shipper's aggregate Receipt and/or Delivery Point Entitlements are less than the Shipper's TMDQ, Transporter will increase Shipper's Receipt and Delivery Point Entitlements at mutually agreeable points where capacity is available, so that aggregate Entitlements equal Shipper's TMDQ. If, pursuant to this Section, requests for additional capacity at any Receipt or Delivery Point exceed available capacity at that point, the available capacity will be prorated among the requesting shippers, based on capacity requested.

If Transporter determines at any time that additional Receipt or Delivery Point capacity is available due to a change in the Btu value at that point, the excess capacity will be used to provide added flexibility to Shippers that wish to use the point on a secondary or interruptible basis.

- 25.6 Reservation Charge Credits. Failure by Transporter to receive and/or deliver quantities of gas in excess of a Shipper's currently effective TMDQ will be exempt from any otherwise applicable reservation charge credits. Furthermore, the days or quantities that Transporter is unable to deliver due to a Shipper's nominations in excess of its currently effective TMDQ will not be included in the calculation of days or quantities allowed Transporter before demand charge credits are applicable.

Effective Date: 01/01/2003 Status: Effective

FERC Docket: RP00-337-003

Sheet Nos. 191-199 Sheet Nos. 191-199 : Effective

RESERVED FOR FUTURE USE

Effective Date: 10/01/2006 Status: Effective

FERC Docket: RP06-517-000

Second Revised Sheet No. 200 Second Revised Sheet No. 200 : Effective
Superseding: First Revised Sheet No. 200

GENERAL TERMS AND CONDITIONS
(Continued)

26. SEGMENTATION

A firm Shipper may segment its mainline capacity into separate parts for its own use or for the purpose of temporarily releasing a geographic portion of its capacity to another Shipper.

26.1 Segmentation without Capacity Release.

- (a) A Shipper may segment its mainline capacity into separate parts for its own use at any point on Transporter's mainline and may nominate up to its current TMDQ in any segment.
- (b) A Shipper also may segment its mainline capacity at any point on Transporter's mainline, up to its DMDQ in any segment, into separate Transportation Service Agreements ("Segmented Agreements") for its own use. Each Segmented Agreement will be effective for a specified period of time. Such agreement may have primary Receipt Point and primary Delivery Point entitlements up to Shipper's current TMDQ, but Shipper will have the right to use any available alternate Receipt and Delivery Points on a secondary firm basis, provided that Shipper's total nominations for any portion of Transporter's mainline cannot exceed Shipper's current TMDQ under the applicable agreement.

Shipper will pay Reservation/Demand charges on the DMDQ set forth on the Transportation Service Agreement before it is segmented ("Base Transportation Service Agreement"), but will not be obligated to pay Reservation/Demand charges on the Segmented Agreements. All other charges, including Commodity/Usage charges, surcharges and fuel will be paid on the Base Transportation Service Agreement, as well as on the Segmented Agreements.

Effective Date: 10/01/2006 Status: Effective

FERC Docket: RP06-517-000

Original Sheet No. 200-A Original Sheet No. 200-A : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

26. SEGMENTATION (continued)

26.1 Segmentation without Capacity Release. (continued)

- (c) A shipper may submit a nomination for Backhaul Transportation as defined in Section 1.1 of the General Terms and Conditions, on any portion of Transporter's mainline, and Transporter will schedule such service when it is operationally feasible to do so; i.e., when sufficient forward haul Quantities have been scheduled. Segments nominated for Backhaul transportation are subject to interruption if forward haul transportation is insufficient to provide the displacement necessary to effectuate the Backhaul. Backhaul transactions are considered out-of-path, and will be scheduled on a secondary point basis, pursuant to the scheduling provisions in Section 13.2 of the General Terms and Conditions.
- (d) To the extent that delivery point capacity is available, scheduled nominations for forward hauls and backhauls to the same delivery point may exceed shipper's current TMDQ.

Effective Date: 07/01/2009 Status: Effective

FERC Docket: RP09-616-000

Third Revised Sheet No. 201 Third Revised Sheet No. 201

Superseding: Second Revised Sheet No. 201

GENERAL TERMS AND CONDITIONS
(Continued)

26. SEGMENTATION (Continued)

26.2 Segmentation with Capacity Release.

A Shipper may segment its mainline capacity at any point on Transporter's mainline, up to its DMDQ in any segment, and temporarily release that capacity to a replacement Shipper.

- (a) For each segment that is released, the releasing Shipper will identify the primary Receipt Point and/or primary Delivery Point entitlements that it will retain and the primary Receipt Point and/or primary Delivery Point Entitlements that it will release (if any); provided, however, that a releasing Shipper may not retain entitlements at a primary Receipt Point or a primary Delivery Point if such point cannot be accessed by the primary mainline rights that it retains.
- (b) For each segment that is acquired, the replacement Shipper has the option, but not the requirement, to obtain primary Receipt Point and primary Delivery Point entitlements up to its current TMDQ. Such replacement Shipper may utilize the primary Receipt Point and/or primary Delivery Point entitlements that are being relinquished by the releasing Shipper (if applicable) or may select other primary Receipt Points and/or primary Delivery Points; provided, however, that the replacement Shipper must select primary Receipt Points and primary Delivery Points where capacity is available, and Shipper must have firm mainline rights to access those points that are selected.
- (c) Both releasing and replacement Shippers may nominate to secondary Receipt and/or Delivery Points anywhere on Transporter's mainline; provided, however that the combined total of releasing Shipper's and replacement Shipper's nominations for any portion of Transporter's mainline cannot exceed releasing Shipper's pre-release TMDQ.

Effective Date: 07/01/2009 Status: Effective

FERC Docket: RP09-616-000

Second Revised Sheet No. 202 Second Revised Sheet No. 202

Superseding: First Revised Sheet No. 202

GENERAL TERMS AND CONDITIONS
(Continued)

26. SEGMENTATION (Continued)

If releasing Shipper's TMDQ is subject to adjustment pursuant to Section 25.4 of the General Terms and Conditions, the pre-release TMDQ will be determined by (1) dividing releasing Shipper's DMDQ immediately prior to the release by the system average Btu used to convert releasing Shipper's MDQ to DMDQ; and (2) multiplying the result by releasing Shipper's base average Btu as described in Section 25.4.

- (d) To the extent that delivery point capacity is available, scheduled nominations for forward hauls and backhauls to the same delivery point may exceed shipper's current TMDQ.
- (e) All segmented releases are subject to the capacity release provisions contained in Section 15 of the General Terms and Conditions.

26.3 Pre-Scheduling Adjustments to Nominations.

Before any nominations for segmented capacity are submitted for confirmation and scheduling in accordance with Sections 13.1 and 13.2 of the General Terms and Conditions, Transporter will adjust such nominations, if necessary, as follows:

- (a) If a Shipper's nominations exceed its current TMDQ on any portion of Transporter's mainline, nominations will be reduced to equal such Shipper's current TMDQ, using the rankings provided by Shipper, where applicable.
- (b) If the combined total of releasing and replacement Shippers' nominations for any portion of Transporter's mainline exceed releasing Shipper's pre-release TMDQ as defined in Section 26.2 (c), nominations will be reduced to equal such TMDQ in accordance with (1) and (2) below:
 - (1) Within-the-path nominations will have a higher priority than out-of-path nominations.
 - (2) To the extent that the combined total of releasing and replacement Shippers' out-of-path nominations for any portion of Transporter's mainline exceed releasing Shipper's pre-release TMDQ, both the releasing Shipper's and the replacement Shipper's nominations will be reduced on a pro rata basis, based on each Shipper's nominations, so that the combined nominations are equal to releasing Shipper's pre-release TMDQ.

Effective Date: 01/01/2003 Status: Effective

FERC Docket: RP00-337-003

Sheet Nos. 203 - 204 Sheet Nos. 203 - 204 : Effective

RESERVED FOR FUTURE USE

GENERAL TERMS AND CONDITIONS
(Continued)

27. AVAILABLE CAPACITY

27.1 Applicability. In accordance with 18 CFR, Sec. 284.13(d), Transporter will post on its internet web site generally available unsubscribed capacity and capacity that becomes available due to expiring or terminating agreements on a nondiscriminatory basis. If a specific block of capacity comprised of a primary receipt point, a primary delivery point and the mainline capacity between those points is available, Transporter will post that block of capacity for competitive bid in accordance with Section 27.2 below, and that capacity will be unavailable for amendment except as provided in Section 27.4(h).

27.2 Posting

- (a) Unsubscribed Capacity. Transporter will post unsubscribed capacity (capacity that is available for reasons other than expiring or terminating agreements) for a bid period of no less than seventy-two (72) hours and no more than six (6) months for capacity that is available for a term of one year or longer. For capacity that is available for a term of less than one year, Transporter will post such capacity for a bid period of no less than twenty-four (24) hours and no more than one (1) month.

If no bids are received that meet Transporter's minimum acceptable price and term as provided in Sections 27.2(f) and (g), and Transporter has executed a Letter of Intent with a prospective shipper or announced its intent to hold an open season for an expansion project, Transporter may elect to reserve all or a portion of the unsubscribed capacity for future expansion projects as provided in Section 27.2(d) below.

If service will not commence within 30 days following the date that capacity is awarded, or if Transporter elects to reserve the capacity for a future expansion project, Transporter will repost such capacity as provided in this Section for use on an interim basis, but Transporter will indicate in its posting that such capacity is reserved for future use.

- (b) Capacity under Expiring or Terminating Agreements. Transporter will post capacity under expiring or terminating Transportation Service Agreements (including capacity that becomes available at the expiration of a Capacity Release Transportation Service Agreement when such capacity is not committed to the Releasing Shipper) with a term of one year or longer for a bid period of no less than seventy-two (72) hours and no more than six (6) months. For Transportation Service Agreements with a term of less than one year, Transporter will post such capacity for a bid period of no less than twenty-four (24) hours and no more than one (1) month.

GENERAL TERMS AND CONDITIONS
(Continued)

27. AVAILABLE CAPACITY (Continued)

27.2 Posting. (Continued)

If no bids are received that meet Transporter's minimum acceptable price and term as provided in Section 27.2(f) and (g), and Transporter has executed a Letter of Intent with a prospective shipper or announced its intent to hold an open season for an expansion project, Transporter may elect to reserve all or a portion of the expiring or terminating capacity for future expansion projects as provided in Section 27.2(d) below; provided, however, that a shipper with a right of first refusal will have the option to retain all or a portion of its expiring or terminating capacity in accordance with Section 27.5(a).

If service will not commence within 30 days following the date that capacity is awarded, or if Transporter elects to reserve any capacity under expiring or terminating agreements for future expansion projects, Transporter will repost such capacity for use on an interim basis, but Transporter will indicate in its posting that such capacity is reserved for future use.

- (c) Pre-Arranged Capacity. Transporter may enter into a pre-arranged Transportation Service Agreement with any party for available unsubscribed capacity or capacity that will become available under an expiring or terminating agreement; provided that Transporter will post the terms of the pre-arranged transaction in accordance with the time periods specified in (a) and (b) above, and other parties will have an opportunity to bid on the capacity. If another party submits a bid with a higher incremental economic value, the pre-arranged Shipper will have twenty-four (24) hours to match the higher bid for Transportation Service Agreements with a term of one year or longer and two (2) hours to match the higher bid for Transportation Service Agreements with a term of less than one year in order to retain the capacity. If the pre-arranged Shipper elects not to match a higher competing bid, the capacity will be awarded to the highest creditworthy bidder in accordance with Section 27.4.

If service will not commence within 30 days following the date that capacity is awarded, Transporter will repost such capacity for use on an interim basis, but Transporter will indicate in its posting that such capacity is reserved for future use.

- (d) Reserved Capacity. Transporter may reserve for future expansion projects any unsubscribed capacity at receipt points, delivery points or on the mainline or any such capacity under expiring or terminating Transportation Service Agreements where the existing shipper does not have a right of first refusal; or, if the existing shipper does have a right of first refusal, where such shipper elects not to retain its capacity in accordance with Section 27.5(a). Prior to reserving any mainline capacity, Transporter must first post such capacity for competitive bid in

GENERAL TERMS AND CONDITIONS
(Continued)

27. AVAILABLE CAPACITY (Continued)

27.2 Posting. (Continued)

expansion project is placed into service. Reserved capacity will be made available on an interim basis. If certificate approval is not granted or if Transporter determines that an expansion project should not or cannot be completed, Transporter will post such previously reserved capacity on its Designated Site.

- (e) Available Capacity. All available capacity will be posted to Transporter's Designated Site on the Internet.

Each posting will set forth the following, if applicable:

1. Receipt point(s), delivery point(s) and associated mainline capacity;
2. Date capacity is available;
3. Date capacity is committed to an expansion project, if applicable;
4. Bid open and close dates;
5. Term and reservation rate to be paid by pre-arranged Shipper, if applicable;
6. Whether or not Transporter will accept negotiated rate bids in addition to recourse rate and discounted recourse rate bids;
7. Special conditions, including bid evaluation criteria.

- (f) Transporter has the option to establish a minimum acceptable rate for any available capacity before such capacity is posted. Transporter is not required to disclose the minimum rate at the time of posting, but a record of such rate must be maintained for a period of three years for audit purposes.

GENERAL TERMS AND CONDITIONS
(Continued)

27. AVAILABLE CAPACITY (Continued)

27.2 Posting. (Continued)

- (e) Available Capacity. All available capacity will be posted to Transporter's Designated Site on the Internet.

Each posting will set forth the following, if applicable:

1. Receipt point(s), delivery point(s) and associated mainline capacity;
2. Date capacity is available;
3. Date capacity is committed to an expansion project or to a firm transportation service agreement, if applicable;
4. Bid open and close dates;
5. Term and reservation rate to be paid by pre-arranged Shipper, if applicable;
6. Whether or not Transporter will accept negotiated rate bids in addition to recourse rate and discounted recourse rate bids;
7. Special conditions, including bid evaluation criteria.

- (f) Minimum Rate. Transporter has the option to establish a minimum acceptable rate for any available capacity before such capacity is posted. Transporter is not required to disclose the minimum rate at the time of posting, but a record of such rate must be maintained for a period of three years for audit purposes.

- (g) Minimum Term. For available capacity that Transporter wishes to reserve for a future expansion project, Transporter may also establish a minimum acceptable term. Transporter will use the same minimum term as used for the expansion project if the expansion project open season is held prior to or during the time available capacity is posted for bid. If the expansion project open season is held after available capacity has been reserved and/or if the minimum term imposed on expansion shippers is materially different from the minimum term reflected in the available capacity posting, Transporter will repost the reserved capacity for bid in accordance with Section 27.2 (a) or (b).

- (h) Maximum Term. If available capacity is committed to a firm transportation service agreement where service will not commence for at least 30 days following the date capacity is awarded, or if capacity is reserved pursuant to Section 27.2(d) for a future expansion project, Transporter will post such capacity for use on an interim basis. In its posting, Transporter will specify the date capacity is subject to a prior commitment. Shippers that acquire such capacity on an interim basis will not be eligible for a right of first refusal as set forth in Section 27.5(a).

Effective Date: 06/01/2002 Status: Effective

FERC Docket: RP02-248-001

Sub Original Sheet No. 208 Sub Original Sheet No. 208 : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

27. AVAILABLE CAPACITY (Continued)

27.3 Bidding.

- (a) New Agreements. All bids for available capacity will be submitted as specified in Transporter's posting, setting forth the following:
 - 1. Bidder's name and posted offer number;
 - 2. Receipt point(s), delivery point(s), mainline capacity and associated rate(s);
 - 3. Term of bid;
 - 4. Minimum capacity or minimum percentage of the total posted capacity which bidder is willing to accept;
 - 5. Contingencies, if any.
- (b) Bids for Portion of Posted Capacity. Bids may be submitted for any segment of the posted capacity, subject to the availability of capacity at and between the requested physical receipt and delivery points.
- (c) Bid Amounts. All bids must be submitted in amounts which a bidder agrees to pay to Transporter for the right to receive firm service, including undiscounted reservation surcharges, if applicable. Such bids will exclude Transporter's commodity charges and commodity surcharges applicable to such service included in Transporter's rates, which rate components must be paid to Transporter by the successful bidder in addition to the bid amounts. Unless Transporter is willing to consider Negotiated Rate bids, the maximum rates which may be bid will be the maximum tariff rates as they may vary from time to time for the applicable service. The minimum rates which may be bid will be the minimum tariff rates as they may vary from time to time for the applicable service, or the minimum rates Transporter specifies on the posting, which will never be less than the minimum tariff rates.

Effective Date: 04/20/2009 Status: Effective

FERC Docket: RP09-466-000

Second Revised Sheet No. 209 Second Revised Sheet No. 209

Superseding: First Revised Sheet No. 209

GENERAL TERMS AND CONDITIONS
(Continued)

27. AVAILABLE CAPACITY (Continued)

27.3 Bidding. (Continued)

- (d) Withdrawal of Bid. A bidder may withdraw its bid at any time prior to close of the bid period; provided, however, that if the bidder is a pre-arranged Shipper, it may not withdraw its bid. A bidder that withdraws its bid may not then submit another bid with a lower economic value for the same capacity.
- (e) Creditworthiness. All bidders must comply with Section 29 of the General Terms and Conditions of this tariff. Bidders must submit a request for pre-qualification for credit in order to expedite the award process. If, on or before the bid close date, a bidder fails to pre-qualify for a credit limit equal to or greater than the economic value of its bid, Transporter may disregard such bid and, subject to Section 27.6, choose the bid with the next highest economic value submitted by a creditworthy bidder.

27.4 Awarding.

- (a) As soon as reasonably practical, but no later than five (5) business days following the bid close date, Transporter will evaluate the bids received and determine the winning bid, subject (where applicable) to Section 27.4(d), Section 27.5 and Section 27.6.
- (b) Bids will be evaluated based on one of the following criteria for determining the economic value, as specified by Transporter in its posting: 1) Reservation Rate; 2) Total Reservation Revenues; or 3) Net Present Value. The net present value shall be computed from the daily reservation revenues to be received over the term of the Transportation Service Agreement, using the discounted cash flow rate of return methodology, with the rate of discounting, as updated from time to time, in accordance with 18 CFR 154.501(d).

Effective Date: 06/01/2002 Status: Effective

FERC Docket: RP02-248-001

Sub Original Sheet No. 210 Sub Original Sheet No. 210 : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

27. AVAILABLE CAPACITY (Continued)

27.4 Awarding. (Continued)

- (c) Capacity will be awarded to the Shipper that submits the bid with the highest economic value, regardless of whether such bid is a Recourse Rate, a discounted Recourse Rate or a Negotiated Rate bid; provided that the bid with the highest value is at a rate that meets or exceeds the lowest rate that Transporter is willing to accept for the capacity, and further provided that a bid with a negotiated rate that exceeds the maximum rate will be considered to be a maximum rate bid for evaluation and award purposes. If Transporter has indicated in its posting that it is willing to accept negotiated rate bids, such bids will be evaluated in accordance with the criteria specified in Transporter's posting and described in Section 23.3 of the General Terms and Conditions.
- (d) Transporter will break ties and determine the winning bid(s) by providing each of the tying bidders an opportunity to improve their bids by submitting closed bids via facsimile within 24 hours of notification by Transporter. If a tie still exists, Transporter will allocate the available capacity on a pro rata basis to each tying bidder that has indicated in its bid a willingness to accept a proportionate share of such capacity. A bid to pay the maximum rate as it may vary from time to time for a given term will be deemed superior to a bid to pay a specified dollar rate which is equal to the Maximum Base Tariff Rate.
- (e) If the best bid is a contingent bid, Transporter will notify the bidder making the best bid within three (3) business days following the bid close date. That bidder will have twenty-four (24) hours following such notification to satisfy or waive the contingency, or Transporter may disregard such bid.

Effective Date: 06/01/2002 Status: Effective

FERC Docket: RP02-248-001

Sub Original Sheet No. 211 Sub Original Sheet No. 211 : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

27. AVAILABLE CAPACITY (Continued)

27.4 Awarding. (Continued)

- (f) After the economic value of each bid has been determined, and if the capacity to be allocated to the highest bidder would not result in awarding all of the available capacity, then Transporter, subject to Sections 27.5 and 27.6, will award the remaining capacity based on the economic value of each bid, from highest economic value to lowest economic value, with the process of awarding capacity to bidders continuing until all of the capacity has been awarded or until all valid bids have been accepted.
- (g) For any capacity offered under this Section 27, the successful bidder(s) and Transporter will execute a new Transportation Service Agreement prior to the commencement of service which confirms the terms of the accepted bid(s) for the available capacity. Transporter will disclose the identity of the bidder making the best bid on the date such bidder first nominates under its service agreement, in accordance with 18CFR, Section 284.13(b)(1).
- (h) Capacity that is not awarded at the end of the bid and award period will be available on a first-come, first-served basis, provided that all requests for capacity that are received on the same day will be considered to have been received at the same time. If the first-received method results in a tie, capacity will be awarded on a pro rata basis.

Effective Date: 12/19/2009 Status: Effective

FERC Docket: RP10-160-000

Fourth Revised Sheet No. 212 Fourth Revised Sheet No. 212

Superseding: Third Revised Sheet No. 212

GENERAL TERMS AND CONDITIONS
(Continued)

27. AVAILABLE CAPACITY (Continued)

27.5 Right of First Refusal.

- (a) Shipper may exercise a right of first refusal to continue receiving service at the end of the term of any agreement, including any term extended pursuant to any contractual rollover or evergreen provision, provided that Shipper is not receiving service on an interim basis using capacity that has been committed at a future date to a firm transportation service agreement or that has been reserved for an expansion project pursuant to Section 27.2(d), and further provided that Shipper is receiving service (1) at the maximum rate for a term of twelve consecutive months or longer (or for one year or longer where service is not available for twelve consecutive months); (2) at any rate for a term of one year or longer when such service is provided under a service agreement executed prior to March 27, 2000; or (3) at a discounted or negotiated rate where Transporter has agreed to provide Shipper a right of first refusal.

To exercise such right of first refusal, Shipper must agree to match the rate or rates, up to the maximum rate or rates then applicable, and the agreement term to which a competing prospective Shipper is willing to agree with Transporter for all or any portion of the transportation rights then held by Shipper; provided, however, that nothing herein shall obligate Transporter to render service to Shipper or to any competing prospective Shipper if such persons do not agree to pay Transporter's maximum rates then applicable. Shipper has twenty-four (24) hours to match the higher bid for service with a term of one year or longer and two (2) hours to match the higher bid for service with a term of less than one year.

If the highest bid submitted by a competing prospective Shipper is a Negotiated Rate that meets or exceeds the lowest rate Transporter is willing to accept for such service, the existing Shipper may retain its capacity by matching the bid on either a Negotiated Rate basis or a Recourse Rate basis as provided in Section 23.2(c) of the General Terms and Conditions. To exercise its right of first refusal, Shipper must agree to all other terms and conditions of service to which the competing prospective Shipper is prepared to agree, or to such other terms and conditions as may be acceptable to Transporter.

Effective Date: 06/01/2002 Status: Effective

FERC Docket: RP02-248-000

Original Sheet No. 213 Original Sheet No. 213 : Effective

GENERAL TERMS AND CONDITIONS
(Continued)

27. AVAILABLE CAPACITY (Continued)

27.5 Right of First Refusal. (Continued)

- (b) If a Shipper chooses to exercise a right of first refusal for only a portion of its capacity, or chooses to extend the primary term of its agreement pursuant to a contractual rollover or evergreen provision for only a portion of its capacity, Shipper's MDQ, aggregate Maximum Receipt Volume entitlements and aggregate Maximum Delivery Volume entitlements all must be retained by the same percentage.
- (c) If an existing Shipper chooses not to match the economic value of the best bid(s) as determined by Transporter, capacity will be awarded to the selected bidder(s), and the existing Shipper's right of first refusal will expire.
- (d) If no creditworthy bids are submitted for any portion of the capacity, an existing Shipper will be entitled to continue its existing service for any portion of the capacity, for any term desired, provided Transporter and Shipper agree to mutually acceptable rates for the service at a level within the posted maximum and minimum tariff rates for the applicable service or at a mutually acceptable Negotiated Rate for the applicable service. If Transporter and Shipper fail to agree on rates within thirty (30) days of the bid close date, Shipper's right of first refusal will be deemed to have terminated.

- 27.6 Notwithstanding anything to the contrary set forth in this Section 27, Transporter will not be required to provide service at any rate less than the maximum rate for Rate Schedule KRF-1, as such rate may vary from time to time.

Effective Date: 11/01/2004 Status: Effective

FERC Docket: RP04-274-003

Sub First Revised Sheet No. 214 Sub First Revised Sheet No. 214 : Effective
Superseding: Original Sheet No. 214

GENERAL TERMS AND CONDITIONS
(Continued)

28. GAS SALES

- 28.1 APPLICABILITY. Transporter is not providing a sales service under any Rate Schedule of this Tariff, but may sell de minimis Quantities of Gas it acquires pursuant to Section 4.2 of Rate Schedule PAL.
- 28.2 REVENUE SHARING. Sales revenues received by Transporter pursuant to this Section 28 will be credited in accordance with the penalty revenue crediting provisions set forth in Section 10.11 of the General Terms and Conditions.

Effective Date: 06/28/2010 Status: Effective

FERC Docket: RP10-817-000

First Revised Sheet No. 215 First Revised Sheet No. 215

Superseding: Original Sheet No. 215

GENERAL TERMS AND CONDITIONS
(Continued)

29. ESTABLISHMENT AND MAINTENANCE OF CREDIT

Transporter will not be required (a) to execute a Transportation Service Agreement under the applicable rate schedule on behalf of a Shipper that fails to meet Transporter's standards for creditworthiness; (b) to initiate or continue service to a Shipper that fails to meet Transporter's standards for creditworthiness; or (c) to continue service to a Shipper that fails to pay Transporter for Transportation service as provided in Shipper's Transportation Service Agreement.

Transporter will apply consistent evaluation practices to all similarly-situated Shippers to determine each Shipper's ability to satisfy its payment obligations to Transporter over the term of its Transportation Service Agreement.

29.1 Establishment of Credit.

For purposes herein, the determination of Shipper's creditworthiness will be based upon the level of service requested by Shipper and: (a) to the extent rated by the following agencies, a credit rating (Shipper's senior unsecured debt rating if available, otherwise Shipper's issuer rating) of investment grade from each, where a minimum investment grade rating is defined as a rating of "BBB-" by Standard & Poor's Rating Services ("Standard & Poor's"), a rating of "Baa3" by Moody's Investors Service, Inc. ("Moody's"), a rating of "BBB-" by Fitch Ratings ("Fitch"), and, if at the minimum investment grade rating, a Short-Term and Long-Term Outlook or Credit Watch of Stable or Positive from that agency; or, for Canadian Shippers not rated by Standard & Poor's, Moody's and Fitch, a senior unsecured debt rating of at least "BBB(low)" by Dominion Bond Rating Service ("Dominion") and, if rated at "BBB(low)", a Short-Term and Long-Term Outlook or Credit Watch of Stable or Positive; or (b) if Shipper does not have a senior unsecured rating or issuer rating from Standard & Poor's, Moody's or Fitch (or from Dominion, if a Canadian Shipper), an equivalent rating of investment grade as determined by Transporter based on the financial rating methodology, criteria and ratios for the industry of the Shipper as published by the above rating agencies from time to time or other financial analysis criteria and ratios generally acceptable in the natural gas industry, including but not limited to Standard and Poor's, Moody's or Fitch's opinions, watch alerts or rating actions; or (c) approval by Transporter's lenders.

A Shipper or prospective Shipper seeking an equivalent rating of investment grade pursuant to subsection (b) will, upon request by Transporter, render to Transporter documentation required by Transporter to determine Shipper's creditworthiness, including but not limited to complete audited financial statements prepared in accordance with generally accepted accounting principles. In the event Transporter determines that Shipper does not have an equivalent rating of investment grade, Shipper may, at its own expense, obtain a private rating from Standard & Poor's, Moody's, Fitch or Dominion Bond Rating Service.

Effective Date: 04/20/2009 Status: Effective

FERC Docket: RP09-466-006

Sub Original Sheet No. 216 Sub Original Sheet No. 216

Superseding: Original Sheet No. 216

GENERAL TERMS AND CONDITIONS
(Continued)

29. ESTABLISHMENT AND MAINTENANCE OF CREDIT (Continued)

29.2 Long Term Firm Service.

If Shipper otherwise fails to establish creditworthiness as provided herein, Shipper may still receive long term firm service provided it either (a) furnishes and maintains for the term of the Transportation Service Agreement a written guarantee in a form satisfactory to Transporter from a third party that is creditworthy as determined above, or (b) furnishes security as required by Transporter's Current Lending Documents.

For purposes of this Section 29.2, "Transporter's Current Lending Documents" means the Trust Indenture dated as of August 13, 2001, among Kern River Funding Corporation, Kern River Gas Transmission Company, as guarantor, and the trustee, as amended and supplemented from time to time.

29.3 Short Term Firm, Interruptible and PAL Service.

If Shipper otherwise fails to establish creditworthiness as provided herein, Shipper may still receive short term firm, interruptible and/or PAL service to the extent it:

- (a) prepays in advance each Month for one (1) Month service;
- (b) provides a standby irrevocable letter of credit drawn upon a bank acceptable to Transporter, in an amount equal to Transporter's estimate of providing three (3) Months of the service requested by Shipper;
- (c) provides a security interest in collateral provided by the Shipper that is satisfactory to Transporter; or
- (d) provides a written guarantee in a form satisfactory to Transporter from a third party that is creditworthy as determined above.

Effective Date: 06/28/2010 Status: Effective

FERC Docket: RP09-466-006

1st Revised First Revised Sheet No. 217 1st Revised First Revised Sheet No. 217
Superseding: First Revised Sheet No. 217

GENERAL TERMS AND CONDITIONS
(Continued)

29. ESTABLISHMENT AND MAINTENANCE OF CREDIT (Continued)

29.4 Maintenance of Credit.

Transporter may determine that a Shipper is no longer creditworthy based on the provisions of Section 29.1 or if, in the reasonable opinion of Transporter, a Shipper (or its guarantor) suffers a material adverse change in its financial condition such that Shipper's (or its guarantor's) ability to perform its obligations to Transporter is materially impaired. The determination of material adverse change shall be based upon objective, publicly available information or a clearly defined event, such as a default on indebtedness, a decrease in value of publicly-traded debt, a restatement of financials, nonpayment, or a decrease in market capitalization. Transporter will notify Shipper in writing of the reason for the change in Shipper's creditworthiness status, should a material adverse change in Shipper's financial condition occur.

If Transporter determines that Shipper is no longer creditworthy, Transporter may require security as set forth herein. Shipper shall have at least five (5) business days from Transporter's written request to provide advance payment for one Month of service. Shipper shall have at least thirty (30) days to provide the additional security required under Section 29.2 or 29.3, as applicable, to continue to receive service. Failure to provide the necessary security may result in suspension or permanent termination of service, provided that Transporter shall provide Shipper with a minimum of five (5) days' notice before service is suspended or thirty (30) days' notice to both Shipper and the Commission before service is terminated. Transporter will suspend a Shipper's reservation charges while that Shipper's service is suspended. Notices to suspend and/or terminate service may be provided on or after the date Transporter requests security.

Shipper may at any time request that Transporter reevaluate Shipper's creditworthiness to determine whether the security requirements can be eliminated.

Effective Date: 04/20/2009 Status: Effective

FERC Docket: RP09-466-000

Sheet Nos. 218-299 Sheet Nos. 218-299

RESERVED FOR FUTURE USE

Effective Date: 12/19/2009 Status: Effective
FERC Docket: RP10-160-000

Fourth Revised Sheet No. 300 Fourth Revised Sheet No. 300
Superseding: Third Revised Sheet No. 300

(Placement on page, number of pages, format, capitalization and font may vary)

[If applicable - RESTATEMENT OF]
FIRM TRANSPORTATION SERVICE AGREEMENT
Rate Schedule KRF-1

CONTRACT NO. _____

THIS [if applicable - RESTATED] FIRM TRANSPORTATION SERVICE AGREEMENT
("Agreement") [if applicable, insert: , which was originally executed on
(insert original contract execution date),] is made and entered into as of this
_____ day of [insert month and year] by and between KERN RIVER GAS
TRANSMISSION COMPANY ("Transporter") and _____
("Shipper"), and supersedes all previous versions of this Agreement, if any.

[Insert applicable WHEREAS clauses for background purposes -- not to include
binding consideration]

NOW, THEREFORE, in consideration of the mutual covenants and agreements as
herein set forth, the parties agree as follows:

ARTICLE I - GAS TO BE TRANSPORTED

- 1.1 Subject to the terms, conditions and limitations hereof, Transporter
agrees to receive, on a firm basis, from Shipper for Transportation at
the Receipt Point(s) specified in Exhibit "A" and to transport and
deliver Thermally Equivalent Quantities to Shipper at the Delivery
Point(s) specified in Exhibit "A," Quantities of Natural Gas, exclusive
of Quantities required for fuel used and lost and unaccounted-for Gas,
up to Shipper's [TMDQ. Shipper's TMDQ is (____ Dth per day.) or (set
forth on Exhibit "A.") Shipper's DMDQ is equal to Shipper's TMDQ.] or
[MDQ. Shipper's MDQ is (____ Mcf per day.) or (set forth on Exhibit
"A.")]
- 1.2 Shipper will reimburse Transporter for fuel used and lost and
unaccounted-for Gas on an in-kind basis at the factors applicable to
[(rolled-in rate service) or (incremental rate service related to the
[insert name of project]),] pursuant to the General Terms and Conditions
of Transporter's FERC-approved tariff, as revised from time to time
("Transporter's Tariff"). Backhaul Shippers will reimburse Transporter
for system-wide lost and unaccounted-for Gas, but will not reimburse
Transporter for compressor fuel.

(Insert page number.)

Effective Date: 12/19/2009 Status: Effective

FERC Docket: RP10-160-000

Fifth Revised Sheet No. 301 Fifth Revised Sheet No. 301

Superseding: Fourth Revised Sheet No. 301

ARTICLE II - APPLICABLE RATE SCHEDULE

- 2.1 Shipper agrees to pay Transporter for all Natural Gas Transportation service rendered under the terms of this Agreement in accordance with Rate Schedule KRF-1 of Transporter's Tariff. This Agreement will be subject to the provisions of such Rate Schedule and the General Terms and Conditions of Transporter's Tariff, which by this reference are incorporated herein and made a part hereof.
- 2.2 Shipper's rates for Transportation service will be in accordance with Transporter's effective Rate Schedule KRF-1 for [(maximum recourse) or (10-year) or (15-year) or (insert term)] [(rolled-in rate service) or (incremental rate service related to the {insert name of project})], subject to the parties' understanding and agreement that Transporter may change the rates from time to time in accordance with the Natural Gas Act. [if applicable - add any information necessary to properly identify the applicable rate][if applicable - Notwithstanding the foregoing, Shipper and Transporter have mutually agreed to a [(discounted) or (negotiated)] rate for all or a portion of the capacity under this Agreement, as set forth on Exhibit "B."]
- 2.3 Notwithstanding Section 5.5 of the General Terms and Conditions of Transporter's Tariff, and subject to any negotiated credit, Shipper will make payment of the Monthly Reservation Charge pursuant hereto in full irrespective of (but without prejudice to the rights otherwise of Shipper with respect to) any dispute relative to the amount invoiced, and will not be entitled to any abatement of such payment or any set-off against it, including but not limited to, abatement or set-off due or alleged to be due by reason of any past, present or future claims or other rights of Shipper against Transporter or any other person or entity, whether in connection herewith or any unrelated transaction.

ARTICLE III - TERM OF SERVICE

- 3.1 [Insert term of service, including any contingencies, such as completion of construction or board or governmental approval; term may include extension rights such as an evergreen, rollover or right-of-first-refusal provision and related termination provision, if applicable.]

ARTICLE IV - MISCELLANEOUS PROVISIONS

- 4.1 This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. No promises, agreements or warranties additional to this Agreement other than as may be contained in Transporter's Tariff will be deemed to be a part of this Agreement, nor will any alteration, amendment or modification be effective unless confirmed in writing by the parties.

(Insert page number.)

Effective Date: 12/19/2009 Status: Effective

FERC Docket: RP10-160-000

Sixth Revised Sheet No. 302 Sixth Revised Sheet No. 302

Superseding: Fifth Revised Sheet No. 302

4.2 This Agreement shall incorporate and in all respects shall be subject to the General Terms and Conditions and the applicable Rate Schedule(s) set forth in Transporter's Tariff. Transporter may file and seek approval from the FERC under Section 4 of the Natural Gas Act ("NGA") at any time and from time to time to change any rates, charges or other provisions set forth in the applicable Rate Schedule(s) and the General Terms and Conditions in Transporter's Tariff, and Transporter shall have the right to place such changes in effect in accordance with the NGA, and this Agreement shall be deemed to include such changes and any change that becomes effective by operation of law and FERC order, without prejudice to Shipper's right to protest the same.

4.3 The priority of service for this Agreement shall be [insert applicable date and/or contract reference].

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first set forth above.

[Insert signature blocks]

(Insert page number.)

Effective Date: 12/19/2009 Status: Effective

FERC Docket: RP10-160-000

Fourth Revised Sheet No. 303 Fourth Revised Sheet No. 303

Superseding: Third Revised Sheet No. 303

(Placement on page, number of pages, format, capitalization and font may vary.)

EXHIBIT "A"

[if applicable - TO AMENDMENT] TO [if applicable - RESTATED]
FIRM TRANSPORTATION SERVICE AGREEMENT

CONTRACT NO. _____

BETWEEN

AND

KERN RIVER GAS TRANSMISSION COMPANY

Execution Date of this Exhibit "A": _____, _____

[Term] [Insert term(s) of service and any changes to receipt/delivery points and/or entitlement and/or quantity, as applicable; repeat as needed.]

(TMDQ: _____ Dth) or (MDQ: _____ Mcf)

Receipt Point(s)	Meter Number	Loc. Type	Receipt Point Entitlement (Dth)	[If applicable - Receipt Pressure 1/ (psig)]
_____	_____	_____	_____	_____

Total Receipt Point Entitlement: _____ Dth

Delivery Point(s)	Meter Number	Loc. Type	Delivery Point Entitlement (Dth)	[If applicable - Delivery Pressure 1/ (psig)]
_____	_____	_____	_____	_____

Total Delivery Point Entitlement: _____ Dth

1/ [If applicable - Insert provision(s) related to receipt and/or delivery pressure pursuant to section(s) 6.2 and/or 6.4 of the General Terms and Conditions of Tariff.]

(Insert page number.)

Effective Date: 12/19/2009 Status: Effective

FERC Docket: RP10-160-000

Third Revised Sheet No. 304 Third Revised Sheet No. 304

Superseding: Second Revised Sheet No. 304

(Placement on page, number of pages, format, capitalization and font may vary.)

(To be used if applicable)

EXHIBIT "B"

[if applicable - TO AMENDMENT] TO [if applicable - RESTATED]
FIRM TRANSPORTATION SERVICE AGREEMENT

CONTRACT NO. _____

BETWEEN

AND

KERN RIVER GAS TRANSMISSION COMPANY

Execution Date of this Exhibit "B": _____, _____

[Insert rate provisions]

(Insert page number.)

Effective Date: 02/01/2006 Status: Effective

FERC Docket: RP06-160-000

Fourth Revised Sheet No. 305 Fourth Revised Sheet No. 305 : Effective
Superseding: Third Revised Sheet No. 305

FORM OF FIRM TRANSPORTATION SERVICE AGREEMENT
(Applicable to Transportation Service Under Rate Schedule KRF-1)

EXHIBIT "A"
TO FIRM TRANSPORTATION SERVICE AGREEMENT

DATED: _____

CONTRACT NO: _____

BETWEEN

AND
KERN RIVER GAS TRANSMISSION COMPANY

SHIPPER'S DMDQ: _____ 1/

RECEIPT	METER	RECEIPT	RECEIPT PRESSURE 2/
POINT(S) /	NUMBER /	POINT ENTITLEMENTS /	(psig)

DELIVERY	METER	DELIVERY	DELIVERY PRESSURE 3/
POINT(S) /	NUMBER /	POINT ENTITLEMENTS /	(psig)

1/ The Receipt Point Entitlements and Delivery Point Entitlements specified on this Exhibit "A" must each be equal to (1) Shipper's DMDQ, if this is an original Exhibit "A" or (2) the Receipt and Delivery Point Entitlements set forth on the original Exhibit "A" to the agreement, if this is an amended Exhibit "A."

2/ The minimum pressure at which Shipper will be obligated to cause Gas to be delivered to Transporter for Shipper's account at the Receipt Point(s).

3/ The maximum pressure at which Transporter will be obligated to deliver Gas for Shipper's account at the Delivery Point(s).

Effective Date: 01/01/2009 Status: Effective

FERC Docket: RP09-189-000

Original Sheet No. 306 Original Sheet No. 306

FORM OF FIRM TRANSPORTATION SERVICE AGREEMENT
(Applicable to Transportation Service Under Rate Schedule KRF-1)

EXHIBIT "B"
TO FIRM TRANSPORTATION SERVICE AGREEMENT

CONTRACT NO: _____

DATED: _____

BETWEEN

AND
KERN RIVER GAS TRANSMISSION COMPANY

The rates for Transportation service shall be as follows:

Effective Date: 01/01/2009 Status: Effective

FERC Docket: RP09-189-000

Sheet Nos. 307 - 319 Sheet Nos. 307 - 319

RESERVED FOR FUTURE USE

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Second Revised Sheet No. 320 Second Revised Sheet No. 320 : Effective
Superseding: First Revised Sheet No. 320

FORM OF INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
(Applicable to Transportation Service Under Rate Schedule KRI-1)
CONTRACT NO. _____

THIS AGREEMENT is made and entered into this _____ day of _____ by and between KERN RIVER GAS TRANSMISSION COMPANY, a Texas general partnership, hereinafter called "Transporter," and _____, hereinafter called "Shipper."

WHEREAS, Shipper has acquired or intends to acquire a supply of Natural Gas which can be delivered to Transporter's pipeline system and redelivered by Transporter to Shipper or for Shipper's account at Delivery Points on Transporter's system;

WHEREAS, Shipper desires Transportation service from Transporter in accordance with Transporter's Rate Schedule KRI-1, on file with the FERC, as amended from time to time; and

WHEREAS, Transporter is willing to render such Transportation service;

NOW, THEREFORE, in consideration of the mutual covenants and agreements as herein set forth, the parties hereto agree as follows:

ARTICLE I - GAS TO BE TRANSPORTED

- 1.1 Subject to the terms, conditions and limitations hereof, Transporter agrees to receive from Shipper for Transportation at the Receipt Point(s) specified in Exhibit "A" hereto, and to transport and deliver Thermally Equivalent Quantities of Natural Gas to Shipper at the Delivery Point(s) specified in Exhibit "B" hereto, exclusive of Quantities required for fuel used and lost and unaccounted-for Gas, up to Shipper's TMDQ, which is _____ Dth per day. All existing Delivery and Receipt Points on Transporter's system will be included on Exhibits A and B, which will be deemed amended from time to time to add any new Delivery and Receipt Points added to Transporter's system.
- 1.2 Shipper will reimburse Transporter for fuel used and lost and unaccounted-for Gas on an in-kind basis pursuant to the General Terms and Conditions of Transporter's tariff as filed with the FERC to be effective on the date Transporter commences service, and as amended from time to time.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

First Revised Sheet No. 321 First Revised Sheet No. 321 : Effective
Superseding: Original Sheet No. 321

FORM OF INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
(Applicable to Transportation Service Under Rate Schedule KRI-1)
(Continued)

ARTICLE II - APPLICABLE RATE SCHEDULE

- 2.1 Shipper agrees to pay Transporter for all Natural Gas Transportation service rendered under the terms of this Agreement in accordance with Transporter's Rate Schedule KRI-1, as filed with the FERC to be effective on the date Transporter commences service, and as amended from time to time. This Agreement will be subject to the provisions of such Rate Schedule and the General Terms and Conditions applicable thereto on file with the FERC and as amended from time to time, which by this reference are incorporated herein and made a part hereof.
- 2.2 Shipper's rates for Transportation service will be subject to the parties' understanding and agreement that in accordance with Transporter's effective Rate Schedule KRI-1, Transporter may change the rates from time to time in accordance with the Natural Gas Act.

ARTICLE III - TERM OF AGREEMENT

- 3.1 This Agreement will become effective on the date of execution and will remain in full force and effect for a term of one (1) year (the Primary Term), and month to month thereafter. Either party may terminate this agreement after the Primary Term upon thirty (30) days written notice to the other party.

ARTICLE IV - NOTICES

- 4.1 Any notice called for in this Agreement will be given in writing and will be considered as having been given if delivered personally, confirmed by facsimile or by mail with all postage and charges prepaid to either Shipper or Transporter at the place designated. Routine communications will be considered as duly delivered when mailed by ordinary mail. Normal operating instructions can be made by telephone, electronic media or confirmed facsimile. Unless changed, the addresses of the parties are as follows:

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Third Revised Sheet No. 322 Third Revised Sheet No. 322 : Effective
Superseding: Second Revised Sheet No. 322

FORM OF INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
(Applicable to Transportation Service Under Rate Schedule KRI-1)
(Continued)

ARTICLE IV - NOTICES (Continued)

Transporter: Kern River Gas Transmission Company
Attention: Marketing and Customer Services
2755 E. Cottonwood Parkway, Suite 300
P.O. Box 71400
Salt Lake City, UT 84171-0400
Facsimile No. (801) 937-6444

Shipper Notices:

Shipper Invoices:

ARTICLE V - SUCCESSORS AND ASSIGNS

- 5.1 This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. No assignment or transfer by either party hereunder will be made without the written consent of the other party. Such consent will not be unreasonably withheld. No such consent of Transporter or Shipper will be required when an assignment by Shipper or Transporter is the result of, and part of, a corporate acquisition, merger or reorganization. Nothing contained herein will prevent either party from pledging, mortgaging or assigning its rights hereunder as security for its indebtedness and either party may assign to the pledgee or mortgagee (or to a trustee for the holder of such indebtedness) any money due or to become due under this Agreement. As between the parties hereto, such assignment will become effective on the first day of the month following written notice that such assignment has been effectuated. Upon request of either party, the other party will acknowledge in writing any permitted assignment described herein and the right of any permitted assignee (and any assignee upon enforcement of any assignment made as security for indebtedness) to enforce this Agreement against such other party, and will also deliver such certificates, copies of corporate documents and opinions of counsel as may be reasonably requested by such permitted assignee relating to such party, this Agreement and any other matters relevant thereto. No permitted assignment will relieve the assigning party from any of its obligations under this Agreement. Shipper hereby confirms that the rights of Transporter under the Agreement that may be assigned include any right given or reserved to Transporter in the Agreement to consent to any assignment or transfer by Shipper of its rights and obligations thereunder.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Second Revised Sheet No. 323 Second Revised Sheet No. 323 : Effective
Superseding: First Revised Sheet No. 323

FORM OF INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
(Applicable to Transportation Service Under Rate Schedule KRI-1)
(Continued)

ARTICLE VI - GOVERNMENTAL BODIES

- 6.1 Notwithstanding any other provision hereof, this Agreement will be subject to all laws, statutes, ordinances, regulations, rules and court decisions of governmental entities now or hereafter having jurisdiction.

ARTICLE VII - MISCELLANEOUS PROVISIONS

- 7.1 This Agreement will be amended only by an instrument in writing executed by both parties hereto.
- 7.2 No waiver by any party of any one or more defaults by the other in the performance of any provisions of this Agreement will operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.
- 7.3 No liability for any act or omission of Transporter will be incurred by, or asserted against any person or company which is a partner in Kern River Gas Transmission Company, or any owners, subsidiaries or affiliates of the partners. Any recourse for any liability of Transporter will be against Transporter only.
- 7.4 The headings of the Articles of this Agreement are inserted for convenience of reference only and will not affect the meaning or construction thereof.
- 7.5 This Agreement will be construed in accordance with the laws of the State of Utah.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first set forth above.

(Shipper) KERN RIVER GAS TRANSMISSION COMPANY
(Transporter)

By _____ By _____
(Title)

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

First Revised Sheet No. 324 First Revised Sheet No. 324 : Effective
Superseding: Original Sheet No. 324

FORM OF INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
(Applicable to Transportation Service Under Rate Schedule KRI-1)
(Continued)

EXHIBIT "A"
TO INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT

DATED: _____

CONTRACT NO: _____

BETWEEN

AND
KERN RIVER GAS TRANSMISSION COMPANY

RECEIPT POINT(S)

All Receipt Points listed on the Operationally Available and Unsubscribed
Capacity reports on Transporter's Designated Site.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

First Revised Sheet No. 325 First Revised Sheet No. 325 : Effective
Superseding: Original Sheet No. 325

FORM OF INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
(Applicable to Transportation Service Under Rate Schedule KRI-1)
(Continued)

EXHIBIT "B"
TO TRANSPORTATION SERVICE AGREEMENT

DATED: _____

CONTRACT NO: _____

BETWEEN

AND
KERN RIVER GAS TRANSMISSION COMPANY

DELIVERY POINT(S)

All Delivery Points listed on the Operationally Available and Unsubscribed
Capacity reports on Transporter's Designated Site.

Effective Date: 09/06/2004 Status: Effective
FERC Docket: RP04-444-000

First Revised Sheet No. 326 First Revised Sheet No. 326 : Effective
Superseding: Original Sheet No. 326

FORM OF FIRM TRANSPORTATION SERVICE AGREEMENT
(Applicable to Transportation Service Under Rate Schedule KRF-L1)
CONTRACT NO. _____

THIS AGREEMENT is made and entered into this _____ day of _____ by and between KERN RIVER GAS TRANSMISSION COMPANY, a Texas general partnership, hereinafter called "Transporter," and _____, hereinafter called "Shipper."

WHEREAS, Shipper has acquired or intends to acquire a supply of Natural Gas which can be delivered to Transporter's High Desert Lateral and redelivered by Transporter to Shipper or for Shipper's account at Delivery Points on Transporter's High Desert Lateral; and

WHEREAS, Shipper desires Transportation service from Transporter in accordance with Transporter's Rate Schedule KRF-L1, on file with the FERC, as amended from time to time; and

WHEREAS, Transporter is willing to render such Transportation service;

NOW, THEREFORE, in consideration of the mutual covenants and agreements as herein set forth, the parties hereto agree as follows:

ARTICLE I - GAS TO BE TRANSPORTED

- 1.1 Subject to the terms, conditions and limitations hereof, Transporter agrees to receive from Shipper for Transportation at the Receipt Point(s) specified in Exhibit "A" hereto, as amended from time to time, and to transport and deliver Thermally Equivalent Quantities of Natural Gas to Shipper at the Delivery Point(s) specified in Exhibit "A" hereto, as amended from time to time, Quantities of Natural Gas, exclusive of Quantities required for fuel used and lost and unaccounted-for Gas, up to Shipper's TMDQ, which will be _____ Dth per day. Shipper's DMDQ is equal to Shipper's TMDQ.
- 1.2 Shipper will reimburse Transporter for fuel used and lost and unaccounted-for Gas on an in-kind basis pursuant to the General Terms and Conditions of Transporter's tariff as filed with the FERC to be effective on the date Transporter commences service, and as amended from time to time.

ARTICLE II - APPLICABLE RATE SCHEDULE

- 2.1 Shipper agrees to pay Transporter for all Natural Gas Transportation service rendered under the terms of this Agreement in accordance with Rate Schedule KRF-L1 of Transporter's Tariff. This Agreement will be subject to the provisions of such Rate Schedule and the General Terms and Conditions of Transporter's Tariff, which by this reference are incorporated herein and made a part hereof.
- 2.2 Shipper's rates for Transportation service will be in accordance with Transporter's effective Rate Schedule KRF-L1, [(subject to the parties' understanding and agreement that Transporter may change the rates from time to time in accordance with the Natural Gas Act.) or (as set forth on Exhibit "B.")]
- 2.3 Notwithstanding Section 5.5 of the General Terms and Conditions, and subject to any negotiated credit, Shipper will make payment of the Monthly Reservation Charge pursuant hereto in full irrespective of (but without prejudice to the rights otherwise of Shipper with respect to) any dispute relative to the amount invoiced, and will not be entitled to any abatement of such payment or any set-off against it, including but not limited to, abatement or set-off due or alleged to be due by reason of any past, present or future claims or other rights of Shipper against Transporter or any other person or entity, whether in connection herewith or any unrelated transaction.

ARTICLE III - TERM OF SERVICE

- 3.1 [Insert term of service, including any construction contingencies; term may include extension rights such as an evergreen or rollover provision and related termination provisions, if applicable]

ARTICLE IV - MISCELLANEOUS PROVISIONS

- 4.1 This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. No promises, agreements or warranties additional to this Agreement other than as may be contained in Transporter's Tariff will be deemed to be a part of this Agreement, nor will any alteration, amendment or modification be effective unless confirmed in writing by the parties.

Effective Date: 06/01/2007 Status: Effective

FERC Docket: RP07-437-000

Third Revised Sheet No. 328 Third Revised Sheet No. 328 : Effective
Superseding: Second Revised Sheet No. 328

FORM OF FIRM TRANSPORTATION SERVICE AGREEMENT
(Applicable to Transportation Service Under Rate Schedule KRF-L1)
(Continued)

ARTICLE IV - NOTICES (Continued)

designated. Routine communications will be considered as duly delivered when mailed by ordinary mail. Normal operating instructions can be made by telephone, electronic media or confirmed facsimile. Unless changed, the addresses of the parties are as follows:

Transporter: Kern River Gas Transmission Company
Attention: Marketing and Customer Services
2755 E. Cottonwood Parkway, Suite 300
Salt Lake City, UT 84171-0400
Facsimile No. (801) 937-6444

Shipper Notices:

Shipper Invoices:

ARTICLE V - SUCCESSORS AND ASSIGNS

- 5.1 This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. No assignment or transfer by either party hereunder will be made without the written consent of the other party. Such consent will not be unreasonably withheld. No such consent of Transporter or Shipper will be required when an assignment by Shipper or Transporter is the result of, and part of, a corporate acquisition, merger or reorganization. Nothing contained herein will prevent either party from pledging, mortgaging or assigning its rights hereunder as security for its indebtedness and either party may assign to the pledgee or mortgagee (or to a trustee for the holder of such indebtedness) any money due or to become due under this Agreement. As between the parties hereto, such assignment will become effective on the first day of the month following written notice that such assignment has been effectuated. Upon request of either party, the other party will acknowledge in writing any permitted assignment described herein and the right of any permitted assignee (and any assignee upon enforcement of any assignment made as security for indebtedness)

FORM OF FIRM TRANSPORTATION SERVICE AGREEMENT
(Applicable to Transportation Service Under Rate Schedule KRF-L1)
(Continued)

ARTICLE V - SUCCESSORS AND ASSIGNS (Continued)

to enforce this Agreement against such other party, and will also deliver such certificates, copies of corporate documents and opinions of counsel as may be reasonably requested by such permitted assignee relating to such party, this Agreement and any other matters relevant thereto. No permitted assignment will relieve the assigning party from any of its obligations under this Agreement. Shipper hereby confirms that the rights of Transporter under the Agreement that may be assigned include any right given or reserved to Transporter in the Agreement to consent to any assignment or transfer by Shipper of its rights and obligations thereunder.

ARTICLE VI - GOVERNMENTAL BODIES

- 6.1 Notwithstanding any other provision hereof, this Agreement will be subject to all laws, statutes, ordinances, regulations, rules and court decisions of governmental entities now or hereafter having jurisdiction.

ARTICLE VII - MISCELLANEOUS PROVISIONS

- 7.1 This Agreement will be amended only by an instrument in writing executed by both parties hereto.
- 7.2 No waiver by any party of any one or more defaults by the other in the performance of any provisions of this Agreement will operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.
- 7.3 No liability for any act or omission of Transporter will be incurred by, or asserted against, any person or company which is a partner in Kern River Gas Transmission Company, or any owners, subsidiaries or affiliates of the partners. Any recourse for any liability of Transporter will be against Transporter only.
- 7.4 The headings of the Articles of this Agreement are inserted for convenience of reference only and will not affect the meaning or construction thereof.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

First Revised Sheet No. 330 First Revised Sheet No. 330 : Effective
Superseding: Original Sheet No. 330

FORM OF FIRM TRANSPORTATION SERVICE AGREEMENT
(Applicable to Transportation Service Under Rate Schedule KRF-L1)
(Continued)

ARTICLE VII - MISCELLANEOUS PROVISIONS (Continued)

7.5 This Agreement will be construed in accordance with the laws of the
State of Utah.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the
day and year first set forth above.

(Shipper) KERN RIVER GAS TRANSMISSION COMPANY
(Transporter)

By _____ By _____
(Title)

Effective Date: 06/01/2007 Status: Effective
FERC Docket: RP07-437-000

Third Revised Sheet No. 331 Third Revised Sheet No. 331 : Effective
Superseding: Second Revised Sheet No. 331

FORM OF FIRM TRANSPORTATION SERVICE AGREEMENT
(Applicable to Transportation Service Under Rate Schedule KRF-L1)

EXHIBIT "A"
TO TRANSPORTATION SERVICE AGREEMENT
DATED: _____

CONTRACT NO: _____

BETWEEN

AND
KERN RIVER GAS TRANSMISSION COMPANY

SHIPPER'S DMDQ: _____ Dth per day

RECEIPT	METER	RECEIPT	RECEIPT PRESSURE
POINT(S) /	NUMBER /	LOC. TYPE /	POINT ENTITLEMENTS /
			(psig)

Notes:

Notwithstanding such Receipt Point Entitlements listed above, the total DMDQ to be received on a firm basis from all Primary Receipt Points will not exceed the quantity of _____ Dth/d at any time.

(The following paragraph is applicable if the PG&E Line 300 [Freemont Peak] Receipt Point is designated.)

Transporter's obligation to receive quantities at the Line 300 Primary Receipt Point on a firm basis is subject to and conditioned upon PG&E's maintenance of delivery pressures at the Line 300 Receipt Point at levels that permit delivery of such quantities into the High Desert Lateral at the pressures existing in the High Desert Lateral from time to time. Subject to its obligations to maintain deliveries at the High Desert Generating Facility at not less than the minimum guaranteed pressure specified on contracts for service to that facility, Transporter will regulate the pressure on the High Desert Lateral down to a maximum pressure that does not exceed the pressure existing at the Line 300 Receipt Point from time to time in order to permit the firm receipt at such point of the nominated quantity, up to the applicable Receipt Point Entitlements. Notwithstanding the foregoing, Transporter reserves the right to operate the High Desert Lateral at pressures up to the applicable MAOP on any day on which it does not receive a confirmed nomination for the receipt of Gas at the Line 300 Receipt Point. Transporter will continue to regulate the pressure on the High Desert Lateral in the manner described in this paragraph for so long as firm service to all Shippers having Primary Receipt Points and Primary Delivery Points on the High Desert Lateral, as modified from time to time, can be maintained at such regulated pressure. Nothing will preclude Transporter from installing additional Receipt or Delivery Points on the High Desert Lateral or from providing firm service to other Shippers.

Effective Date: 06/01/2007 Status: Effective
FERC Docket: RP07-437-000

Third Revised Sheet No. 332 Third Revised Sheet No. 332 : Effective
Superseding: Second Revised Sheet No. 332

FORM OF FIRM TRANSPORTATION SERVICE AGREEMENT
(Applicable to Transportation Service Under Rate Schedule KRF-L1)

EXHIBIT "A"
TO TRANSPORTATION SERVICE AGREEMENT
DATED: _____

CONTRACT NO: _____

BETWEEN

AND
KERN RIVER GAS TRANSMISSION COMPANY

SHIPPER'S DMDQ: _____ Dth per day

DELIVERY	METER	DELIVERY	DELIVERY PRESSURE
POINT(S) / NUMBER / LOC. TYPE / POINT ENTITLEMENTS /			(psig)

Notes:

Notwithstanding such Delivery Point Entitlements listed above, the total DMDQ to be delivered on a firm basis at all delivery points will not exceed the quantity of _____ Dth/d at any time.

(The following paragraph is applicable if the PG&E Line 300 [Freemont Peak] Delivery Point is designated.)

Transporter's obligation to deliver quantities at the Line 300 Primary Delivery Point on a firm basis is subject to and conditioned upon PG&E's maintenance of pressures at the Line 300 Delivery Point at levels that permit receipt of such quantities from the High Desert Lateral into Line 300 at the pressures existing in the High Desert Lateral from time to time. Subject to its obligations to maintain deliveries at the High Desert Generating Facility at not less than the pressure specified on contracts for service to that facility, Transporter will operate the High Desert Lateral (including the regulation of pressure and the adjustment of line pack) so that it can make deliveries into the Line 300 Delivery Point from time to time of nominated quantities up to the applicable Delivery Point Requirements. Notwithstanding the foregoing, Transporter reserves the right to operate the High Desert Lateral at such pressures as are consistent with its obligation to maintain delivery pressures at the High Desert Generating Facility at not less than the minimum guaranteed pressure specified on contracts for service to that facility on any day on which it does not receive a confirmed nomination for the delivery of Gas at the Line 300 Delivery Point. Transporter will continue to operate the High Desert Lateral in the manner described in this paragraph for so long as firm service to all Shippers having Primary Receipt Points and Primary Delivery Points on the High Desert Lateral, as modified from time to time, can be maintained. Nothing will preclude Transporter from installing additional Receipt or Delivery Points on the High Desert Lateral or from providing firm service to other Shippers.

Effective Date: 09/06/2004 Status: Effective
FERC Docket: RP04-444-000

First Revised Sheet No. 333 First Revised Sheet No. 333 : Effective
Superseding: Original Sheet No. 333

FORM OF INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
(Applicable to Transportation Service Under Rate Schedule KRI-L1)
CONTRACT NO. _____

THIS AGREEMENT is made and entered into this _____ day of _____ by and between KERN RIVER GAS TRANSMISSION COMPANY, a Texas general partnership, hereinafter called "Transporter," and _____, hereinafter called "Shipper."

WHEREAS, Shipper has acquired or intends to acquire a supply of Natural Gas which can be delivered to Transporter's High Desert Lateral and redelivered by Transporter to Shipper or for Shipper's account at Delivery Points on Transporter's High Desert Lateral; and

WHEREAS, Shipper desires Transportation service from Transporter in accordance with Transporter's Rate Schedule KRI-L1, on file with the FERC, as amended from time to time; and

WHEREAS, Transporter is willing to render such Transportation service;

NOW, THEREFORE, in consideration of the mutual covenants and agreements as herein set forth, the parties hereto agree as follows:

ARTICLE I - GAS TO BE TRANSPORTED

- 1.1 Subject to the terms, conditions and limitations hereof, Transporter agrees to receive from Shipper for Transportation at the Receipt Point(s) specified in Exhibit "A" hereto, and to transport and deliver Thermally Equivalent Quantities of Natural Gas to Shipper at the Delivery Point(s) specified in Exhibit "B" hereto, exclusive of Quantities required for fuel used and lost and unaccounted-for Gas, up to Shipper's TMDQ, which will be _____ Dth per day.
- 1.2 Shipper will reimburse Transporter for fuel used and lost and unaccounted-for Gas on an in-kind basis pursuant to the General Terms and Conditions of Transporter's tariff as filed with the FERC to be effective on the date Transporter commences service, and as amended from time to time.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

First Revised Sheet No. 334 First Revised Sheet No. 334 : Effective
Superseding: Original Sheet No. 334

FORM OF INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
(Applicable to Transportation Service Under Rate Schedule KRI-L1)
(Continued)

ARTICLE II - APPLICABLE RATE SCHEDULE

- 2.1 Shipper agrees to pay Transporter for all Natural Gas Transportation service rendered under the terms of this Agreement in accordance with Transporter's Rate Schedule KRI-L1, as filed with the FERC to be effective on the date Transporter commences service, and as amended from time to time. This Agreement will be subject to the provisions of such Rate Schedule and the General Terms and Conditions applicable thereto on file with the FERC and as amended from time to time, which by this reference are incorporated herein and made a part hereof.
- 2.2 Shipper's rates for Transportation service will be subject to the parties' understanding and agreement that in accordance with Transporter's effective Rate Schedule KRI-L1, Transporter may change the rates from time to time in accordance with the Natural Gas Act.

ARTICLE III - TERM OF AGREEMENT

- 3.1 This Agreement will become effective on the date of execution and will remain in full force and effect for a term of one (1) year (the Primary Term), and month to month thereafter. Either party may terminate this agreement after the Primary Term upon thirty (30) days written notice to the other party.

ARTICLE IV - NOTICES

- 4.1 Any notice called for in this Agreement will be given in writing and will be considered as having been given if delivered personally, confirmed by facsimile or by mail with all postage and charges prepaid to either Shipper or Transporter at the place designated. Routine communications will be considered as duly delivered when mailed by ordinary mail. Normal operating instructions can be made by telephone, electronic media or confirmed facsimile. Unless changed, the addresses of the parties are as follows:

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Second Revised Sheet No. 335 Second Revised Sheet No. 335 : Effective
Superseding: First Revised Sheet No. 335

FORM OF INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
(Applicable to Transportation Service Under Rate Schedule KRI-L1)
(Continued)

ARTICLE IV - NOTICES (Continued)

Transporter: Kern River Gas Transmission Company
Attention: Marketing and Customer Services
2755 E. Cottonwood Parkway, Suite 300
P.O. Box 71400
Salt Lake City, UT 84171-0400
Facsimile No. (801) 937-6444

Shipper Notices:

Shipper Invoices:

ARTICLE V - SUCCESSORS AND ASSIGNS

- 5.1 This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. No assignment or transfer by either party hereunder will be made without the written consent of the other party. Such consent will not be unreasonably withheld. No such consent of Transporter or Shipper will be required when an assignment by Shipper or Transporter is the result of, and part of, a corporate acquisition, merger or reorganization. Nothing contained herein will prevent either party from pledging, mortgaging or assigning its rights hereunder as security for its indebtedness and either party may assign to the pledgee or mortgagee (or to a trustee for the holder of such indebtedness) any money due or to become due under this Agreement. As between the parties hereto, such assignment will become effective on the first day of the month following written notice that such assignment has been effectuated. Upon request of either party, the other party will acknowledge in writing any permitted assignment described herein and the right of any permitted assignee (and any assignee upon enforcement of any assignment made as security for indebtedness) to enforce this Agreement against such other party, and will also deliver such certificates, copies of corporate documents and opinions of counsel as may be reasonably requested by such permitted assignee relating to such party, this Agreement and any other matters relevant thereto. No permitted assignment will relieve the assigning party from any of its obligations under this Agreement. Shipper hereby confirms that the rights of Transporter under the Agreement that may be assigned include any right given or reserved to Transporter in the Agreement to consent to any assignment or transfer by Shipper of its rights and obligations thereunder.

Effective Date: 09/06/2004 Status: Effective
FERC Docket: RP04-444-000

First Revised Sheet No. 336 First Revised Sheet No. 336 : Effective
Superseding: Original Sheet No. 336

FORM OF INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
(Applicable to Transportation Service Under Rate Schedule KRI-L1)
(Continued)

ARTICLE VI - GOVERNMENTAL BODIES

- 6.1 Notwithstanding any other provision hereof, this Agreement will be subject to all laws, statutes, ordinances, regulations, rules and court decisions of governmental entities now or hereafter having jurisdiction.

ARTICLE VII - MISCELLANEOUS PROVISIONS

- 7.1 This Agreement will be amended only by an instrument in writing executed by both parties hereto.
- 7.2 No waiver by any party of any one or more defaults by the other in the performance of any provisions of this Agreement will operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.
- 7.3 No liability for any act or omission of Transporter will be incurred by, or asserted against any other person or company which is a partner in Kern River Gas Transmission Company, or any owners, subsidiaries or affiliates of the partners. Any recourse for any liability of Transporter will be against Transporter only.
- 7.4 The headings of the Articles of this Agreement are inserted for convenience of reference only and will not affect the meaning or construction thereof.
- 7.5 This Agreement will be construed in accordance with the laws of the State of Utah.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first set forth above.

_____	KERN RIVER GAS TRANSMISSION COMPANY
(Shipper)	(Transporter)
By _____	By _____
	(Title)

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

First Revised Sheet No. 337 First Revised Sheet No. 337 : Effective
Superseding: Original Sheet No. 337

FORM OF INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
(Applicable to Transportation Service Under Rate Schedule KRI-L1)
(Continued)

EXHIBIT "A"
TO TRANSPORTATION SERVICE AGREEMENT
DATED: _____

CONTRACT NO: _____

BETWEEN

AND
KERN RIVER GAS TRANSMISSION COMPANY

RECEIPT POINT(S)

Any of the Receipt Points on the High Desert Lateral.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

First Revised Sheet No. 338 First Revised Sheet No. 338 : Effective
Superseding: Original Sheet No. 338

FORM OF INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT
(Applicable to Transportation Service Under Rate Schedule KRI-L1)
(Continued)

EXHIBIT "B"
TO TRANSPORTATION SERVICE AGREEMENT
DATED: _____

CONTRACT NO: _____

BETWEEN

AND
KERN RIVER GAS TRANSMISSION COMPANY

DELIVERY POINT(S)

Any of the Delivery Points on the High Desert Lateral.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

First Revised Sheet No. 339 First Revised Sheet No. 339 : Effective
Superseding: Sub Original Sheet No. 339

FORM OF PARK AND LOAN SERVICE AGREEMENT
(Applicable to Park and Loan Service Under Rate Schedule PAL)
CONTRACT NO. _____

THIS AGREEMENT is made and entered into this _____ day of _____ by and between KERN RIVER GAS TRANSMISSION COMPANY, a Texas general partnership, hereinafter called "Transporter," and _____, hereinafter called "Shipper."

WHEREAS, Shipper desires Park and/or Loan ("PAL") service from Transporter in accordance with Transporter's Rate Schedule PAL, on file with the FERC, as amended from time to time; and

WHEREAS, Transporter is willing to render such PAL service when capacity is available;

NOW, THEREFORE, in consideration of the mutual covenants and agreements as herein set forth, the parties hereto agree as follows:

ARTICLE I - MAXIMUM PARK AND/OR LOAN QUANTITIES

- 1.1 Subject to the terms, conditions and limitations hereof, Transporter agrees to park and/or loan natural Gas for Shipper at the PAL Point, up to a Maximum Park Quantity or a Maximum Loan Quantity of _____ Dth during any month.

ARTICLE II - APPLICABLE RATE SCHEDULE

- 2.1 Shipper agrees to pay Transporter for all PAL service rendered under the terms of this Agreement in accordance with Transporter's Rate Schedule PAL, as filed with the FERC to be effective on the date Transporter commences service, and as amended from time to time. This Agreement will be subject to the provisions of such Rate Schedule and the General Terms and Conditions applicable thereto on file with the FERC and as amended from time to time, which by this reference are incorporated herein and made a part hereof.
- 2.2 Shipper's rates for PAL service are subject to the parties' understanding and agreement that in accordance with Transporter's effective Rate Schedule PAL, Transporter may change the rates from time to time in accordance with the Natural Gas Act and applicable regulations thereunder.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

First Revised Sheet No. 340 First Revised Sheet No. 340 : Effective
Superseding: Sub Original Sheet No. 340

FORM OF PARK AND LOAN SERVICE AGREEMENT
(Applicable to Park and Loan Service Under Rate Schedule PAL)
(continued)

ARTICLE III - TERM OF AGREEMENT

- 3.1 This Agreement will become effective on the date of execution and will remain in full force and effect for a term of one (1) year (the Primary Term), and month to month thereafter. Either party may terminate this agreement after the Primary Term upon three (3) days written notice to the other party.

ARTICLE IV - NOTICES

- 4.1 Any notice called for in this Agreement will be given in writing and will be considered as having been given if delivered personally, by confirmed facsimile or by mail with all postage and charges prepaid to either Shipper or Transporter at the place designated. Routine communications will be considered as duly delivered when mailed by ordinary mail. Normal operating instructions can be made by telephone, electronic media or confirmed facsimile. Unless changed, the addresses of the parties are as follows:

Transporter: Kern River Gas Transmission Company
Attention: Marketing and Customer Services
2755 E. Cottonwood Parkway
P.O. Box 71400
Salt Lake City, Utah 84171-0400
Facsimile No.: (801) 937-6444

Shipper Notices:

Shipper Invoices:

ARTICLE V - SUCCESSORS AND ASSIGNS

- 5.1 This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. No assignment or transfer by either party hereunder will be made without the written consent of the other party. Such consent will not be unreasonably withheld. No such consent of Transporter or Shipper will be required when an assignment by Shipper or Transporter is the result of, and part of, a corporate acquisition, merger or reorganization.

Effective Date: 10/01/2003 Status: Effective

FERC Docket: RP00-337-006

Original Sheet No. 341 Original Sheet No. 341 : Effective

FORM OF PARK AND LOAN SERVICE AGREEMENT
(Applicable to Park and Loan Service Under Rate Schedule PAL)
(continued)

Nothing contained herein will prevent either party from pledging, mortgaging or assigning its rights hereunder as security for its indebtedness and either party may assign to the pledgee or mortgagee (or to a trustee for the holder of such indebtedness) any money due or to become due under this Agreement. As between the parties hereto, such assignment will become effective on the first day of the month following written notice that such assignment has been effectuated. Upon request of either party, the other party will acknowledge in writing any permitted assignment described herein and the right of any permitted assignee (and any assignee upon enforcement of any assignment made as security for indebtedness) to enforce this Agreement against such other party, and will also deliver such certificates, copies of corporate documents and opinions of counsel as may be reasonably requested by such permitted assignee relating to such party, this Agreement and any other matters relevant thereto. No permitted assignment will relieve the assigning party from any of its obligations under this Agreement. Shipper hereby confirms that the rights of Transporter under the Agreement that may be assigned include any right given or reserved to Transporter in the Agreement to consent to any assignment or transfer by Shipper of its rights and obligations thereunder.

ARTICLE VI - GOVERNMENTAL BODIES

- 6.1 Notwithstanding any other provision hereof, this Agreement will be subject to all laws, statutes, ordinances, regulations, rules and court decisions of governmental entities now or hereafter having jurisdiction.

ARTICLE VII - MISCELLANEOUS PROVISIONS

- 7.1 This Agreement will be amended only by an instrument in writing executed by both parties hereto.
- 7.2 No waiver by any party of any one or more defaults by the other in the performance of any provisions of this Agreement will operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.

Effective Date: 10/01/2003 Status: Effective
FERC Docket: RP00-337-007

Sub Original Sheet No. 342 Sub Original Sheet No. 342 : Effective

FORM OF PARK AND LOAN SERVICE AGREEMENT
(Applicable to Park and Loan Service Under Rate Schedule PAL)
(continued)

- 7.3 No liability for any act or omission of Transporter will be incurred by, or asserted against any other person or company which is a partner in Kern River Gas Transmission Company, or any owners, subsidiaries or affiliates of the partners. Any recourse for any liability of Transporter will be against Transporter only.
- 7.4 The headings of the Articles of this Agreement are inserted for convenience of reference only and will not affect the meaning or construction thereof.
- 7.5 This Agreement will be construed in accordance with the laws of the State of Utah.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first set forth above.

_____	KERN RIVER GAS TRANSMISSION COMPANY
(Shipper)	(Transporter)
By _____	By _____
	(Title)

Effective Date: 10/01/2003 Status: Effective

FERC Docket: RP00-337-006

Sheet Nos. 343-349 Sheet Nos. 343-349 : Effective

RESERVED FOR FUTURE USE

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Sheet Nos. 350 - 358 Sheet Nos. 350 - 358 : Effective

RESERVED FOR FUTURE USE

(Third Revised Sheet No. 350, First Revised Sheet Nos. 351-353,
Third Revised Sheet Nos. 354-355 and First Revised Sheet Nos. 356-358
are reserved for future use.)

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 351 Original Sheet No. 351 : Effective

TRANSPORTATION SERVICE REQUEST FORM
(Continued)

3. Type of Company

_____ Local Distribution Company

_____ Intrastate Pipeline

_____ Interstate Pipeline

_____ Producer

_____ End-User

_____ Marketer

_____ Broker

Other (fill in) _____

4. Name of Shipper's contact, address and telephone number
through which correspondence for the following should be
directed:

Contact for Request: _____

Telephone No.: _____

Fax No.: _____

Contact for Notices: _____

Telephone No.: _____

Fax No.: _____

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 352 Original Sheet No. 352 : Effective

TRANSPORTATION SERVICE REQUEST FORM
(Continued)

Contact for Invoices:

Telephone No.:

Fax No.:

5. If Shipper is requesting service be performed by Transporter for Shipper acting as agent for another entity, please specify the full legal name of such entity.

- *6. (a) Location (i.e. state(s)) of the ultimate Delivery Point of Gas to be transported:

- (b) Location (i.e. state(s)) of the original source of the Gas to be transported:

- (c) The intended use of the Gas is:

system supply for _____

end use by industry or commerce

other (fill in) _____

*This information is not required at the time of the request, but is required at the time Shipper executes the Transportation Service Agreement.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 353 Original Sheet No. 353 : Effective

TRANSPORTATION SERVICE REQUEST FORM
(Continued)

- (d) If the Gas is for other than system supply, please
provide the full legal name of the ultimate consumer:

7. Date service is proposed to commence:

8. Term of service:

9. (a) If additional facilities are required to receive or
deliver Gas for the Transportation service requested
herein, please provide description of facilities
required, location, and requested in-service date;

Effective Date: 09/01/2002 Status: Effective

FERC Docket: RP02-392-000

Second Revised Sheet No. 354 Second Revised Sheet No. 354 : Effective
Superseding: First Revised Sheet No. 354

TRANSPORTATION SERVICE REQUEST FORM
(Continued)

- (b) If the Transportation service to be provided using the new facilities is to a customer that is located in the service area of a local distribution company, please specify the name and address of the local distribution company.

10. For firm transportation only, The Demand Maximum Daily Quantity (DMDQ) for billing purposes is _____ Dth. Shipper's DMDQ is equal to Shipper's Transportation Maximum Daily Quantity (TMDQ).
11. For firm Transportation only, the name and description of Point(s) of Receipt into Transporter's system and the Receipt Point Entitlements expressed in Dth of Gas to be delivered by Shipper for each Point:

(The sum of the Receipt Point Entitlements above must equal the DMDQ set forth in No. 10 above, except for service under Rate Schedule KRF-L1.)

Effective Date: 09/01/2002 Status: Effective

FERC Docket: RP02-392-000

Second Revised Sheet No. 355 Second Revised Sheet No. 355 : Effective
Superseding: First Revised Sheet No. 355

TRANSPORTATION SERVICE REQUEST FORM
(Continued)

12. For firm Transportation only, the name and description of Point(s) of Delivery where Transporter will redeliver the Gas and the Delivery Point Entitlement expressed in Dth of Gas to be redelivered by Transporter for each Point:

(The sum of the Delivery Point Entitlements above must equal the DMDQ set forth in No. 10 above, except for service under Rate Schedule KRF-L1.)

13. For firm Transportation only, the names of those entities delivering Gas into Transporter's system and the names of those entities taking Gas off Transporter's system:

Transporter Point of Receipt	Name/Delivery Entity
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 356 Original Sheet No. 356 : Effective

TRANSPORTATION SERVICE REQUEST FORM
(Continued)

Transporter Point of Delivery	Name/Taking Entity
_____	_____
_____	_____
_____	_____
_____	_____

- *14. If Shipper is purchasing Gas, provide the name of producer(s) of the Gas, seller (if different from producer), location (FERC Geographic Area) of the source(s) of supply, indication of the FERC Geographic Area associated with the anticipated primary source of supply, contract quantity, and the effective and termination date(s) of executed Agreement(s) between Shipper and seller(s):

- *15. If Shipper is selling Gas, provide the name of purchaser(s) of the Gas, contract quantity, and the effective and termination date(s) of executed Agreement(s) between Shipper and purchaser(s):

*This information is not required at the time of the request but is required at the time Shipper executes the Transportation Service Agreement.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 357 Original Sheet No. 357 : Effective

TRANSPORTATION SERVICE REQUEST FORM
(Continued)

16. Credit Evaluation - Please provide a copy of Shipper's most recent quarterly financial statement, most recent annual report and Form 10K and a complete list of all affiliates including parent and subsidiary companies.
17. Is requestor affiliated with Kern River Gas Transmission Company?
- Yes No
- If yes, what is the percentage of affiliation? _____ %
18. Is Shipper affiliated with Kern River Gas Transmission Company?
- Yes No
- If yes, what is the percentage of affiliation? _____ %
19. Is your supplier affiliated with Kern River Gas Transmission Company?
- Yes No
- If yes, what is the percentage of affiliation? _____ %
20. Is any of the Gas to be transported subject to take-or-pay relief?
- Yes No Unknown

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 358 Original Sheet No. 358 : Effective

TRANSPORTATION SERVICE REQUEST FORM
(Continued)

21. For marketing affiliates of Transporter only, does the cost of Gas exceed the sales price, less associated costs including Transportation, i.e. is the Gas being sold at a loss?

Yes No Unknown

If so, by how much? _____

If applicable, Shipper agrees by its signature below to provide this information within twenty-five calendar days after the Month in which the Transportation service occurred.

Shipper understands that this request form, complete and unrevised as to format, must be received by Transporter before the Transportation request will be accepted and processed.

Shipper, by its signature, certifies to Transporter (1) that the information above is correct and accurate and that all necessary Transportation arrangements with the upstream and downstream transporters have been or will be secured prior to the commencement of the requested Transportation service; (2) that Shipper will have title, or the right to acquire title, to the Gas that is to be delivered to Transporter; and (3) that Shipper will advise Transporter of any changes in the information provided in items 20 and 21, five (5) Business Days prior to the end of any Month for the preceding Month's Transportation business in which a change occurred.

Very truly yours,

By: _____

Effective Date: 12/19/2009 Status: Effective

FERC Docket: RP10-160-000

First Revised Sheet No. 359 First Revised Sheet No. 359

Superseding: Original Sheet No. 359

[Use as applicable for service under any authorized rate schedule]

(Placement on page, number of pages, format, capitalization and font may vary)

AMENDMENT TO [insert name of base agreement]
Rate Schedule _____

CONTRACT NO. _____

THIS AMENDMENT ("Amendment") is made and entered into as of this _____ day of
[insert month and year] by and between KERN RIVER GAS TRANSMISSION COMPANY
("Transporter") and _____ ("Shipper").

[Insert applicable WHEREAS clauses for background purposes -- not to include
binding consideration]

NOW, THEREFORE, in consideration of the mutual covenants and agreements as
herein set forth, the parties agree as follows:

[Applicable paragraphs not necessarily in this order]

1. [If applicable - This Amendment supersedes [identify amendment(s)
or agreement(s) or state that all amendments and/or agreements are
being superseded]
2. [If applicable - Effective _____, _____] The Agreement is
amended as follows:
 - a. [If applicable] (Information related to changes in
quantities, term and receipt and/or delivery points.)
(Insert description of items that are changed) shall be set
forth on Exhibit "____" attached hereto. Exhibit "____" shall
supersede and replace any previously effective Exhibit(s)
"____."
 - b. [If applicable] Shipper's rate for service shall be as set
forth on Exhibit "____" attached hereto. Exhibit "____" shall
supersede and replace any previously effective Exhibit
"____."
 - c. [If applicable] In no event shall the rates exceed the
maximum rate or be less than the minimum rate authorized
under Transporter's FERC Gas Tariff, as revised from time to
time. In the event the rates agreed to herein are or become
greater than the maximum rate or less than the minimum rate
under Transporter's FERC Gas Tariff, as revised from time to
time, then Shipper agrees that Transporter will immediately
decrease the rate(s) herein to the maximum rate or increase
the rate(s) herein to the minimum rate.

(Insert page number.)

Effective Date: 12/19/2009 Status: Effective

FERC Docket: RP10-160-000

First Revised Sheet No. 360 First Revised Sheet No. 360

Superseding: Original Sheet No. 360

- d. [If applicable] (Delete any non-conforming provision of Agreement and/or add language from any of the following to the Agreement: KRF-1 rate schedule or KRF-1 pro forma, KRF-L1 rate schedule or KRF-L1 pro forma or General Terms and Conditions of Tariff either by setting forth the language here or incorporating an attachment, or by incorporating the provision by reference.)
3. This Amendment constitutes the entire agreement between the parties with respect to the subject matter of this Amendment and shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. No promises, agreements or warranties additional to this Amendment other than as may be contained in Transporter's Tariff will be deemed to be a part of this Amendment, nor will any alteration, amendment or modification be effective unless confirmed in writing by the parties.

Except as amended herein, all provisions of the Agreement are hereby confirmed by the parties to be and remain in full force and effect.

[Insert signature blocks]

[If applicable - attach Exhibits "A" and/or "B" included as part of the Rate Schedule KRF-1, KRF-L1, KRI-1, KRI-L1 or PAL pro formas; and/or to incorporate Tariff language, use the pro forma Attachment.]

(Insert page number.)

Effective Date: 12/19/2009 Status: Effective

FERC Docket: RP10-160-000

First Revised Sheet No. 361 First Revised Sheet No. 361

Superseding: Original Sheet no. 361

.

.

[Use as applicable]

(Placement on page, number of pages, format, capitalization and font may vary)

Attachment "___"

AMENDMENT TO [insert name of base agreement]

CONTRACT NO. _____

BETWEEN

AND

KERN RIVER GAS TRANSMISSION COMPANY

Execution Date of this Attachment "___": _____, _____

[Use this pro forma attachment only to set forth language to be incorporated from KRF-1 rate schedule or KRF-1 pro forma, KRF-L1 rate schedule or KRF-L1 pro forma or from General Terms and Conditions of Tariff and provide applicable reference.]

(Insert page number.)

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Second Revised Sheet No. 370 Second Revised Sheet No. 370 : Effective
Superseding: First Revised Sheet No. 370

FORM OF RELEASED TRANSPORTATION SERVICE AGREEMENT

CONTRACT NO. _____

THIS AGREEMENT is made and entered into this _____ day of _____ by and between KERN RIVER GAS TRANSMISSION COMPANY, a Texas general partnership, hereinafter called "Transporter," and _____, a _____, incorporated/formed under the laws of the State of _____, hereinafter called "Shipper."

WHEREAS, Transporter owns and operates an interstate Natural Gas transmission system in the states of Wyoming, Utah, Nevada and California and provides Transportation service for third party Shippers on such system; and,

WHEREAS, Transporter's FERC Gas Tariff on file with the Federal Energy Regulatory Commission permits any firm Transportation Shipper with an effective Transportation Service Agreement or Released Transportation Service Agreement under Transporter's Rate Schedules KRF-1, KRF-L1, SH-1, MO-1, UP-1, or CH-1 to release some or all of its Transportation service rights to a Replacement Shipper under the terms and conditions prescribed in the tariff; and,

WHEREAS, Replacement Shipper may desire from time to time to acquire firm Transportation service rights released by one or more such firm Shippers, and subsequently to release from time to time some or all of any such acquired Transportation service rights, in accordance with and to the extent so permitted by the terms and conditions of Transporter's tariff; and,

WHEREAS, Transporter's tariff requires Replacement Shipper to enter into this Released Transportation Service Agreement prior to the acquisition and subsequent release of any such Transportation service rights; and,

WHEREAS, Transporter is willing to permit Replacement Shipper from time to time to acquire and subsequently to release its Transportation service rights, and to provide Transportation service to Replacement Shipper, in accordance with the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements as herein set forth, the parties hereto agree as follows:

FORM OF RELEASED TRANSPORTATION SERVICE AGREEMENT (Continued)

ARTICLE I - ACQUIRED AND RELEASED RIGHTS TO TRANSPORTATION SERVICE

- 1.1 In the event Transportation service rights are released to and acquired by Replacement Shipper from a firm Shipper in accordance with the provisions of Section 15 of the General Terms and Conditions of Transporter's tariff (Section 15), then Transporter will prepare and submit to Bidder an appropriate initial Exhibit "RP" to this Agreement setting forth the terms and conditions of the Release pursuant to the provisions of Section 15. If Replacement Shipper subsequently acquires additional released Transportation service rights pursuant to the provisions of Section 15, an appropriate additional Exhibit "RP" will be added to this Agreement for each such subsequently acquired Release.
- 1.2 Upon receipt from Transporter of any Exhibit "RP," Replacement Shipper will verify the accuracy of such exhibit, and will return the verified exhibit to Transporter within five Business Days of receipt. Failure by Replacement Shipper to verify and return any Exhibit "RP" to Transporter in a timely manner will entitle Transporter to suspend or terminate any service provided to Replacement Shipper in accordance with such exhibit without further notice.
- 1.3 In the event that Replacement Shipper releases any of its rights to Transportation service under this Agreement pursuant to the provisions of Section 15, then Transporter will prepare and submit to Replacement Shipper an appropriate initial Exhibit "RS" to this Agreement setting forth the terms and conditions of the Release in accordance with the provisions of Section 15. If Replacement Shipper subsequently releases additional Transportation service rights under this Agreement pursuant to the provisions of Section 15, then Transporter will prepare and submit to Replacement Shipper an appropriate additional Exhibit "RS" to this Agreement setting forth the terms and conditions of each such subsequent release.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

First Revised Sheet No. 372 First Revised Sheet No. 372 : Effective
Superseding: Original Sheet No. 372

FORM OF RELEASED TRANSPORTATION SERVICE AGREEMENT (Continued)

ARTICLE I - ACQUIRED AND RELEASED RIGHTS TO TRANSPORTATION SERVICE (Continued)

- 1.4 Each such initial and additional Exhibit "RP" and Exhibit "RS" will be added to this Agreement without execution by Transporter or Replacement Shipper and, notwithstanding any verification required pursuant to Section 1.2 of this Agreement, as of the date of commencement of the relevant Release Term will be and is hereby expressly incorporated by reference herein and made a part of this Agreement for all purposes in accordance with the terms and conditions of Section 15.
- 1.5 Transporter will provide Transportation service to Replacement Shipper pursuant to the terms and conditions of this Agreement and any and all effective Exhibits "RP" and Exhibits "RS" hereto.

ARTICLE II - GOVERNING TERMS AND CONDITIONS

- 2.1 Any and all Transportation service provided to Replacement Shipper by Transporter under this Agreement will be in accordance with, subject to, and governed by the terms and conditions of this Agreement and any and all effective respective Exhibits "RP" and Exhibits "RS" hereto, as well as any and all applicable terms and conditions contained in any applicable Base Transportation Service Agreement and in Transporter's tariff, including without limitation the terms and conditions of Section 15 and each applicable governing rate schedule, all of which are hereby expressly incorporated by reference herein and made a part of this Agreement for all purposes. Subject to the terms and conditions of this Agreement, Replacement Shipper will be deemed a "Shipper" for purposes of each applicable governing rate schedule and all other applicable provisions

FORM OF RELEASED TRANSPORTATION SERVICE AGREEMENT (Continued)

ARTICLE II - GOVERNING TERMS AND CONDITIONS (Continued)

of Transporter's tariff, and will be entitled and subject to all of the rights and the obligations thereof. Replacement Shipper may release all or any portion of its Transportation service rights under this Agreement, but only if such Release is pursuant to the terms and conditions of Transporter's tariff, including without limitation the terms and conditions of Section 15.

- 2.2 Transporter expressly reserves all rights granted to Transporter by any applicable Base Transportation Service Agreement, governing rate schedule, and all other applicable provisions of its tariff, to file with the FERC and to place into effect unilaterally such changes as Transporter deems necessary or desirable from time to time in the rates, charges, terms and conditions applicable to service under the Base Transportation Service Agreement, Transporter's tariff, or this Agreement, in order to assure Transporter just and reasonable rates, charges and terms and conditions of service.
- 2.3 Replacement Shipper expressly understands and agrees that Replacement Shipper will not be entitled to receive any released firm Transportation service under this Agreement for which Replacement Shipper has not first established sufficient creditworthiness with Transporter pursuant to the applicable provisions of Transporter's tariff. Replacement Shipper also expressly understands and agrees that the creditworthiness requirements pertaining to any released Transportation service received by Replacement Shipper under this Agreement are continuing in nature for the entire Release Term of the relevant Release, and that Transporter will not be obligated to continue to provide service to Replacement Shipper if Replacement Shipper does not maintain satisfactory creditworthiness at all times during the Release Term of the relevant Release.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

First Revised Sheet No. 374 First Revised Sheet No. 374 : Effective
Superseding: Original Sheet No. 374

FORM OF RELEASED TRANSPORTATION SERVICE AGREEMENT (Continued)

ARTICLE III - RESERVED

ARTICLE IV - TERM

- 4.1 This Agreement will become effective on the date first written above, and will remain in full force and effect until terminated by either party upon thirty days prior written notice to the other party; provided, however, that no such termination may occur during the term of any Release of Transportation rights to Replacement Shipper hereunder.
- 4.2 The term of any Transportation service provided by Transporter to Replacement Shipper under this Agreement will be determined by the relevant Release Term of any Release set forth in any effective Exhibit "RP" to this Agreement.

ARTICLE V - NOTICES

- 5.1 Unless expressly otherwise provided in any applicable provision of Transporter's tariff or this Agreement, any notice called for by this Agreement will be given in writing and will be considered as having been given if delivered personally, or if sent by confirmed facsimile or by registered or certified mail with all postage and charges prepaid to either Shipper or Transporter at the appropriate address designated below. Routine communications

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Fourth Revised Sheet No. 375 Fourth Revised Sheet No. 375 : Effective
Superseding: Third Revised Sheet No. 375

FORM OF RELEASED TRANSPORTATION SERVICE AGREEMENT (Continued)

ARTICLE V - NOTICES (Continued)

will be considered as duly delivered when mailed by ordinary mail. Normal operating instructions and communications may be made by telephone, electronic medium or confirmed facsimile in accordance with the relevant provisions of Transporter's tariff. Unless changed, the addresses of the parties are as follows:

Transporter: Kern River Gas Transmission Company
2755 E. Cottonwood Parkway, Suite 300
P.O. Box 71400
Salt Lake City, UT 84171-0400
Attn: Marketing and Customer Services
Telephone No: (801) 937-6111
Facsimile No.: (801) 937-6444

Shipper:

- 5.2 Replacement Shipper represents and warrants that any information, communications, and agreements sent to Transporter by Replacement Shipper on Transporter's Designated Site, including without limitation any bid or Release Request submitted by Replacement Shipper to Transporter pursuant to the provisions of Section 15, will be submitted only by a person who has been duly authorized by Replacement Shipper to submit such information, communications, and agreements, and to duly bind Replacement Shipper to any obligations entered into by such person on behalf of Replacement Shipper.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

First Revised Sheet No. 376 First Revised Sheet No. 376 : Effective
Superseding: Original Sheet No. 376

FORM OF RELEASED TRANSPORTATION SERVICE AGREEMENT (Continued)

ARTICLE VI - SUCCESSORS AND ASSIGNS

- 6.1 This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. No assignment or transfer by Replacement Shipper or by Transporter of any of their respective rights hereunder, except as provided in Section 15, will be made without the prior written consent of the other party. Such consent will not be unreasonably withheld. No such consent of Transporter or Replacement Shipper will be required when an assignment or transfer by Transporter or Replacement Shipper is the result of, and part of, a corporate acquisition, merger or reorganization.
- 6.2 Nothing contained herein will prevent either party from pledging, mortgaging or assigning its rights hereunder as security for any indebtedness and either party may assign to the pledgee or mortgagee (or to a trustee for the holder of such indebtedness) any money due or to become due under this Agreement. As between the parties hereto, such assignment will become effective on the first day of the month following written notice that such assignment has been effectuated. Upon request of either party, the other party will acknowledge in writing any permitted assignment described herein and the right of any permitted assignee (and any assignee upon enforcement of any assignment made as security for indebtedness) to enforce this Agreement against such other party, and will also deliver such certificates, copies of corporate documents and opinions of counsel as may be reasonably requested by such permitted assignee relating to such party, this Agreement and any other matters relevant thereto. No permitted assignment will relieve the assigning party from any of its obligations under this Agreement.
- 6.3 Replacement Shipper hereby confirms that the rights of Transporter under this Agreement that may be assigned include any right given or reserved to Transporter in the Agreement to consent to any assignment or transfer by Replacement Shipper of its rights and obligations thereunder.

Effective Date: 09/06/2004 Status: Effective
FERC Docket: RP04-444-000

First Revised Sheet No. 377 First Revised Sheet No. 377 : Effective
Superseding: Original Sheet No. 377

FORM OF RELEASED TRANSPORTATION SERVICE AGREEMENT (Continued)

ARTICLE VII - GOVERNMENTAL BODIES

- 7.1 Notwithstanding any other provision hereof, this Agreement will be subject to all laws, statutes, ordinances, regulations, rules and orders of any and all governmental entities now or hereafter having jurisdiction.

ARTICLE VIII - INDEMNIFICATION

- 8.1 Replacement Shipper recognizes that its rights to Transportation service hereunder are solely those rights set forth in this Agreement, including any and all effective Exhibits "RP" and Exhibits "RS" hereto. Replacement Shipper agrees that it will indemnify Transporter against any claim or suit of any kind by any Releasing Shipper, its successors or assigns arising from any action taken by Transporter in reliance upon the nominations, scheduling instructions or other communications from Replacement Shipper or its agents with respect to the Transportation service provided to Replacement Shipper pursuant to the terms and conditions set forth in any effective Exhibit "RP" hereto, except to the extent such claim or suit results directly from the negligence of Transporter. Replacement Shipper further agrees that it will hold Transporter harmless for any action taken by Transporter in reliance upon the nominations, scheduling instructions or other communications of the relevant Releasing Shipper or its agents, except to the extent of Transporter's negligence in taking any such action. Replacement Shipper further recognizes and agrees that Transporter will have no obligation to honor any nomination or scheduling request from Replacement Shipper or its agents that in Transporter's sole opinion conflicts with communications or instructions received by Transporter from any Releasing Shipper (or its agents) from which Replacement Shipper has acquired Transportation rights as reflected in an effective Exhibit "RP" to this Agreement.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

First Revised Sheet No. 378 First Revised Sheet No. 378 : Effective
Superseding: Original Sheet No. 378

FORM OF RELEASED TRANSPORTATION SERVICE AGREEMENT (Continued)

ARTICLE IX - MISCELLANEOUS PROVISIONS

- 9.1 No waiver by any party of any one or more defaults by the other in the performance of any provisions of this Agreement will operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.
- 9.2 No liability for any act or omission of Transporter will be incurred by, or asserted against, any entities holding a partnership interest in Transporter, or against any owners, subsidiaries or affiliates thereof. Any recourse for any liability of Transporter will be against Transporter only.
- 9.3 The headings of the Articles of this Agreement are inserted for convenience of reference only, and will not affect the meaning or construction thereof.
- 9.4 As to all matters of construction and interpretation, this Agreement will be governed by the laws of the State of Utah.
- 9.5 This Agreement, including all terms and conditions expressly incorporated by reference herein, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, representations and understandings, written or oral, pertaining thereto. Except as otherwise provided herein, any modifications, amendments or changes to this Agreement will be binding upon the parties only if agreed upon in a written instrument executed by both parties hereto, which expressly refers to this Agreement.
- 9.6 Any and all terms and phrases contained in this Agreement will have the meaning ascribed to such terms and phrases which is contained in the relevant provisions of Transporter's tariff, unless expressly provided otherwise herein.

Effective Date: 09/06/2004 Status: Effective
FERC Docket: RP04-444-000

First Revised Sheet No. 379 First Revised Sheet No. 379 : Effective
Superseding: Original Sheet No. 379

FORM OF RELEASED TRANSPORTATION SERVICE AGREEMENT (Continued)

ARTICLE IX - MISCELLANEOUS PROVISIONS (Continued)

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of
the date and year first set forth above.

"REPLACEMENT SHIPPER":

"TRANSPORTER":

KERN RIVER GAS TRANSMISSION COMPANY

By: _____

By: _____

Title: _____

Title: _____

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Sheet Nos. 380 - 399 Sheet Nos. 380 - 399 : Effective

RESERVED FOR FUTURE USE

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Fourth Revised Sheet No. 400 Fourth Revised Sheet No. 400 : Effective
Superseding: Third Revised Sheet No. 400

. FORM OF EXHIBIT "RP" TO RELEASED TRANSPORTATION SERVICE AGREEMENT .

EXHIBIT NO: _____

TO THE
RELEASED TRANSPORTATION SERVICE AGREEMENT

BETWEEN KERN RIVER GAS TRANSMISSION COMPANY (TRANSPORTER)
AND _____ (REPLACEMENT SHIPPER)

Exhibit Effective Date: _____

1. Replacement Shipper's Released Transportation Service Agreement
No.: _____
2. Release Request No.: _____
3. Releasing Shipper's Service Agreement No.: _____
4. Releasing Shipper's Name: _____
5. Releasing Shipper's Duns No.: _____
6. Governing Rate Schedule: KRF-1____ CH-1____ MO-1____ SH-1____ UP-1____
KRF-L1____
7. DMDQ Acquired: _____ Dth/Day
*Associated TMDQ Acquired: _____ Dth/Day
8. Release Rates:
Rate Form/Type:
Bid Denomination:
Demand Rate/Formula: _____ per Dth

*For capacity acquired from a Releasing Shipper's Transportation Service Agreement that was executed on an Mcf basis, Transporter will calculate the Associated TMDQ using the methodology set out in Section 25 of the General Terms and Conditions of this tariff. For all other capacity, the Associated TMDQ is equal to DMDQ.

Effective Date: 11/01/2004 Status: Effective

FERC Docket: RP04-619-000

Sixth Revised Sheet No. 401 Sixth Revised Sheet No. 401 : Effective
Superseding: Fifth Revised Sheet No. 401

. FORM OF EXHIBIT "RP" TO RELEASED TRANSPORTATION SERVICE AGREEMENT .
(Continued)

8. Release Rates: (Continued)

Commodity/Usage Rate: \$_____/Dth

Commodity/Usage Surcharges: \$_____/Dth

GRI Surcharge: \$_____/Dth

ACA Surcharge: \$_____/Dth

Total Commodity/Usage Rate
and Surcharges: \$_____/Dth

9. Release Term:

Commencement Date _____ Expiration Date _____

10. Contingent Release: Yes_____ No_____

If release is contingent, all terms and conditions of such contingencies, including the date by which Replacement Shipper must notify Transporter if all contingencies are not satisfied:

11. Nature of Release: Temporary or Permanent _____
If Temporary, Firm Nonrecallable_____ Firm Recallable_____

If Firm Recallable, All Terms and Conditions Under Which Recall May Occur:_____

Effective Date: 11/01/2004 Status: Effective
FERC Docket: RP04-619-000

Fourth Revised Sheet No. 402 Fourth Revised Sheet No. 402 : Effective
Superseding: Third Revised Sheet No. 402

.FORM OF EXHIBIT "RP" TO RELEASED TRANSPORTATION SERVICE AGREEMENT .
(Continued)

12. Receipt and Delivery Points:

Receipt Point(s)	Meter No.	Loc. Type	Entitlements (Dth/Day)
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Delivery Point(s)	Meter No.	Loc. Type	Entitlements (Dth/Day)
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

13. Right to Amend Points (if Temporary Release): No_____Yes_____

If "Yes," applicable restrictions on changing such points or
entitlements:_____

14. Right to Re-release (if Temporary Release): No_____Yes_____

15. Special Terms and Miscellaneous Notes:_____

16. Date Exhibit Submitted to Replacement Shipper:_____

THIS EXHIBIT WAS REVIEWED BY BIDDER AND ACCEPTED ON THIS _____ DAY OF
_____, 20____, AND DETERMINED TO STATE ACCURATELY THE FIRM
TRANSPORTATION SERVICE RIGHTS WHICH BIDDER ACCEPTED IN CONNECTION WITH THE
RELEASE REQUEST IDENTIFIED IN THIS EXHIBIT.

Shipper:_____

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

First Revised Sheet No. 403 First Revised Sheet No. 403 : Effective
Superseding: Original Sheet No. 403

(RESERVED FOR FUTURE USE)

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Sheet Nos. 404 - 419 Sheet Nos. 404 - 419 : Effective

. RESERVED FOR FUTURE USE .

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Fifth Revised Sheet No. 420 Fifth Revised Sheet No. 420 : Effective
Superseding: Fourth Revised Sheet No. 420

FORM OF EXHIBIT "RS" TO TRANSPORTATION SERVICE AGREEMENT/
RELEASED TRANSPORTATION SERVICE AGREEMENT

EXHIBIT NO: _____

TO THE
[TRANSPORTATION SERVICE AGREEMENT]
[RELEASED TRANSPORTATION SERVICE AGREEMENT]
(SERVICE AGREEMENT)

BETWEEN KERN RIVER GAS TRANSMISSION COMPANY (TRANSPORTER)

AND _____ (RELEASING SHIPPER)

Exhibit Effective Date: _____

1. Releasing Shipper's Service Agreement No.: _____
2. Release Request No.: _____
3. Replacement Shipper's Name: _____
4. Replacement Shipper's Duns No.: _____
5. Replacement Shipper's Released Transportation Service Agreement No.: _____
6. Governing Rate Schedule: KRF-1 _____ CH-1 _____ MO-1 _____
 SH-1 _____ UP-1 _____ KRF-L1 _____
7. DMDQ Released: _____ Dth/Day
8. Release Rates:

Rate Form/Type:

Bid Denomination:

Demand Rate/Formula: _____ per Dth

Commodity/Usage Rate: \$ _____ /Dth

Commodity/Usage Surcharges: \$ _____ /Dth

GRI Surcharge: \$ _____ /Dth

ACA Surcharge: \$ _____ /Dth

Total Commodity/Usage Rate
and Surcharges: \$ _____ /Dth

Effective Date: 11/01/2004 Status: Effective

FERC Docket: RP04-619-000

Third Revised Sheet No. 421 Third Revised Sheet No. 421 : Effective
Superseding: Second Revised Sheet No. 421

FORM OF EXHIBIT "RS" TO TRANSPORTATION SERVICE AGREEMENT/
RELEASED TRANSPORTATION SERVICE AGREEMENT
(Continued)

9. Release Term:

Commencement Date _____ Expiration Date _____

10. Nature of Release: Temporary or Permanent _____

f Temporary, Firm Nonrecallable _____ Firm Recallable _____

If Firm recallable, all terms and conditions Under Which Recall May
Occur: _____

11. Receipt and Delivery Points:

Receipt Point(s)	Meter No.	Loc. Type	Entitlements (Dth/Day)
------------------	-----------	-----------	------------------------

_____	_____	_____	_____
-------	-------	-------	-------

_____	_____	_____	_____
-------	-------	-------	-------

Delivery Point(s)	Meter No.	Loc. Type	Entitlements (Dth/Day)
-------------------	-----------	-----------	------------------------

_____	_____	_____	_____
-------	-------	-------	-------

_____	_____	_____	_____
-------	-------	-------	-------

12. Right to Amend Points (if Temporary Release): No _____ Yes _____

If "Yes," applicable restrictions on changing such points or
entitlements: _____

13. Right to Re-release (if Temporary Release): No _____ Yes _____

14. Contingent Release: No _____ Yes _____

If Release is contingent, the terms and conditions of all contingencies,
including the date by which Replacement Shipper must notify Transporter
if all contingencies are not satisfied.

15. Special Terms and Miscellaneous Notes: _____

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

First Revised Sheet No. 422 First Revised Sheet No. 422 : Effective
Superseding: Original Sheet No. 422

(RESERVED FOR FUTURE USE)

Effective Date: 08/20/2000 Status: Effective

FERC Docket: RP00-415-000

Sheet Nos. 423 - 489 Sheet Nos. 423 - 489 : Effective

. RESERVED FOR FUTURE USE .

Effective Date: 11/01/2004 Status: Suspended

FERC Docket: RP04-274-000

First Revised Sheet No. 423 First Revised Sheet No. 423 : Suspended
Superseding: Sheet Nos. 423 Through 426

First Revised Sheet No. 423 supersedes
Original Sheet Nos. 423 through 426.
These sheets are reserved for future use.

Effective Date: 02/26/2001 Status: Effective

FERC Docket: GT01- 9-000

Sheet Nos. 427 - 489 Sheet Nos. 427 - 489 : Effective

. RESERVED FOR FUTURE USE .

Effective Date: 09/02/2009 Status: Effective

FERC Docket: RP09-848-000

Seventh Revised Sheet No. 490 Seventh Revised Sheet No. 490

Superseding: Sixth Revised Sheet No. 490

NON-CONFORMING SERVICE AGREEMENTS

The following service agreements contain one or more currently effective provisions that differ materially from the Forms of Service Agreements contained in this Tariff.

Name of Shipper/Agreement No.	Rate Schedule	Agreement/ Amendment Date	Date Filed
Anadarko E&P Company, LP (No. 1005)	UP-1		
Base Agreement		12/15/89	03/07/01
Amendment		01/10/01 (1)	03/07/01
Eagle Energy Partners I, LP (No. 1802)	KRF-1		
Base Agreement		11/29/07	12/23/08
Nevada Power Company, d/b/a NV Energy (No. 1617)	KRF-1		
Base Agreement		03/17/09	03/17/09
Nevada Power Company, d/b/a NV Energy (No. 1830)	KRF-1		
Base Agreement		03/17/09	03/17/09
BP Energy Company (No. 1000)	KRF-1		
Base Agreement		02/09/90	07/24/90
Amendment		11/01/99	06/22/09
Amendment		03/26/01	06/22/09
Amendment		11/18/05	06/22/09
Shell Energy North America (U.S.) L.P. (No. 1004)	KRF-1		
Base Agreement		02-09-90	07/24/90
Amendment		07-13-90	07/24/90
Amendment		02-21-00	06/22/09
Amendment		08-17-00	06/22/09
Amendment		03-30-01	06/22/09

(1) Amendment incorporates the non-conforming provisions.

Effective Date: 07/22/2009 Status: Effective

FERC Docket: RP09-774-000

Original Sheet No. 491 Original Sheet No. 491

NON-CONFORMING SERVICE AGREEMENTS (continued)

Name of Shipper/Agreement No.	Rate Schedule	Agreement/ Amendment Date	Date Filed
Nevada Cogeneration Associates #1 (No. 1011)	KRF-1		
Base Agreement		02/08/90	07/24/90
Amendment		07/18/90	07/24/90
Amendment		03/01/01	06/22/09
Amendment		11/20/07	06/22/09
Nevada Cogeneration Associates #2 (No. 1012)	KRF-1		
Base Agreement		02/08/90	07/24/90
Amendment		07/18/90	07/24/90
Amendment		03/01/01	06/22/09
Amendment		11/20/07	06/22/09
RRI Energy Services, Inc. (No. 1504)	KRF-1		
Base Agreement		02/09/90	07/24/90
Amendment		12/01/99	06/22/09
Amendment		03/31/01	06/22/09
Amendment		06/21/04	06/22/09
Nevada Power Company, d/b/a NV Energy (No. 7665)	KRF-1		
Base Agreement		02/09/90	07/24/90
Amendment		12/01/99	06/22/09
Amendment		03/31/01	06/22/09
Amendment		09/20/03	06/22/09
Amendment		09/28/08	06/22/09
Nevada Power Company, d/b/a NV Energy (No. 7667)	KRF-1		
Base Agreement		02/09/90	07/24/90
Amendment		12/01/99	06/22/09
Amendment		03/31/01	06/22/09
Amendment		09/20/03	06/22/09
Amendment		09/28/08	06/22/09
Nevada Power Company, d/b/a NV Energy (No. 7668)	KRF-1		
Base Agreement		02/09/90	07/24/90
Amendment		02/15/00	06/22/09
Amendment		03/27/01	06/22/09
Amendment		09/20/03	06/22/09
Amendment		09/28/08	06/22/09

Effective Date: 09/01/2009 Status: Effective

FERC Docket: RP09-847-000

Second Revised Sheet No. 492 Second Revised Sheet No. 492

Superseding: First Revised Sheet No. 492

NON-CONFORMING SERVICE AGREEMENTS (continued)

Name of Shipper/Agreement No.	Rate Schedule	Agreement/ Amendment Date	Date Filed
Nevada Power Company, d/b/a NV Energy (No. 1707)	KRF-1		
Base Agreement		05/01/03	06/22/09
Amendment		09/28/08	06/22/09
Nevada Power Company, d/b/a NV Energy (No. 1720)	KRF-1		
Base Agreement		05/01/03	06/22/09
Amendment		09/28/08	06/22/09
Nevada Power Company, d/b/a NV Energy (No. 7649)	KRF-1		
Base Agreement		01/01/05	06/22/09
Amendment		09/28/08	06/22/09
Williams Gas Marketing, Inc. (No. 1016)	KRF-1		
Base Agreement		02/09/90	07/24/90
Amendment		02/15/00	06/22/09
Amendment		02/15/00	06/22/09
Amendment		03/31/01	06/22/09
Amendment		03/31/01	06/22/09
Amendment		04/01/02	06/22/09
Los Angeles Department of Water and Power (No. 1006)	KRF-1		
Base Agreement		04/02/90	07/24/90
Amendment		12/20/99	06/22/09
Amendment		03/31/01	06/22/09
Amendment		05/21/01	06/22/09
Amendment		02/25/02	06/22/09
Williams Gas Marketing, Inc. (No. 1074)	KRF-1		
Base Agreement		03/01/02	07/20/09
RRI Energy Services, Inc. (formerly Reliant Energy Services, Inc.) (No. 1506)	KRF-1		
Base Agreement		04/01/02	07/20/09
BP Energy Company (No. 1702)	KRF-1		
Base Agreement		06/12/01	07/29/09
Amendment		03/11/08	07/29/09

Effective Date: 09/02/2009 Status: Effective

FERC Docket: RP09-848-000

Original Sheet No. 493 Original Sheet No. 493

NON-CONFORMING SERVICE AGREEMENTS (continued)

Name of Shipper/Agreement No.	Rate Schedule	Agreement/ Amendment Date	Date Filed
Southwest Gas Corporation (No. 1010)	KRF-1		
Base Agreement		02/28/92	07/30/09
Amendment		11/23/92	07/30/09
Amendment		03/08/01	07/30/09
Southwest Gas Corporation (No. 1017)	KRF-1		
Base Agreement		09/16/93	07/30/09
Amendment		03/08/01	07/30/09
Southwest Gas Corporation (No. 1023)	KRF-1		
Base Agreement		03/28/95	07/30/09
Amendment		03/08/01	07/30/09
Southwest Gas Corporation (No. 1073)	KRF-1		
Base Agreement		04/08/99	07/30/09
Amendment		03/08/01	07/30/09
Southwest Gas Corporation (No. 1085)	KRF-1		
Base Agreement		05/15/00	07/21/00
Amendment		03/08/01	07/30/09
Amendment		09/20/04	07/30/09
Southwest Gas Corporation (No. 1804)	KRF-1		
Base Agreement		12/19/07	07/30/09

Effective Date: 09/20/2009 Status: Effective

FERC Docket: RP09-905-000

Original Sheet No. 494 Original Sheet No. 494

NON-CONFORMING SERVICE AGREEMENTS (continued)

Name of Shipper/Agreement No.	Rate Schedule	Agreement/ Amendment Date	Date Filed
California Department of Water Resources (No. 1724) Agreement	KRF-1	08/28/03	08/17/09
California Department of Water Resources (No. 3241) Agreement	KRI-1	06/09/04	08/17/09
California Department of Water Resources (No. 3254) Agreement	KRI-1	09/21/04	08/17/09
California Department of Water Resources (No. 3917) Agreement	KRI-L1	06/09/04	08/17/09
California Department of Water Resources (No. 3921) Agreement	KRI-L1	09/21/04	08/17/09
California Department of Water Resources (No. 9005) Agreement	PAL	06/09/04	08/17/09

Effective Date: 09/04/2009 Status: Effective

FERC Docket: RP09-860-000

Fourteenth Revised Sheet No. 495 Fourteenth Revised Sheet No. 495

Superseding: Thirteenth Revised Sheet No. 495

NEGOTIATED RATE AGREEMENTS

The following Negotiated Rate Transportation Service Agreements do not deviate in any material aspect from the applicable form of service agreement set forth in Transporter's FERC Gas Tariff.

Shipper Name/ Agreement No.	Negotiated Rate	Rate Schedule	Receipt Points	Delivery Points	Contract Quantity (Dth/d)	Term Expires
Shell Energy North America/ (US), L.P./ No. 1606	1/, 2/	KRF-1	QPC-Goshen	Hunter Park	100,000	12/31/02 3/
Eagle Mountain City/No. 1607	4/, 6/	KRF-1	QPC-Goshen	Eagle Mountain	1,200	11/30/03 5/
Sempra Energy Trading LLC / No. 1604	1/, 2/	KRF-1	QPC-Goshen	Riverton, Hunter Park	89,781 35,000	12/31/02 3/
PacifiCorp/ No. 1612	7/	KRF-1	Goshen	Lake Side	91,000	1/31/37
Sempra Energy Trading LLC No. 1613	8/	KRF-1	Goshen	Lake Side	78,620	6/30/08
				Riverton	79,219	
			Goshen	W. Valley	18,781	
				Lake Side	78,620	
			Goshen	Riverton	79,219	7/31/08
				W. Valley	23,781	
			Goshen	Lake Side	78,620	10/31/08
				Riverton	79,219	
			Goshen	W. Valley	28,781	
				Lake Side	78,620	
			Goshen	Riverton	99,219	3/31/09
				W. Valley	28,781	
			Goshen	Lake Side	78,620	10/31/10 11/
				Riverton	124,219	
				W. Valley	28,781	
				Lake Side	78,620	
Sempra Energy Trading LLC No. 1614	9/	KRF-1	Northwest Pipeline	Roberson Creek	80,000	10/31/08
			Northwest Pipeline	Roberson Creek	100,000	10/31/10 10/
Sempra Energy Trading LLC No. 1615	9/	KRF-1	Clear Creek	Clear Creek	77,500	10/31/10 10/

Effective Date: 04/09/2010 Status: Effective

FERC Docket: RP10-584-000

Second Revised Sheet No. 495A Second Revised Sheet No. 495A

Superseding: First Revised Sheet No. 495A

NEGOTIATED RATE AGREEMENTS (Continued)

Shipper Name/ Agreement No.	Negotiated Rate	Rate Schedule	Receipt Points	Delivery Points	Contract Quantity (Dth/d)	Term Expires
Chevron USA Inc. No. 1616	11/, 12/	KRF-1	Goshen	Warm Springs Redwood	500 2,000	08/31/09 13/
EDF Trading North America, LLC No. 1835	14/	KRF-1	Opal	Blue Diamond Prym Bighorn	45,000 11,700 6,100 27,200	10/31/10
Iberdrola Renewables, Inc. No. 1832	15/	KRF-1	Opal	Bighorn	30,000	10/31/10
J.P. Morgan Ventures Energy Corporation No. 1833	16/	KRF-1	Opal	Bighorn	50,000	10/31/10
United Energy Trading, LLC No. 1834	17/	KRF-1	Opal	Bighorn	20,000	10/31/10

Effective Date: 10/01/2008 Status: Pending

FERC Docket: RP04-274-014

Sub Ninth Revised Sheet No. 496 Sub Ninth Revised Sheet No. 496

Superseding: Eighth Revised Sheet No. 496

NEGOTIATED RATE AGREEMENTS (continued)

FOOTNOTES:

1/ Pursuant to the terms of Exhibit "B" to the June 5, 2003 Transportation Service Agreement between Transporter and High Desert Power Trust, each month Transporter will bill Shipper a negotiated rate in the form of a monthly reservation charge, comprised of the sum of three components:

(1)	Incremental Facility Charge	\$334,411
(2)	Deferred Cost Recovery Surcharge	38,197
(3)	Completion Incentive Charge	46,137*

*Based on an in-service date of September 1, 2002.

2/ Shipper will pay Transporter a discounted rate of \$0.3601 per Dth for scheduled quantities at receipt and delivery points shown on Exhibit "A," up to Shipper's Maximum Daily Quantity.

3/ For all scheduled quantities at receipt and/or delivery points not listed in Exhibit "A," including quantities in excess of Shipper's DMDQ, Shipper will pay Transporter an Alternate Rate that is calculated as follows:

Alternate Rate = (Net Daily Spread - Index Spread Adjustment) +
Applicable Surcharges.

Where: Net Daily Spread = ("SoCalGas" price* - "Kern River, Opal Plant
price*) - fuel**

Index Spread Adjustment = the lesser of \$0.65 or (Net Daily Spread x
15%)

Applicable Surcharges = ACA or future surcharges that Kern River does
not have the ability to discount.

*Price is shown in Platts' Gas Daily, "Daily Price Survey, Flow Date Midpoint,"
for the day of scheduled transportation.

**Fuel is the product of (i) fuel and lost and unaccounted-for gas
reimbursement factor under Rate Schedule KRF-1 for rolled-in rate service and
(ii) price at "Kern River, Opal Plant."

In no event will the Alternate Rate, less applicable surcharges, be less than
the highest Daily Reservation/Demand Rate under Rate Schedule KRF-1 for Rolled-
in Rate Service, as such rates may change from time to time in accordance with
the Natural Gas Act.

4/ The term of the agreement is for a period beginning December 1, 2002 up
to and including December 31, 2002, and month to month thereafter.

5/ For scheduled transportation at receipt and delivery points shown on
Exhibit "A," up to Shipper's Maximum Daily Quantity at those points, Shipper
will pay Transporter a Total Backhaul Rate of \$0.17 per Dth.

6/ The term of the agreement is for a period beginning December 1, 2002 up
to and including November 30, 2003 and year to year thereafter.

Effective Date: 09/04/2009 Status: Effective

FERC Docket: RP09-860-000

Tenth Revised Sheet No. 496 Tenth Revised Sheet No. 496

Superseding: Sub Ninth Revised Sheet No. 496

NEGOTIATED RATE AGREEMENTS (continued)

FOOTNOTES:

1/ Shipper will pay Transporter a discounted rate of \$0.3601 per Dth for scheduled quantities at receipt and delivery points shown on Exhibit "A," up to Shipper's Maximum Daily Quantity.

2/ For all scheduled quantities at receipt and/or delivery points not listed in Exhibit "A," including quantities in excess of Shipper's DMDQ, Shipper will pay Transporter an Alternate Rate that is calculated as follows:

Alternate Rate = (Net Daily Spread - Index Spread Adjustment) +
Applicable Surcharges.

Where: Net Daily Spread = ("SoCalGas" price* - "Kern River, Opal Plant
price*) - fuel**

Index Spread Adjustment = the lesser of \$0.65 or (Net Daily Spread x
15%)

Applicable Surcharges = ACA or future surcharges that Kern River does
not have the ability to discount.

*Price is shown in Platts' Gas Daily, "Daily Price Survey, Flow Date Midpoint,"
for the day of scheduled transportation.

**Fuel is the product of (i) fuel and lost and unaccounted-for gas
reimbursement factor under Rate Schedule KRF-1 for rolled-in rate service and
(ii) price at "Kern River, Opal Plant."

In no event will the Alternate Rate, less applicable surcharges, be less than
the highest Daily Reservation/Demand Rate under Rate Schedule KRF-1 for Rolled-
in Rate Service, as such rates may change from time to time in accordance with
the Natural Gas Act.

3/ The term of the agreement is for a period beginning December 1, 2002 up
to and including December 31, 2002, and month to month thereafter.

4/ For scheduled transportation at receipt and delivery points shown on
Exhibit "A," up to Shipper's Maximum Daily Quantity at those points, Shipper
will pay Transporter a Total Backhaul Rate of \$0.17 per Dth.

5/ The term of the agreement is for a period beginning December 1, 2002 up
to and including November 30, 2003 and year to year thereafter.

Effective Date: 09/04/2009 Status: Effective

FERC Docket: RP09-860-000

Sixth Revised Sheet No. 497 Sixth Revised Sheet No. 497

Superseding: Fifth Revised Sheet No. 497

NEGOTIATED RATE AGREEMENTS (Continued)

FOOTNOTES: (Continued)

6/ For scheduled Transportation at receipt and delivery points not shown on Exhibit "A" and/or scheduled Transportation in excess of Shipper's Maximum Daily Quantity, Shipper will pay Transporter a Total Rate per Dth that is equivalent to the sum of Transporter's maximum recourse reservation rate and maximum commodity rate under Rate Schedule KRF-1 for incremental rate service related to the 2003 Expansion Project, plus all applicable surcharges, plus an Index Spread Adjustment ("ISA") (based on the Daily Price Survey Flow Date spot price reported in Gas Daily for the day of scheduled Transportation), calculated as follows:

Total Rate = Maximum Rate + all applicable surcharges + ISA
Where: Maximum Rate = the sum of the maximum recourse reservation rate and the maximum commodity rate under Rate Schedule KRF-1 for incremental rate service related to the 2003 Expansion Project.
ISA = [(Others "SoCal Gas" - Rockies "Kern River, Opal Plant") - (Maximum Rate)] x .50

In no event will the Total Rate, less applicable surcharges, be less than the Maximum Rate.

7/ Shipper will pay Transporter daily reservation/demand charges on a total quantity of 91,000 Dth per day, determined as follows:

1. For all quantities not scheduled, up to 91,000 Dth per day, Shipper will pay Transporter a discounted firm daily reservation/demand rate of \$0.09 per Dth for the entire term of the agreement.
2. For scheduled quantities from the Goshen receipt point to the Lake Side or West Valley delivery points, Shipper will pay Transporter a discounted firm daily reservation/demand backhaul rate of \$0.09 per Dth for the entire term of the agreement.
3. For scheduled quantities from the Goshen receipt point to all delivery points north of the Goshen receipt point from February 1, 2007 through January 31, 2008, Shipper will pay Transporter a discounted firm daily reservation/demand backhaul rate of \$0.09 per Dth.

Effective Date: 06/01/2008 Status: Effective

FERC Docket: RP00-157-018

Original Sheet No. 498 Original Sheet No. 498

NEGOTIATED RATE AGREEMENTS (Continued)

FOOTNOTES: (Continued)

4. For scheduled quantities from the Goshen receipt point to delivery points north of the Goshen receipt point and south of the Coyote Creek compressor station, other than the Lake Side and West Valley delivery points, from February 1, 2008 through January 31, 2037, Shipper will pay Transporter a discounted firm daily reservation/demand backhaul rate of \$0.12 per Dth.

5. For scheduled quantities from the Goshen receipt point to all delivery points north of the Coyote Creek compressor station from February 1, 2008 through January 31, 2037, Shipper will pay Transporter's maximum firm daily reservation/demand rate under Rate Schedule KRF-1 for firm incremental rate service related to the 2003 Expansion Project at the time service is rendered, or a discounted firm daily reservation/demand backhaul rate mutually agreed to by Transporter and Shipper.

Commodity/Usage Rate:

The Commodity/Usage Rate for all capacity scheduled by Shipper or any replacement Shipper pursuant to paragraphs (2) through (5) above shall be the lesser of \$0.005 per Dth or the maximum rate under the KRF-1 Rate Schedule for firm incremental rate service at the time service is rendered, plus all applicable surcharges, for the entire term of the agreement.

Transportation Charges for All Other Transportation Paths and for Authorized Overrun:

For all other scheduled quantities, including quantities in excess of Shipper's DMDQ, Shipper will pay Transporter a Total Rate that is calculated as follows:

Total Rate = Maximum Rate + Applicable Surcharges + Index Spread Adjustment

Where: Maximum Rate = The sum of the maximum firm daily reservation/demand rate and the maximum commodity/usage rate under Rate Schedule KRF-1 for incremental rate service related to the 2003 Expansion Project

Effective Date: 09/04/2009 Status: Effective

FERC Docket: RP09-860-000

First Revised Sheet No. 499 First Revised Sheet No. 499

Superseding: Original Sheet No. 499

NEGOTIATED RATE AGREEMENTS (Continued)

FOOTNOTES: (Continued)

Index Spread Adjustment* = [(Others "SoCal Gas" - Rockies "Kern River, Opal Plant") - (Maximum Rate)] x .75

*Based on the Daily Price Survey, Flow Date Midpoint spot price reported in the Platts' Gas Daily publication for the day of scheduled transportation. In no event will the Total Rate, less applicable surcharges, be less than the Maximum Rate described above.

8/ Reservation/Demand Charges:

Shipper will pay Transporter a negotiated firm daily reservation/ demand rate of \$0.047 per Dth for the DMDQ listed in Exhibit "A" for the entire term of the agreement.

Commodity/Usage Charges:

Shipper will pay Transporter a commodity/usage rate of \$0.20 per Dth for all capacity scheduled by Shipper or any replacement Shipper using the transportation path(s) identified on Exhibit "A," plus all applicable surcharges, for the entire term of the agreement.

Transportation Charges for all other Transportation Paths and for Authorized Overrun:

For all other scheduled quantities, including quantities in excess of Shipper's DMDQ, Shipper will pay Transporter a Total Rate that is calculated as follows:

Total Rate = Maximum Rate + Applicable Surcharges + Index Spread Adjustment

Where: Maximum Rate = The sum of the maximum firm daily reservation/ demand rate and the maximum commodity/usage rate under Rate Schedule KRF-1 for incremental rate service related to the 2003 Expansion Project

Index Spread Adjustment* = [(Others "SoCal Gas" - Rockies "Kern River, Opal Plant") - (Maximum Rate)]x.80

*Based on the Daily Price Survey, Flow Date Midpoint spot price reported in the Platts' Gas Daily publication for the day of scheduled transportation.

In no event will the total Rate, less applicable surcharges, be less than the Maximum Rate.

Effective Date: 09/04/2009 Status: Effective

FERC Docket: RP09-860-000

First Revised Sheet No. 499A First Revised Sheet No. 499A

Superseding: Original Sheet No. 499A

NEGOTIATED RATE AGREEMENTS (Continued)

FOOTNOTES: (Continued)

9/ Reservation/Demand Charges:

Shipper will pay Transporter a negotiated firm daily reservation/ demand rate of \$0.0251 per Dth for the DMDQ listed in Exhibit "A" for the entire term of the agreement.

Commodity/Usage Charges:

Shipper will pay Transporter a commodity/usage rate of \$0.20 per Dth for all capacity scheduled by Shipper or any replacement Shipper using the transportation path(s) identified on Exhibit "A," plus all applicable surcharges, for the entire term of the agreement.

Transportation Charges for all other Transportation Paths and for Authorized Overrun:

For all other scheduled quantities, including quantities in excess of Shipper's DMDQ, Shipper will pay Transporter a Total Rate that is calculated as follows:

Total Rate = Maximum Rate + Applicable Surcharges + Index Spread Adjustment

Where: Maximum Rate = The sum of the maximum firm daily reservation/ demand rate and the maximum commodity/usage rate under Rate Schedule KRF-1 for incremental rate service related to the 2003 Expansion Project

Index Spread Adjustment* = [(Others "SoCal Gas" - Rockies "Kern River, Opal Plant") - (Maximum Rate)]x.80

*Based on the Daily Price Survey, Flow Date Midpoint spot price reported in the Platts' Gas Daily publication for the day of scheduled transportation.

In no event will the total Rate, less applicable surcharges, be less than the Maximum Rate.

10/ The term of the agreement is for a period from June 1, 2008 up to and including October 31, 2010 and month to month thereafter.

Effective Date: 09/04/2009 Status: Effective

FERC Docket: RP09-860-000

First Revised Sheet No. 499B First Revised Sheet No. 499B

Superseding: Original Sheet No. 499B

NEGOTIATED RATE AGREEMENTS (Continued)

FOOTNOTES: (Continued)

11/ Shipper will pay Transporter a discounted rate of \$0.1000 per Dth for scheduled quantities at receipt and delivery points shown on Exhibit "A", up to Shipper's DMDQ. Shipper will pay Transporter a Commodity/Usage Rate of \$0.0150 per Dth for all capacity scheduled by Shipper or any replacement Shipper using the transportation path(s) identified on Exhibit "A", plus all Applicable Surcharges, as defined in footnote 13.

12/ For all scheduled quantities at receipt and/or delivery points not listed in Exhibit "A", including quantities in excess of Shipper's DMDQ, Shipper will pay Transporter an Alternate Rate that is calculated as follows:

Alternate Rate = (Net Daily Spread - Index Spread Adjustment) +
Applicable Surcharges

Where: Net Daily Spread = ("SoCalGas" price* - "Kern River, Opal Plant
price*) - fuel**

Index Spread Adjustment = the lesser of \$0.65 or (Net Daily Spread x
15%)

Applicable Surcharges = ACA or future surcharges that Kern River does
not have the ability to discount

*Price is shown in Platts' Gas Daily, "Daily Price Survey, Flow Date Midpoint,"
for the day of scheduled transportation.

**Fuel is the product of (i) fuel and lost and unaccounted-for gas
reimbursement factor under Rate Schedule KRF-1 for Firm Incremental Rate
Service related to the 2003 Expansion, and (ii) price* at "Kern River, Opal
Plant."

In no event will the Alternate Rate, less applicable surcharges, be less than
the highest Daily Reservation/Demand Rate under Rate Schedule KRF-1 for Rolled-
in Rate Service, as such rates may change from time to time in accordance with
the Natural Gas Act.

During the first twelve (12) months of this Agreement, in no event shall
Shipper pay less than the Minimum Annual Charge, defined as follows:

Minimum Annual Charge = DMDQ x Currently Effective Maximum Recourse
Rate under Rate Schedule KRF-1 for firm incremental rate service for
the 2003 Expansion Project x 365.

13/ The term of the agreement is for a period beginning September 1, 2008,
up to and including August 31, 2009, and month to month thereafter.

Effective Date: 04/09/2010 Status: Effective

FERC Docket: RP10-584-000

Second Revised Sheet No. 499C Second Revised Sheet No. 499C

Superseding: First Revised Sheet No. 499C

NEGOTIATED RATE AGREEMENTS

The following Negotiated Rate Transportation Service Agreements contain one or more currently effective provisions that differ materially from the applicable form of service agreement set forth in this Tariff.

Shipper Name/ Agreement No.	Negotiated Rate	Rate Schedule	Receipt Points	Delivery Points	Contract Quantity (Dth/d)	Term Expires
EDF Trading North America, LLC No. 1802	1/	KRF-1	Opal Plant,	Daggett PG&E, Wheeler SoCal	52,000	04/30/18
High Desert Power Project LLC No. 2002	2/	KRF-L1	Freemont Peak, Sidewinder	Freemont Peak, VVG	282,000	08/31/23

FOOTNOTES:

1/ Pursuant to the terms of Exhibit "B" to the December 29, 2007, Firm Transportation Service Agreement between Transporter and Eagle Energy Partners I, LP (now known as EDF Trading North America, LLC), the Daily Reservation Rate shall be a fixed negotiated firm reservation / demand rate of \$0.5800 per Dth. The Commodity Rate for all capacity utilized by Shipper or any temporary replacement shipper(s) will be \$0.0600 per Dth, or Transporter's Firm Transportation maximum commodity / usage rate under the KRF-1 Firm Incremental Rate Service. In addition, Shipper will pay all applicable surcharges. Transporter may change its commodity rates and / or surcharges from time to time in accordance with the Natural Gas Act.

2/ Pursuant to the terms of Exhibit "B" to the June 5, 2003 Transportation Service Agreement between Transporter and High Desert Power Project LLC, each month Transporter will bill Shipper a negotiated rate in the form of a monthly reservation charge, comprised of the sum of three components:

- | | | |
|-----|----------------------------------|-----------|
| (1) | Incremental Facility Charge | \$334,411 |
| (2) | Deferred Cost Recovery Surcharge | 38,197 |
| (3) | Completion Incentive Charge | 46,137* |

*Based on an in-service date of September 1, 2002.

Effective Date: 04/09/2010 Status: Effective

FERC Docket: RP10-584-000

Original Sheet No. 499B.1 Original Sheet No. 499B.1

NEGOTIATED RATE AGREEMENTS (Continued)

FOOTNOTES: (Continued)

14/ From the commencement of service to October 31, 2010, Shipper's rates shall be:

Negotiated Daily Reservation/Demand Rate: The Negotiated Daily Reservation/Demand Rate applicable to any primary or secondary receipt and delivery points shall be calculated as shown below:

Daily Reservation/Demand Rate = (SoCalGas) - (Kern River, Opal) - \$0.1763

Where:

SoCal Gas is equal to the daily gas price shown for SoCalGas in Platt's Gas Daily, Daily Price Survey, Flow Date midpoint for the day of scheduled transportation.

The Daily Reservation/Demand Rate will be no less than \$0.10 per Dth for all primary entitlement at delivery points outside of California, or no less than \$0.4686 per Dth for all primary entitlement at delivery points within California (Minimum Rate). The Minimum Rate will be based on the primary delivery point(s) shown in the Agreement, not the location of the actual scheduled deliveries.

If Shipper segments and releases all or a portion of its DMDQ, the Negotiated Daily Reservation/Demand Rate will be two (2) times the Daily Reservation/Demand Rate for the entire time period that the capacity is released.

Negotiated Commodity/Usage Rate: The Negotiated Commodity/Usage Rate is \$0.0044 per Dth for all scheduled deliveries up to Shipper's DMDQ. For scheduled deliveries above Shipper's DMDQ, the Negotiated Commodity/Usage Rate will be equal to the Negotiated Daily Reservation/Demand Rate. For the purpose of calculating the Negotiated Commodity/Usage Rate, scheduled deliveries shall include combined deliveries on this Agreement and all related segmented agreements. In addition, Shipper shall pay all applicable commodity surcharges related to the 2003 Expansion Project, as set forth in Kern River's FERC Gas Tariff.

Effective Date: 04/09/2010 Status: Effective

FERC Docket: RP10-584-000

Original Sheet No. 499B.2 Original Sheet No. 499B.2

NEGOTIATED RATE AGREEMENTS (Continued)

FOOTNOTES: (Continued)

15/ From the commencement of service to October 31, 2010, Shipper's rates shall be:

Negotiated Daily Reservation/Demand Rate: The Negotiated Daily Reservation/Demand Rate applicable to any primary or secondary receipt and delivery points shall be calculated as shown below:

Daily Reservation/Demand Rate = (SoCalGas) - (Kern River, Opal) - \$0.1550

Where:

SoCal Gas is equal to the daily gas price shown for SoCalGas in Platt's Gas Daily, Daily Price Survey, Flow Date midpoint for the day of scheduled transportation.

The Daily Reservation/Demand Rate will be no less than \$0.10 per Dth for all primary entitlement at delivery points outside of California, or no less than \$0.4686 per Dth for all primary entitlement at delivery points within California (Minimum Rate). The Minimum Rate will be based on the primary delivery point(s) shown in the Agreement, not the location of the actual scheduled deliveries.

If Shipper segments and releases all or a portion of its DMDQ, the Negotiated Daily Reservation/Demand Rate will be two (2) times the Daily Reservation/Demand Rate for the entire time period that the capacity is released.

Negotiated Commodity/Usage Rate: The Negotiated Commodity/Usage Rate is \$0.0044 per Dth for all scheduled deliveries up to Shipper's DMDQ. For scheduled deliveries above Shipper's DMDQ, the Negotiated Commodity/Usage Rate will be equal to the Negotiated Daily Reservation/Demand Rate. For the purpose of calculating the Negotiated Commodity/Usage Rate, scheduled deliveries shall include combined deliveries on this Agreement and all related segmented agreements. In addition, Shipper shall pay all applicable commodity surcharges related to the 2003 Expansion Project, as set forth in Kern River's FERC Gas Tariff.

Effective Date: 04/09/2010 Status: Effective

FERC Docket: RP10-584-000

Original Sheet No. 499B.3 Original Sheet No. 499B.3

NEGOTIATED RATE AGREEMENTS (Continued)

FOOTNOTES: (Continued)

16/ From the commencement of service to October 31, 2010, Shipper's rates shall be:

Negotiated Daily Reservation/Demand Rate: The Negotiated Daily Reservation/Demand Rate applicable to any primary or secondary receipt and delivery points shall be calculated as shown below:

Daily Reservation/Demand Rate = (SoCalGas) - (Kern River, Opal) - \$0.1590

Where:

SoCal Gas is equal to the daily gas price shown for SoCalGas in Platt's Gas Daily, Daily Price Survey, Flow Date midpoint for the day of scheduled transportation.

The Daily Reservation/Demand Rate will be no less than \$0.10 per Dth for all primary entitlement at delivery points outside of California, or no less than \$0.4686 per Dth for all primary entitlement at delivery points within California (Minimum Rate). The Minimum Rate will be based on the primary delivery point(s) shown in the Agreement, not the location of the actual scheduled deliveries.

If Shipper segments and releases all or a portion of its DMDQ, the Negotiated Daily Reservation/Demand Rate will be two (2) times the Daily Reservation/Demand Rate for the entire time period that the capacity is released.

Negotiated Commodity/Usage Rate: The Negotiated Commodity/Usage Rate is \$0.0044 per Dth for all scheduled deliveries up to Shipper's DMDQ. For scheduled deliveries above Shipper's DMDQ, the Negotiated Commodity/Usage Rate will be equal to the Negotiated Daily Reservation/Demand Rate. For the purpose of calculating the Negotiated Commodity/Usage Rate, scheduled deliveries shall include combined deliveries on this Agreement and all related segmented agreements. In addition, Shipper shall pay all applicable commodity surcharges related to the 2003 Expansion Project, as set forth in Kern River's FERC Gas Tariff.

Effective Date: 04/09/2010 Status: Effective

FERC Docket: RP10-584-000

Original Sheet No. 499B.4 Original Sheet No. 499B.4

NEGOTIATED RATE AGREEMENTS (Continued)

FOOTNOTES: (Continued)

17/ From the commencement of service to October 31, 2010, Shipper's rates shall be:

Negotiated Daily Reservation/Demand Rate: The Negotiated Daily Reservation/Demand Rate applicable to any primary or secondary receipt and delivery points shall be calculated as shown below:

Daily Reservation/Demand Rate = (SoCalGas) - (Kern River, Opal) - \$0.1748

Where:

SoCal Gas is equal to the daily gas price shown for SoCalGas in Platt's Gas Daily, Daily Price Survey, Flow Date midpoint for the day of scheduled transportation.

The Daily Reservation/Demand Rate will be no less than \$0.10 per Dth for all primary entitlement at delivery points outside of California, or no less than \$0.4686 per Dth for all primary entitlement at delivery points within California (Minimum Rate). The Minimum Rate will be based on the primary delivery point(s) shown in the Agreement, not the location of the actual scheduled deliveries.

If Shipper segments and releases all or a portion of its DMDQ, the Negotiated Daily Reservation/Demand Rate will be two (2) times the Daily Reservation/Demand Rate for the entire time period that the capacity is released.

Negotiated Commodity/Usage Rate: The Negotiated Commodity/Usage Rate is \$0.0044 per Dth for all scheduled deliveries up to Shipper's DMDQ. For scheduled deliveries above Shipper's DMDQ, the Negotiated Commodity/Usage Rate will be equal to the Negotiated Daily Reservation/Demand Rate. For the purpose of calculating the Negotiated Commodity/Usage Rate, scheduled deliveries shall include combined deliveries on this Agreement and all related segmented agreements. In addition, Shipper shall pay all applicable commodity surcharges related to the 2003 Expansion Project, as set forth in Kern River's FERC Gas Tariff.

Effective Date: 04/20/2009 Status: Effective

FERC Docket: RP09-466-000

Second Revised Sheet No. 500 Second Revised Sheet No. 500

Superseding: First Revised Sheet No. 500

RATE SCHEDULE CH-1
Kern River Firm Transportation Services

AVAILABILITY

Pursuant to the Commission's order dated November 2, 1990, in Kern River Gas Transmission Company, Docket Nos. CP89-2047-000, et al., 53 F.E.R.C. (CCH) para. 61,172 (1990), this Rate Schedule posts in this FERC Gas Tariff the terms of the June 27, 1988 Firm Transportation Service Agreement between Transporter and Chevron USA, Inc. ("Rate Schedule CH-1"), as amended, and shall govern firm transportation service by Transporter to Chevron USA, Inc. within the contract term, Demand Maximum Daily Quantity and Receipt and Delivery Points established in such agreement. This Rate Schedule is also available for firm transportation service to customers that request firm service on Kern River's 700 MMcf/d capacity interstate natural gas pipeline system after such system becomes operational. In order to qualify for service under this Rate Schedule, such shippers must submit to Kern River the same information as required by Section 3 of Kern River's KRF-1 Rate Schedule, and in accordance with the same procedures as those set forth therein. Such shippers must satisfy the same standards of creditworthiness as those set forth in Section 29 of the General Terms and Conditions of this tariff and must execute a firm transportation service agreement for service under this Rate Schedule.

APPLICABILITY AND CHARACTER OF SERVICE

See Section 2.2.1 of this Rate Schedule CH-1.

RATES

See Article IV of this Rate Schedule CH-1.

MINIMUM BILL

Subject to the terms, conditions and limitations of this Rate Schedule and the Transportation Service Agreement between Transporter and Shipper, the minimum monthly bill shall be the Reservation Charge as defined herein, unless Transporter and Shipper mutually agree otherwise.

Effective Date: 12/19/2009 Status: Effective

FERC Docket: RP10-160-000

Eighth Revised Sheet No. 501 Eighth Revised Sheet No. 501

Superseding: Seventh Revised Sheet No. 501

RATE SCHEDULE CH-1
Kern River Firm Transportation Services

APPLICABLE GENERAL TERMS AND CONDITIONS

Notwithstanding anything to the contrary in this Rate Schedule CH-1, the following Sections of the General Terms and Conditions of this Tariff are applicable to service under this Rate Schedule CH-1:

Section Number	Section Title
1.1	Backhaul
1.7	Dekatherm
1.8	Demand Maximum Daily Quantity
1.11	Elapsed-Prorated-Scheduled Quantity
1.12	Entitlements
1.22	Negotiated Rate
1.27	Recourse Rate
2.1	NAESB WGQ Flowing Gas Standards
5.1	NAESB WGQ Invoicing Standards
10.1	General Procedure
10.7	Shipper Imbalance Netting
10.8	Shipper Imbalance Trading
10.11	Penalty Revenue Crediting
11.4	Receipt and Delivery Point Entitlements
12	Reimbursement of Fuel Used and Lost and Unaccounted-for Gas
13.1	Nomination Process
13.2	Scheduling Process
13.3	Interruption/Curtailment Procedures
15	Capacity Release Program
16	Information and Communications Regarding Transportation Services
20	Facilities
21	NAESB WGQ Definitions, Standards and Models
22	Pooling
23	Negotiated Rates
25	Mcf to Dth Conversion Methodology
26	Segmentation

Effective Date: 03/01/2008 Status: Effective

FERC Docket: RP08-177-000

First Revised Sheet No. 502 First Revised Sheet No. 502 : Effective
Superseding: Original Sheet No. 502

RATE SCHEDULE CH-1
Kern River Firm Transportation Services (continued)

INDEX

Article	Sheet Number
I	Definitions 503
II	Gas to be Transported and Character of Service. . . 507
III	Expansion of Transporter's System/Rate Impact . . . 508
IV	Transportation Rates and Charges. 509
V	Operating Procedures. 514
VI	Quality 518
VII	Measurement and Measuring Equipment 526
VIII	Term of Agreement 531
IX	(Reserved). 534
X	Invoicing and Payment 535
XI	Force Majeure 539
XII	Title and Possession of Gas 540
XIII	Warranty of Title 541
XIV	Statutory Regulation. 542
XV	Service Conditions. 543
XVI	Priority of Service 544
XVII	Receipt and Delivery Points and Pressures 545
XVIII	Inspection of Equipment and Records 549
XIX	Miscellaneous 550

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Second Revised Sheet No. 503 Second Revised Sheet No. 503

Superseding: First Revised Sheet No. 503

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE I - DEFINITIONS

- 1.1 "Authorized Overrun Rate" shall mean a unit rate per Dth stated in Exhibit C to the Transportation Service Agreement for Authorized Overrun Service.
- 1.2 "Authorized Overrun Service" shall mean a service in addition to Firm Service as set forth in Section 2.2.2 herein.
- 1.3 "Billing Month" shall mean that Month of service hereunder which immediately precedes the Month in which Transporter is obligated to render a bill for such service.
- 1.4 "Btu": "Standardize the reporting basis for Btu as 14.73 psia and 60 degrees F (101.325 kPa and 15 degrees C, and dry). Standardize the reporting basis for gigacalorie as 1.035646 Kg/cm2 and 15.6 degrees C and dry. Standardize the reporting basis for gas volumes as cubic foot at standard conditions of 14.73 psia, 60 degrees, F and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry." NAESB WGQ 2.3.9
- 1.5 "Business Day": "Business Day is defined as Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico." NAESB WGQ 3.2.1
- 1.6 "Commencement Date" shall mean that date on which Transporter notifies Shipper in writing that Transporter is ready to commence the delivery of Transportation volumes to Shipper.
- 1.7 "Composite Gas Stream" shall mean the actual or theoretical composite of all Gas receipts and/or nominations from shippers for transportation by Kern River. Composite Gas Stream shall be the theoretical gas stream that will result from the combination of all gas receipts from all shippers as determined by a computer model that utilizes analytical and flow data generated at each of the Receipt Points. The computer model determines what the Composite Gas Stream composition will be on a feed forward basis.
- 1.8 "Contract Year" shall mean a period of 12 consecutive Months beginning with the Month next following the Commencement Date, and each successive 12-Month period thereafter.

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Second Revised Sheet No. 504 Second Revised Sheet No. 504

Superseding: First Revised Sheet No. 504

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE I - DEFINITIONS (Continued)

- 1.9 "Cubic Foot of Gas" shall mean the volume of Gas which, at a temperature of 60 degrees Fahrenheit and at a pressure of 14.73 Psia, occupies one cubic foot of space.
- 1.10 "Day": "Standard time for the gas day should be 9 a.m. to 9 a.m. (central clock time)." NAESB WGQ 1.3.1
- 1.11 "FERC" or "Commission" shall mean the Federal Energy Regulatory Commission or any federal commission, agency, or other governmental body or bodies succeeding to, lawfully exercising or superseding any powers which, as of the date hereof, are exercisable by the Federal Energy Regulatory Commission.
- 1.12 "Firm Service" shall mean a service that is not subject to a prior claim by another customer or another class of service and receives the same priority as any other class of firm service.
- 1.13 "Gas" or "Natural Gas" shall mean Natural Gas from Gas wells and casinghead Gas produced with crude oil, consisting essentially of methane. Such Gas may be either residue Gas resulting from the processing of either Gas well Gas or casinghead Gas or both, or synthetic Gas either mixed or unmixed with other Gas. For the purpose of determining whether Gas is in conformity with the terms of this Rate Schedule, Article VI shall apply.
- 1.14 (Reserved)
- 1.15 "Incremental Facility Charge" shall mean a charge which shall reflect incremental capital costs of the facilities, depreciation, return, taxes, operation and maintenance and administrative and general expenses associated with incremental capacity constructed in accordance with Section 3.1 herein.

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Third Revised Sheet No. 505 Third Revised Sheet No. 505

Superseding: Second Revised Sheet No. 505

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE I - DEFINITIONS (Continued)

- 1.16 "Interconnecting Pipeline" shall mean Northwest Pipeline Corporation and any other Natural Gas pipeline directly interconnecting with Transporter's system to permit delivery by Shipper into Transporter's system.
- 1.17 "Interruptible Service" shall mean any service that is not Firm Service as defined in Section 1.11.
- 1.18 "Intra-Day Nomination": "An intra-day nomination is a nomination submitted after the nomination deadline whose effective time is no earlier than the beginning of the gas day and runs through the end of that gas day." NAESB WGQ 1.2.4.
- 1.19 "Maximum Daily Quantity" (MDQ) For firm service agreements that were executed on an Mcf basis, MDQ shall mean the volume in Mcf per Day which Shipper has contracted for with Transporter for firm Transportation and which Transporter is obligated to reserve for the Transportation of Natural Gas tendered by Shipper to Transporter on a uniform basis. MDQ shall not include fuel and lost unaccounted for Gas furnished in kind by Shipper pursuant Section 4.2 herein. Transporter will convert the MDQ to a TMDQ using the methodology set out in Section 25 of the General Terms and Conditions of this tariff.
- 1.20 "Mcf" shall mean 1,000 cubic feet of Gas and shall be measured as set forth in Article VII hereof.
- 1.21 "Month" shall mean the period beginning at 9:00 a.m. CCT on the first day of the calendar month and ending at 9:00 a.m. CCT on the first day of the succeeding calendar month.
- 1.22 "NAESB" or "NAESB WGQ" shall mean the North American Energy Standards Board ("NAESB"), successor to the Gas Institute Standards Board or GISB. Transporter shall update its tariff, as necessary, to incorporate new or amended NAESB standards approved by the Commission.
- 1.23 "Psia" shall mean pounds per square inch absolute.
- 1.24 "Psig" shall mean pounds per square inch gauge.
- 1.25 "Quantity" shall mean the number of units of gas, either specified in Mcf or Dth.

Effective Date: 05/01/2002 Status: Effective
FERC Docket: RP01-190-002

First Revised Sheet No. 506 First Revised Sheet No. 506 : Effective
Superseding: Original Sheet No. 506

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE I - DEFINITIONS (Continued)

- 1.26 "Reservation Rate" shall mean a unit rate per Dth of DMDQ as provided in Exhibit C to the Transportation Service Agreement.
- 1.27 "Therm" shall mean 100,000 Btu. The terms "Dekatherm" and "MMBtu" shall each mean 10 therms (1,000,000 Btu).
- 1.28 "Thermally Equivalent" shall mean an equal number of Btu's. The determination of Thermally Equivalent Quantities shall be accomplished by multiplying the unit of measurement, as provided in Section 7.2.5 of Article VII, by the Total Heating Value adjusted to the standard conditions of the measured volumes.
- 1.29 "Total Heating Value" shall mean the number of Btu's liberated by the complete combustion of one Cubic Foot of Gas. The average Total Heating Value in any Month shall be the volume weighted average of the Total Heating Values for each Day during such Month, adjusted to reflect the actual water vapor content of the Gas delivered.
- 1.30 "Transportation" shall mean the receipt of Gas of Shipper at input points on Transporter's transmission system (referred to as "Receipt Point(s)"), and the delivery of Thermally Equivalent Quantities by Transporter to Shipper or for Shipper's account at delivery points on Transporter's transmission system (referred to as "Delivery Point(s)").
- 1.31 Transportation Maximum Daily Quantity or TMDQ: the Quantity reflected in a Shipper's Transportation Service Agreement, (exclusive of fuel used and lost and unaccounted-for gas), expressed in Dekatherms, that Transporter is obligated to receive for Transportation from Shipper on any Day at the Receipt Points, and transport and deliver on any Day to the Delivery Points specified in Shipper's Transportation Service Agreement. For agreements executed on an Mcf basis, Transporter will convert the MDQ to a TMDQ using the methodology set out in Section 25 of the General Terms and Conditions of this tariff.
- 1.32 "Transportation Rate" shall mean a unit rate per Dth of Gas transported by Transporter each month as provided in Exhibit C to the Transportation Service Agreement.
- 1.33 "Volume" shall mean the number of units of gas, either specified in Mcf or Dth.

Effective Date: 09/01/2002 Status: Effective

FERC Docket: RP02-392-000

Second Revised Sheet No. 507 Second Revised Sheet No. 507 : Effective
Superseding: First Revised Sheet No. 507

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE II - GAS TO BE TRANSPORTED AND CHARACTER OF SERVICE

2.1 DMDQ and Associated TMDQ. Subject to the terms, conditions and limitations hereof, the DMDQ shall be as provided for in the Transportation Service Agreement between Transporter and Shipper, and the associated TMDQ will be calculated using the methodology set out in Section 25 of the General Terms and Conditions of this tariff.

2.2 Character of Service.

2.2.1 Firm Service. Service rendered under this Rate Schedule and the Transportation Service Agreement shall consist of:

- (a) The receipt by Transporter for the account of Shipper of Natural Gas up to Shipper's entitlement at the Receipt Point(s), plus the quantities for fuel use and lost and unaccounted for Gas that Shipper is obligated to provide under Article IV herein;
- (b) The Transportation of Natural Gas up to Shipper's TMDQ, on a firm basis, subject to Article XVI of this Rate Schedule, through Transporter's pipeline system for the account of Shipper; and
- (c) The delivery of Gas in Thermally Equivalent quantities after Transportation (less quantities of fuel use and lost and unaccounted for Gas furnished in-kind by Shipper pursuant to Article IV herein) by Transporter to Shipper or for the account of Shipper at the Delivery Point(s).

As used in this rate schedule, Transporter's pipeline system does not include the High Desert Lateral as described in Rate Schedule KRF-L1.

2.2.2 Authorized Overrun Service. In the event that Shipper requests Transportation of a quantity of Gas on any Day that is greater than the TMDQ, imbalance adjustments set out in Section 5.2.1, and make up quantities pursuant to Section 5.6, Transporter shall provide such Transportation as Authorized Overrun Service on an interruptible basis to the extent that the capacity is available, pursuant to Article XVI herein.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 508 Original Sheet No. 508 : Effective

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE III - EXPANSION OF TRANSPORTER'S SYSTEM AND RATE IMPACT

Third Party Expansion. Shipper shall bear no costs whatsoever, including fuel, related to the incremental expansion of the Kern River System, including compression facilities, for third parties unless such incremental expansion and the allocation of costs thereof results in a decrease in Shipper's rates set forth in Exhibit C to the Transportation Service Agreement.

Effective Date: 08/01/2004 Status: Effective

FERC Docket: RP04-339-000

Third Revised Sheet No. 509 Third Revised Sheet No. 509 : Effective
Superseding: Second Revised Sheet No. 509

RATE SCHEDULE CH-1

Kern River Firm Transportation Services (continued)

ARTICLE IV - TRANSPORTATION RATES AND CHARGES

- 4.1 Charges. Shipper shall pay Transporter each month for service rendered hereunder either (1) an amount equal to the sum of Sections 4.1.1, 4.1.2, 4.1.3 and 4.1.4 below, or (2) the amount specified in Article 4.1.8.
- 4.1.1 Reservation Charge. An amount obtained by multiplying (i) the Shipper's DMDQ as stated in Section 2.1 herein by (ii) the applicable Daily Reservation/Demand Rate shown on Sheet No. 5, and multiplying the result by (iii) the number of days in the Month.
- 4.1.2 Transportation Charge. An amount obtained by multiplying (i) the Quantity of Gas in Dth received by Transporter from Shipper for Transportation during the month, exclusive of Quantities for fuel use and lost and unaccounted for Gas as provided in Section 4.2 herein, by (ii) the Transportation Rate stated on Sheet No. 5.
- 4.1.3 ACA Surcharge. An amount obtained by multiplying (i) the Quantity of Gas received by Transporter from Shipper for Transportation during the month, exclusive of Quantities for fuel use and lost and unaccounted for Gas, by (ii) the FERC Annual Charge Adjustment ("ACA") Surcharge as set forth on Sheet No. 5.

Effective Date: 02/01/2006 Status: Effective

FERC Docket: RP06-160-000

Fifth Revised Sheet No. 510 Fifth Revised Sheet No. 510 : Effective
Superseding: Fourth Revised Sheet No. 510

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE IV - TRANSPORTATION RATES AND CHARGES (Continued)

4.1 Charges. (Continued)

- 4.1.4 Authorized Overrun Charge. An amount computed by multiplying (i) the Quantity of Gas received by Transporter from Shipper for Transportation during the month which constitutes Authorized Overrun Service under Section 2.2.2 herein by (ii) the rate stated on Sheet No. 5.
- 4.1.5 The minimum monthly bill shall be the Reservation Charge for each month, unless Transporter and Shipper mutually agree otherwise.
- 4.1.6 Discounted Recourse Rates.
 - (a) Transporter reserves the right to discount at any time the Recourse Rates for any individual Shipper under any service agreement without discounting any other Recourse Rates for that or any other Shipper; provided, however, that such discounted Recourse Rates will not be less than any applicable Minimum Rates set forth on Sheet Number 5 of Transporter's effective tariff, or any superseding tariff. Such discounted Recourse Rates may apply to specific Quantities of Gas (such as Quantities above or below a certain level or all Quantities if Quantities exceed a certain level), Quantities of Gas transported during specific time periods, and Quantities of Gas transported from specific receipt points and/or to specific delivery points, or within other defined geographical areas. If Transporter discounts any Recourse Rates to any Shipper, Transporter will file with the FERC any required reports reflecting such adjusted rates.

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP04- 4-000

Third Revised Sheet No. 511 Third Revised Sheet No. 511 : Effective
Superseding: Second Revised Sheet No. 511

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE IV - TRANSPORTATION RATES AND CHARGES (Continued)

4.1 Charges. (Continued)

4.1.7 Adjustment to the Reservation Charge. If on any Day Transporter for any reason, including but not limited to force majeure as described in Article XI, is unable to deliver to Shipper a Quantity of Gas Thermally Equivalent to 100% of the Quantity of Natural Gas tendered by Shipper for Transportation on such Day up to Shipper's TMDQ as set forth in Article II, then the Reservation Charge otherwise payable by Shipper during the Month in which Transporter is unable to deliver shall be reduced in the following manner:

- (a) For Days 1 through 30 there shall be no adjustment to the Reservation Charge.
- (b) For Days 31 through 60 the Reservation Rate shall be reduced by an amount equal to the portion of the Reservation Rate which is attributable to Transporter's recovery of all taxes other than income taxes, depreciation associated with equity, operating and maintenance expenses and administrative and general expenses. Notwithstanding the foregoing, such reduction shall not reduce the Reservation Rate to an amount less than a unit rate which

Effective Date: 08/01/2004 Status: Effective
FERC Docket: RP04-339-000

Second Revised Sheet No. 512 Second Revised Sheet No. 512 : Effective
Superseding: First Revised Sheet No. 512

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE IV - TRANSPORTATION RATES AND CHARGES (Continued)

4.1 Charges. (Continued)

will be adequate to recover the sum of Transporter's actual principal and interest on debt. The unit amount of the reduction of the Reservation Rate shall be calculated by summing the components of such credit and dividing the total by 30.416 and rounding to the nearest one-hundredth cent (\$.0001).

To obtain the adjustment to the Reservation Charge, the resulting unit amount shall be multiplied by each Dth of Gas less than 100% of the amount tendered that Day by Shipper (up to Shipper's TMDQ) which Transporter failed to deliver. Such adjustment to the Reservation Charge shall continue until the day that the Transporter is able again to deliver a Thermally equivalent Quantity equal to Shipper's TMDQ. However, in no event will Transporter be obligated to adjust Reservation Charges below the total Reservation Charges payable by Shipper during the month.

- (c) After the 60th Day the portion of the Reservation Charge attributable to continued non-performance for each such day shall equal zero.

Nothing in this Section 4.1.7 shall relieve Transporter or Shipper from its obligations due and owing under the Transportation Service Agreement before the onset of the inability to make deliveries. Further, no adjustment to the Reservation Charge shall be made for any interruption or curtailment of service at any Secondary Receipt Point or Secondary Delivery Point.

- 4.1.8 Negotiated Rates. Notwithstanding the foregoing provisions of this Article 4, Transporter and Shipper may mutually agree to Negotiated Rates for service hereunder as provided in Section 23 of the General Terms and Conditions. ACA surcharges pursuant to Article 4.1.3 of this rate schedule and fuel reimbursement pursuant to Section 12 of the General Terms and Conditions will be applied to Shippers paying Negotiated Rates in the same manner as they are applied to Shippers paying Recourse Rates.

Effective Date: 01/01/2004 Status: Effective

FERC Docket: RP04- 68-000

First Revised Sheet No. 513 First Revised Sheet No. 513 : Effective
Superseding: Original Sheet No. 513

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE IV - TRANSPORTATION RATES AND CHARGES (Continued)

4.2 Fuel Use, Lost and Unaccounted for Gas.

- 4.2.1 Fuel Calculation. The charges in Sections 4.1.1, 4.1.2 and 4.1.4 of this Rate Schedule are exclusive of fuel use requirements and lost and unaccounted for Gas, which shall be furnished in kind by Shipper each Day, pursuant to Section 12 of the General Terms and Conditions of this tariff. Transporter shall make every reasonable effort to conserve and keep to a minimum the quantity of Natural Gas used for compressor station fuel. In the event the quantity of Natural Gas allocated under this Section 4.2.1 to Shipper exceeds one percent (1%) on a volumetric basis of the Natural Gas tendered by Shipper to Transporter in any Month, Transporter agrees on request of Shipper to explain the fuel use allocation and negotiate in good faith any objection or complaint Shipper may have with respect to the fuel use allocation.
- 4.2.2 Loss Limitations. The total quantity of Gas in Dekatherms for lost and unaccounted for Gas shall not exceed one percent (1%) of the quantity of Gas in Dekatherms tendered by Shipper to Transporter. Such percentage ceiling shall be subject to adjustment for subsequent expansions of the Kern River System after a showing by Transporter that an increase is justified and upon the agreement of Shipper which shall not be unreasonably withheld.

Effective Date: 05/01/2002 Status: Effective
FERC Docket: RP01-190-002

First Revised Sheet No. 514 First Revised Sheet No. 514 : Effective
Superseding: Original Sheet No. 514

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE V - OPERATING PROCEDURES

5.1 Scheduling and Dispatching.

5.1.1 Scheduling, nomination and dispatch of Shipper's gas Quantities for transportation hereunder shall be governed by Sections 10.1, 13.1 and 15.11(g) of the General Terms and Conditions of this Tariff.

5.1.2 Limitation Upon Transporter's Daily Transportation Obligation. Subject to the provisions of this Rate Schedule as to scheduling and balancing, Transporter shall not be obligated to deliver to Shipper on any Day a greater quantity of Gas, on a Thermally Equivalent basis, up to Shipper's TMDQ, than it has received from Shipper on such Day, reduced by any requisite fuel and loss reimbursement.

5.2 Balancing of Gas.

5.2.1 Daily Deliveries. Transporter and Shipper, subject to operating conditions affecting Shipper and Transporter and the available capacity of their respective facilities, shall endeavor to deliver and receive from each other on each Day, beginning with the Commencement Date, the Quantity of Gas received by Transporter from Shipper; provided, however, the Quantity delivered to Shipper shall be less any fuel use and lost and unaccounted for Gas as provided in Section 4.2. It is recognized that receipt by Transporter from Shipper and deliveries by Transporter to Shipper may vary above or below the quantities scheduled on any Day. Subject to available capacity in Transporter's system, Transporter and Shipper shall eliminate all imbalances at least once every 60 Days by adjusting delivery and receipt quantities (imbalance adjustments) unless otherwise mutually agreed. Upon notice to Shipper, Transporter shall have the right to take actions of whatever nature may be required, including reduction of service to Shipper to correct imbalances which threaten the operation or integrity of its system, including maintenance of service to other shippers.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 515 Original Sheet No. 515 : Effective

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE V - OPERATING PROCEDURES (Continued)

5.2 Balancing of Gas. (Continued)

5.2.2 At End of Agreement. Transporter and Shipper agree to correct any cumulative imbalances in receipts and deliveries as soon as practicable. In the event that at the end of the term of the Transportation Service Agreement there are cumulative imbalances in receipts and deliveries, Transporter and Shipper shall correct such cumulative imbalances as soon as practicable after the end of the term of the Transportation Service Agreement. All calculations of balances and imbalances and corrections under this Section shall be made on a Thermally Equivalent basis.

5.2.3 Uniform Deliveries. Transporter and Shipper undertake to maintain receipt and deliveries on a uniform daily basis to the maximum extent practicable, subject to the provisions of this Rate Schedule as to scheduling and balancing.

5.2.4 Imbalances With Other Parties. Shipper shall be responsible for imbalances in volumes that accrue between Shipper and any other party, including without limitation any volume imbalances that accrue between Gas producers or pipelines and Shipper upstream of the receipt of Gas at Receipt Point(s) and downstream of the delivery of Gas at Delivery Point(s). As to Shipper's imbalances with Transporter and Transporter's imbalances with other shippers accruing after receipt of Gas by Transporter from Shipper at Receipt Point(s) and prior to and upon delivery of Gas by Transporter to Shipper at Delivery Point(s), Transporter shall take actions of whatever nature may be required including reduction of service to other shippers to correct such imbalances hereunder.

5.3 Records of Scheduled Quantities. Transporter shall keep accurate records of the quantities of Gas scheduled for Transportation and any imbalances, which records shall be made available to Shipper at its request. If Shipper's Gas is commingled with other Gas at the Receipt Point(s) or at the Delivery Point(s), the scheduling arrangements and Transporter's records shall include procedures for the allocation of the total quantity at such points.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 516 First Revised Sheet No. 516 : Effective
Superseding: Original Sheet No. 516

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE V - OPERATING PROCEDURES (Continued)

- 5.4 Arrangements Prior to Receipt and After Delivery. It shall be Shipper's obligation to make any necessary arrangements with other parties for delivery of Gas into Transporter's system at the Receipt Point(s) and for receipt of Gas after Transportation at the Delivery Point(s). Shipper shall be obligated in such arrangements to require dispatching and operating coordination with Transporter and access to appropriate charts and records. Such arrangements shall be satisfactory to Transporter.
- 5.5 Operating Information and Estimates. Upon request of Transporter, Shipper shall from time to time submit its best estimates of the daily, monthly and annual Quantities of Gas to be transported hereunder, including peak Day requirements, together with such other operating data as Transporter may require in order to schedule its operations. Any such best estimates provided under this Section 5.5 shall not supplant the scheduling and dispatching of Quantities as provided in Section 5.1.
- 5.6 Make-Up Rights. If for whatever reason, Shipper is unable to utilize its TMDQ on any Day then Shipper shall have the right to make up its unutilized TMDQ for up to two years after such Day under the following conditions ("Make-up Service"):
- (a) Shipper shall tender Quantities of gas equal to its TMDQ on any Day it desires to use Make-up Service prior to tendering Gas under this Section.
 - (b) Gas Quantities tendered for make-up due to curtailment pursuant to Section 6.5(b) for excessive total sulfur or mercaptan sulfur shall have a priority of service equal to Interruptible Service being provided at the maximum applicable rate with the earliest Priority of Service Date. All other of Shipper's Gas under this Section shall have a priority of service following and subordinate to any applicable priority of service provided for in Section 16.1 herein, then in use.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 517 First Revised Sheet No. 517 : Effective
Superseding: Original Sheet No. 517

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE V - OPERATING PROCEDURES (Continued)

5.6 Make-Up Rights. (Continued)

- (c) Should any other shipper have similar make-up rights then Transporter shall honor these rights along with Shipper's rights on a pro rata basis such that Transporter shall receive from each shipper Quantities, inclusive of fuel use and lost and unaccounted-for Gas, that bear the same ratio to the total capacity available for make-up rights as that shipper's TMDQ bears to the aggregate TMDQ of all shippers requesting make-up rights on that Day.
- (d) If Shipper's inability to utilize its TMDQ is the result of an event attributable to Transporter's inability to deliver Gas to Shipper or failure to meet delivery specifications under Section 6.6 herein, and Shipper received a reduction to its Reservation Rate, then the charge for this make-up service shall equal the reduction to Reservation Rate received by Shipper and the Transportation Rate set forth in Exhibit C to the Transportation Service Agreement. If Shipper received no reduction to the Reservation Rate, the charge for this service shall be the Transportation Rate set forth in Exhibit C to the Transportation Service Agreement.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 518 Original Sheet No. 518 : Effective

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VI - QUALITY

6.1 Gas Quality at Delivery Point(s). The Gas delivered by Transporter for Shipper at the Delivery Point(s):

- (a) shall be merchantable Natural Gas commercially free from objectionable odors, solid matter, dust, gums, and gum forming constituents, or any other substance which interferes with its intended purpose, or causes interference with the proper and safe operation of the lines, meters, regulators, or other appliances through which it may flow;
- (b) shall contain not more than seven (7) pounds/MMcf of water;
- (c) shall contain no hydrocarbons in liquid form at the temperature and pressure at which the Gas is delivered at the Delivery Point;
- (d) shall not exceed a hydrocarbon dewpoint in excess of fifteen degrees (15) Fahrenheit at pressures up to 800 psig;
- (e) shall contain not more than 0.2% by volume of oxygen;
- (f) shall contain not more than 3.0% by volume of carbon dioxide or nitrogen;
- (g) shall contain not more than a combined total of 4.0% by volume of inerts, including carbon dioxide, nitrogen, oxygen and any other inert compound;
- (h) shall contain not more than 0.25 grain of hydrogen sulfide per 100 Cubic Feet of Gas (the gas shall not contain any entrained hydrogen sulfide treatment chemical (solvent) or its by-products);
- (i) shall contain not more than 0.3 grains of mercaptan sulfur per 100 Cubic Feet of Gas;
- (j) shall contain not more than 0.75 grains of total sulfur per 100 Cubic Feet of Gas;

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VI - QUALITY (Continued)

- 6.1 Gas Quality at Delivery Point(s). (Continued)
- (k) shall not contain any toxic or hazardous substance, in concentrations which, in the normal use of the Gas, results in an unacceptable risk to health, is injurious to pipeline facilities, is a limit to merchantability or contrary to applicable governmental standards;
 - (l) shall have a minimum total heating value of not less than nine hundred seventy (970) Btu's per Cubic Foot of Gas on a dry basis; and
 - (m) shall have a temperature of not less than forty degrees (40) Fahrenheit, and not more than one hundred twenty degrees (120) Fahrenheit.
- 6.2 Gas Quality at Receipt Point(s). Gas nominated or delivered by Shipper to Transporter at the Receipt Point(s) for Transportation shall comport with the requirements set forth in Section 6.1 herein, or be subject to rejection and non-acceptance by Transporter pursuant to Section 6.5, unless the non-conforming gas can be blended in accordance with Section 6.3.
- 6.3 Gas Blending Rights. Transporter shall monitor the characteristics of the Composite Gas Stream to determine its conformance with the Gas quality specifications set forth in Section 6.1. Notwithstanding Section 6.2, if the Composite Gas Stream contains less than ninety-five (95)% of the maximum allowable concentration of hydrogen sulfide (6.1(h)), mercaptan sulfur (6.1(i)), total sulfur (6.1(j)), nitrogen or carbon dioxide (6.1(f)), or total inerts (6.1(g)), then Transporter shall allow reduced restrictions on said Gas components as described below and Shipper may tender, at any Receipt Point, Gas which contains not more than:

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 520 Original Sheet No. 520 : Effective

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VI - QUALITY (Continued)

6.3 Gas Blending Rights. (Continued)

- (a) One (1) grain of hydrogen sulfide per 100 Cubic Feet of Gas, subject to the condition that the volume weighted average hydrogen sulfide content of the Composite Gas Stream does not exceed 0.25 grain per 100 Cubic Feet of Gas; and
- (b) Ten (10) grains of total sulfur per 100 Cubic Feet of Gas, provided that the volume weighted average total sulfur content of the Composite Gas Stream does not exceed 0.75 grain per 100 Cubic Feet of Gas; and
- (c) Five (5) grains of mercaptan sulfur per 100 Cubic Feet of Gas, subject to the condition that the volume weighted average mercaptan sulfur content of the Composite Gas Stream does not exceed 0.30 grain per 100 Cubic Feet of Gas; and
- (d) Four percent (4%) by volume of carbon dioxide, subject to the condition that the volume weighted average carbon dioxide content of the Composite Gas Stream does not exceed three percent (3%), subject to Section 6.3(f) below; and
- (e) Six percent (6%) by volume of nitrogen, subject to the condition that the volume weighted average nitrogen content of the Composite Gas Stream shall not exceed three percent (3%), subject to Section 6.3(f) below; and
- (f) Six percent (6%) by volume of inerts, subject to the condition that the volume weighted average total inerts of the Composite Gas Stream shall not exceed four percent (4%).

6.4 Quality Tests.

- (a) Location of Tests. The quality of the Gas received and delivered by Transporter hereunder shall be determined by tests which Transporter shall cause to be made at Receipt Points and other locations along its system.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 521 Original Sheet No. 521 : Effective

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VI - QUALITY (Continued)

6.4 Quality Tests. (Continued)

- (b) Specification for Tests. Transporter shall determine the Total Heating Value of Gas and its component analysis at least once each Month in accordance with the Gas Measurement Committee Report No. 3 prepared by the Gas Measurement Committee of the American Gas Association, dated September 1985 or any subsequent revisions (AGA-3). Such determination shall be made using either an on-line chromatograph or by chromatographic analysis of a representative sample of Gas taken with a continuous flow proportional sampler. Chromatography shall be performed in accordance with Gas Processors Association (GPA) publications 2261-86 and 2286-86 or any subsequent revisions. The values of the physical constants for the Gas components shall be determined by the use of the physical constants listed in Table 5 of AGA-3. For components of the Gas not listed in said Table 5, GPA publication 2145-88 or any subsequent revision shall be used.
- (c) Non-Hydrocarbon Tests. Tests shall be made to determine the total sulfur, hydrogen sulfide, mercaptan, carbon dioxide, nitrogen and oxygen content of the Gas, and the hydrocarbon dew point and water vapor content of such Gas by approved standard methods in general use in the gas industry. Tests shall be made frequently enough to assure that the Gas continuously conforms to the quality requirements.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 522 Original Sheet No. 522 : Effective

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VI - QUALITY (Continued)

6.5 Failure to Conform.

- (a) If the Gas offered for Transportation by Shipper shall fail at any time to conform to any of the specifications set forth in Section 6.1 which are not subject to blending pursuant to Section 6.3, then Transporter shall have the right, upon written (including by telecopy) or oral notice (subsequently confirmed in writing) to Shipper, to immediately refuse to accept all or any portion of such Gas.
- (b) If the Gas offered for Transportation by Shipper shall fail at any time to conform to any of the specifications set forth in Section 6.1 which are subject to blending pursuant to Section 6.3, and the Composite Gas Stream is calculated to equal or exceed 95% of the allowable maximum for those specifications which are subject to blending, then Transporter shall have the right, exercisable by the giving of written (including by telecopy) or oral notice (subsequently confirmed in writing) to Shipper, to curtail receipt of Shipper's nonconforming Gas as provided below:
 - (i) When the calculated quality of the Composite Gas Stream approaches 90% of the allowable maximums for those Gas components whose specifications are subject to blending, then Transporter shall notify all shippers whose Gas does not conform with Section 6.1.
 - (ii) When the calculated quality of the Composite Gas Stream equals or exceeds 95% of the allowable maximums for those Gas components whose specifications are subject to blending, Transporter shall immediately notify all shippers whose Gas does not conform, that Transporter will commence curtailing receipt of their Gas in the following manner:

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 523 Original Sheet No. 523 : Effective

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VI - QUALITY (Continued)

6.5 Failure to Conform. (Continued)

- (1) Transporter shall determine which Gas nominations or receipts do not conform with Section 6.1. For each Shipper, whose Gas nominations or deliveries to Transporter do not conform with Section 6.1, Transporter shall identify the quantity of the Gas component that is in excess of the limits set forth in Section 6.1, compute a total thereof for all shippers, and calculate the percentage of said total for each Shipper.
- (2) The calculated percentage shall be used to determine the quantity of non-conforming component that each of the non-conforming shippers must eliminate from its Gas nominations and/or deliveries, in order to bring said Composite Gas Stream back to 93% of the quality specifications described in Section 6.1. The required reduction of the non-conforming component will be calculated on the assumption that Shipper will replace its nominations or deliveries of out of compliance Gas by the required reduction volume using gas containing none of the non-conforming component. The required reduction of the non-conforming component, as well as the newly calculated maximum allowable concentration of the non-conforming component in Shipper's Gas deliveries to Transporter, shall be communicated to each of the non-conforming shippers.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 524 Original Sheet No. 524 : Effective

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VI - QUALITY (Continued)

6.5 Failure to Conform. (Continued)

- (3) Shipper shall reduce the non-conforming component to the maximum allowable concentration in 6.5(b)(ii)(2) above by either replacing nominated or existing Gas deliveries to Transporter with Gas containing less of the non-conforming component, or by reducing nominations or deliveries of non-conforming Gas until, inclusive of the reductions of non-conforming components similarly required of any other non-conforming shippers, the composition of the Composite Gas Stream is again calculated to contain 93% or less of the maximum allowable quality specifications of Section 6.1.
 - (4) Should Shipper fail to take adequate corrective action to comply with its obligation in Section 6.5(b)(ii)(3) to reduce the nonconforming component, Transporter shall have the right to curtail receipts of non-conforming Gas from Shipper as determined in Section 6.5(b)(ii)(2) above.
 - (5) Transporter shall promptly notify all shippers who have suspended deliveries of Gas, replaced volumes of Gas, or had volumes of Gas curtailed pursuant to this Section 6.5(b), when the composition of the Composite Gas Stream is again calculated to contain 93% or less of the maximum allowable quality specifications of Section 6.1.
- (c) Continuation of Obligation to Pay. In the event Transporter refuses to accept Gas tendered by Shipper because such Gas does not conform to the specifications set forth herein, Shipper shall not be relieved of its obligation to pay any Reservation Charge provided for in Shipper's Transportation Service Agreement.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 525 Original Sheet No. 525 : Effective

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VI - QUALITY (Continued)

- 6.6 Processing Rights. All oil and liquid hydrocarbons separated from the Gas prior to receipt by Transporter shall remain the property of Shipper. In the event Shipper does not process or have processed Gas prior to receipt by Transporter, all liquids or liquefiable hydrocarbons recovered by Transporter, after receipt of Gas hereunder by Transporter and prior to delivery of Gas by Transporter to Shipper, shall be and remain the exclusive property of Transporter.

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Third Revised Sheet No. 526 Third Revised Sheet No. 526

Superseding: Second Revised Sheet No. 526

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VII - MEASUREMENT AND MEASURING EQUIPMENT

- 7.1 NAESB WGQ Flowing Gas Standards. NAESB WGQ Flowing Gas Related Definitions and Standards 2.2.1 through 2.2.5, 2.3.1 through 2.3.4, 2.3.6, 2.3.8, 2.3.10 through 2.3.13, 2.3.15, 2.3.16, 2.3.17, 2.3.19 through 2.3.23, 2.3.25, 2.3.27, 2.3.29 through 2.3.35, and 2.3.40 through 2.3.64 (Version 1.8, September 30, 2006) are incorporated by reference but exclude Standard 2.3.65, which relates to producer imbalance statements that are not applicable to Transporter's services.
- 7.2 Unit of Volume. The unit of Volume for the purpose of measurement will be one Cubic Foot of Gas. The readings and registrations of the measuring equipment hereinafter provided for and determinations of Total Heating Value will be computed in terms of such Volumes.
- 7.3 Factors Considered in Computation. To determine the Volume of Gas delivered, required factors such as pressure, temperature, specific gravity and deviations from Boyle's Law will be reflected in accordance with the American Gas Association Bulletin Number 3 and any modifications and amendments thereof, and applied in a practical manner.
- 7.4 Determination of Dekatherms Received or Delivered. The number of Dekatherms received or delivered during any Day at a Receipt or Delivery Point will be determined by multiplying the number of cubic feet of Natural Gas received or delivered on such Day at such point by the Total Heating Value for that Day and by dividing the total so obtained by 1,000,000.
- 7.5 Assumed Atmospheric Pressure. The absolute atmospheric pressure used for Volume calculations will be assumed to be a specific pressure determined by calculations based on the actual elevation above sea level at the site of the meter rounded off to the nearest one hundredth of a pound.
- 7.6 Installation and Operation. Transporter will install, maintain and operate at its own expense, at or near each Receipt or Delivery Point, a measuring station properly equipped with meters and other necessary measuring equipment and any related measurement and interconnection facilities; provided, however, that Transporter may require at its option that Shipper bear the expense of furnishing and installing such equipment in any instance in which Shipper requests a new or additional Receipt Point or Delivery Point for Shipper's convenience. Unless otherwise mutually agreed upon, such measuring equipment will be of a

First Revised Sheet No. 527 First Revised Sheet No. 527 : Effective
Superseding: Original Sheet No. 527

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VII - MEASUREMENT AND MEASURING EQUIPMENT (Continued)

7.6 Installation and Operation. (Continued)

type generally accepted in industry practice by which the Volume of Gas received from and delivered to Shipper will be measured. Where orifice meters are used, they will be installed and operated in accordance with ANSI/API 2530, September 1985, and any modifications and amendments thereof, and applied in a practical manner. Where positive displacement meters, turbine meters, ultrasonic meters, or other measuring devices are used, they will be installed and operated in accordance with then-current American Gas Association recommendations, where available. Btu measuring equipment will be installed by Transporter at a location or locations where the Total Heating Value of the Gas received and delivered by Transporter can be satisfactorily determined. Btu measurement may also be determined by Gas samples.

7.7 Check Measuring Equipment. Shipper may install, maintain and operate, at its own expense, such check measuring equipment as desired, provided that such equipment will not be installed on property containing Transporter's measuring equipment at or near the Receipt or Delivery Points. However, measurement of Gas for purposes of this tariff will be done by means of the measuring equipment installed pursuant to Paragraph 7.6, except in cases specifically provided to the contrary in this Section 7.

7.8 Notice of Equipment Tests. The party operating the measurement facilities will provide 10 days prior written notice to the other party of the time and location of all tests of Gas delivered hereunder or of any equipment used in measuring or determining the nature or quality of such Gas, in order that such other party may conveniently have its representative present. Upon request and thirty (30) days written notice, each party will submit to the other its records, together with calculations therefrom, for inspection and verification, subject to return within thirty (30) days after receipt.

7.9 Calibration and Test of Meters. The accuracy of Transporter's measuring equipment will be verified by Transporter at reasonable intervals and, if requested, in the presence of representatives of Shipper. In the event Shipper will notify Transporter that it desires a special test of any of Transporter's measuring equipment the parties will cooperate

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Second Revised Sheet No. 528 Second Revised Sheet No. 528

Superseding: First Revised Sheet No. 528

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VII - MEASUREMENT AND MEASURING EQUIPMENT

7.9 Calibration and Test of Meters. (Continued)

to secure a prompt verification of the accuracy of such equipment. Any Shipper requesting such a special test of Transporter's measuring equipment will bear Transporter's out-of-pocket costs of the test if the equipment is found to be accurate within one percent (1%).

7.10 Correction of Metering Errors. If, upon test, any measuring equipment, including Transporter's Btu measuring equipment, is found to be in error by not more than one percent, previous recordings of such equipment will be considered accurate in computing deliveries of Gas, but such equipment will be adjusted at once to record accurately.

If, upon test, any measuring equipment is found to be inaccurate by an amount exceeding one percent of the average rate of flow for the period since the last preceding test, such equipment will be adjusted at once to record accurately, and any previous recordings of such equipment will be corrected to zero error for any period which is known definitely; but in case the period is not known or agreed upon, such correction will be for a period extending over one-half of the time elapsed since the date of the last test.

7.11 Correction of Stated Metered Volumes. NAESB WGQ 2.3.14: "Measurement data corrections should be processed within 6 months of the production month with a 3 month rebuttal period. This standard will not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights will not otherwise be diminished by this standard."

7.12 Failure of Meters. In the event a meter is out of service or registering inaccurately, the Volume of Gas delivered will be determined:

- (a) By correcting the error if the percentage of error is ascertainable by calibration, tests or mathematical calculation; or, in the absence of (a), then
- (b) By estimating the Quantity of delivery by deliveries during the periods under similar conditions when the meter was registering accurately; or, in the absence of both (a) and (b), then

Effective Date: 03/01/2008 Status: Effective

FERC Docket: RP08-177-000

First Revised Sheet No. 529 First Revised Sheet No. 529 : Effective
Superseding: Original Sheet No. 529

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VII - MEASUREMENT AND MEASURING EQUIPMENT (Continued)

7.12 Failure of Meters. (Continued)

(c) By using the registration of any check meter or meters if installed and accurately registering.

7.13 Specific Gravity. The specific gravity of Gas flowing through the meters will be determined by means of a gas chromatograph located at Transporter's measuring station or at any other point on Transporter's system.

7.14 Flowing Temperature. The flowing temperature of the Gas being metered will be determined by means of a recording thermometer of a type acceptable to both parties, installed and maintained in accordance with the specifications set forth in the Gas Measurement Committee Report No. 3, prepared by the Gas Measurement Committee of the American Gas Association, dated September, 1985, or any subsequent revision.

Effective Date: 03/01/2008 Status: Effective

FERC Docket: RP08-177-000

First Revised Sheet No. 530 First Revised Sheet No. 530 : Effective
Superseding: Original Sheet No. 530

RESERVED FOR FUTURE USE

Effective Date: 05/01/2002 Status: Effective
FERC Docket: RP01-190-002

First Revised Sheet No. 531 First Revised Sheet No. 531 : Effective
Superseding: Original Sheet No. 531

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VIII - TERM OF AGREEMENT

- 8.1 Effective Date and Term. The term of service shall be as provided for in the Transportation Service Agreement between Transporter and Shipper.
- 8.2 Continuation of Term.
- (a) At the end of the initial term, Shipper shall have the election to extend the Agreement for a period up to and including 15 years; provided, however, if Shipper elects to extend the Agreement, the Transportation Rates and Charges during such extended period shall be subject to change at the request of Transporter. If Shipper elects to extend the Agreement, it shall give Transporter nine months' prior written notice of its election to extend and of the period of extension. Within 60 days after receipt of Shipper's notice, Transporter shall give Shipper written notice of its desire to establish new Transportation Rates and Charges for the extended period. If Transporter gives notice of its desire to establish such new rates, the Transportation Rates and Charges under the Agreement, as of the date of the beginning of the extended period of the Agreement, shall be the lowest rate at which Transporter has agreed to provide firm transportation service under a contract for such service which (1) was executed within 18 months prior to the date of Shipper's election to extend the Agreement and (2) provides for firm transportation of at least 50,000 Dth per Day of Gas for a term of at least five (5) years to a delivery point or points in the State of California. If at the time of Transporter's notice of its desire to establish new Transportation Rates and Charges for the extended period, Transporter has no contracts for firm transportation service which meet the criteria of the preceding sentence, then the Transportation Rates and Charges for the extended period shall be the applicable rates for firm transportation service stated in Transporter's FERC Gas Tariff, as changed from time to time

Effective Date: 02/25/2001 Status: Effective

FERC Docket: RP00-505-002

Sub First Revised Sheet No. 532 Sub First Revised Sheet No. 532 : Effective
Superseding: Original Sheet No. 532

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VIII - TERM OF AGREEMENT (Continued)

8.2 Continuation of Term. (Continued)

during the extended period, provided, however, that if Transporter's rates for transportation service are not at that time regulated by the FERC or any successor agency thereto, the provisions 8.2 (b) below shall apply.

- (b) If, at the time of Transporter's notice of its desire to establish new Transportation Rates and Charges for the extended period, Transporter's rates for transportation service are not regulated by the FERC or any successor agency thereto, then Shipper and Transporter shall, within 30 days of Shipper's receipt of such notice, commence negotiations to establish such new Transportation Rates and Charges. If Shipper and Transporter have not agreed on new Transportation Rates and Charges for the extended period within 120 days following Shipper's notice of its election to extend, then the determination of such Transportation Rates and Charges shall be submitted to arbitration. The arbitration shall be conducted by a panel of three disinterested and competent persons. Two of the arbitrators shall be mutually chosen by Shipper and Transporter and the two so chosen shall select the third arbitrator. The arbitrators' determination shall be conclusive and binding on both parties. The parties shall establish the arbitration panel and present their evidence to it in a sufficiently timely manner to permit the panel to make its determination no more than 30 days prior to the commencement of the extended period.
- (c) If a Shipper elects to extend the primary term of its service agreement for only a portion of its firm contract rights, Shipper's MDQ, aggregate Maximum Receipt Volume entitlements and aggregate Maximum Delivery Volume entitlements for the extended term must be retained by the same percentage.

Effective Date: 12/20/2002 Status: Effective

FERC Docket: RP03- 82-000

Second Revised Sheet No. 533 Second Revised Sheet No. 533 : Effective
Superseding: Sub First Revised Sheet No. 533

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VIII - TERM OF AGREEMENT (Continued)

8.3 Right of First Refusal.

- (a) At the end of the term determined in accordance with Sections 8.1 and 8.2 above, Shipper may exercise a right of first refusal to continue service, provided that Shipper is receiving service (1) at the maximum rate for a term of twelve consecutive months or longer (or for more than one year for service which is not available for twelve consecutive months); or (2) at any rate for a term of one year or longer when such service is provided under a service agreement executed prior to March 27, 2000.

To exercise such right of first refusal, Shipper must agree to match the rate or rates, up to the maximum rate or rates then applicable, and the agreement term which a competing prospective Shipper is willing to irrevocably agree to with Transporter, for all or any portion of the transportation rights then held by Shipper. If the highest bid submitted by a competing prospective Shipper is a Negotiated Rate that meets or exceeds the lowest rate Transporter is willing to accept for such service, the existing Shipper may retain its capacity by matching the bid on either a Negotiated Rate basis or a Recourse Rate basis as provided in Section 23.2(c) of the General Terms and Conditions; provided, however, that nothing herein shall obligate Transporter to render service to Shipper or to any competing prospective Shipper if such persons do not agree to pay Transporter's maximum rates then applicable. To exercise its rights of first refusal, Shipper must agree to all other terms and conditions of service to which the competing prospective Shipper is prepared to agree, or to such other terms and conditions as may be acceptable to Transporter.

Effective Date: 02/25/2001 Status: Effective

FERC Docket: RP00-505-002

Sub First Revised Sheet No. 534 Sub First Revised Sheet No. 534 : Effective
Superseding: Original Sheet No. 534

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VIII - TERM OF AGREEMENT (Continued)

- (b) If Shipper chooses to exercise the foregoing right of first refusal, Shipper shall give written notice to that effect to Transporter at least one hundred twenty (120) days prior to the termination date of its Transportation Service Agreement. Transporter shall post such notice on its EBB for a minimum period of sixty (60) days and shall receive any competing offers for such transportation service only during such period.
- (c) If Shipper chooses to exercise the foregoing right of first refusal, but wishes to retain only a portion of its capacity, Shipper's MDQ, aggregate Maximum Receipt Volume entitlements and aggregate Maximum Delivery Volume entitlements all must be retained by the same percentage.

8.4 Extension to Correct Imbalance. The term of the Transportation Service Agreement shall continue for a period of time reasonably sufficient to allow the parties to correct any cumulative imbalances in receipts and deliveries pursuant to Section 5.2.2 herein.

ARTICLE IX (RESERVED)

Effective Date: 08/01/2009 Status: Effective
FERC Docket: RP09-723-000

First Revised Sheet No. 535 First Revised Sheet No. 535
Superseding: Original Sheet No. 535

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE X - INVOICING AND PAYMENT

- 10.1 Invoicing. When information necessary for invoicing by Transporter is in the control of Shipper, Shipper shall furnish the actual information to Transporter on or before the fifth (5th) Business Day of the Month following the Billing Month. NAESB WGQ 2.3.7: "The cutoff for closing of measurement is 5 business days after business month." If such information is not available for Shipper to furnish to Transporter on or before such 5th business day then Transporter may furnish an estimated invoice to Shipper, subject to appropriate adjustments after Shipper has obtained such actual information and furnished same to Transporter. NAESB WGQ 3.3.14: "The imbalance statement should be rendered prior to or with the invoice, and the transportation invoice should be prepared on or before the 9th business day after the end of the production month. Rendered is defined as postmarked, time-stamped, and delivered to the designated site." Transporter shall accompany its invoice of monthly charges with a schedule showing volumes of Gas in Mcf's and heat content in Dekatherms received and delivered and summarizing the thermal balance including Thermally Equivalent volumes, fuel Gas, lost and unaccounted for Gas, Gas vented and any imbalance. Transporter may furnish an estimated invoice and make appropriate adjustments in the invoice rendered for the next succeeding Month.

All such monthly invoices by Transporter to Shipper shall fully explain and show by computations, the factors, amounts and other billing determinants used by Transporter to compute and determine each of the charges under this Rate Schedule and the Transportation Service Agreement, including any adjustments, credits, increases and reductions. Shipper and Transporter shall have the right to examine, at reasonable times, the books, records and charts of the other to the extent necessary to verify the accuracy of any invoice, charge or computation made under or pursuant to any of the provisions hereof.

Effective Date: 02/03/2002 Status: Effective

FERC Docket: RP02-137-000

First Revised Sheet No. 536 First Revised Sheet No. 536 : Effective
Superseding: Original Sheet No. 536

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE X - INVOICING AND PAYMENT (Continued)

- 10.2 Payment. On or before the twenty-fifth Day of each Month, or the previous Business Day in the event the twenty-fifth Day is a weekend or holiday, Shipper shall pay Transporter by wire transfer of federal funds, the amount of the invoice rendered by Transporter for the Billing Month in accordance with Section 10.1. Any payment shall be considered to have been made on the date such payment is transferred by Shipper to the address designated by Transporter. Shipper shall make payment each month of the amount as invoiced by Transporter for transportation service rendered pursuant hereto without any abatement or set off unless the parties agree otherwise; provided, however, such payment shall be without prejudice to Shipper's right to claim, demand, and recover from Transporter any billing adjustments and amounts paid by Shipper which it is mutually determined by the parties or determined by judgement or decree were not owed to Transporter together with interest as provided in Section 10.4.
- 10.3 Interest on Unpaid Amounts. Should Shipper fail to pay the amount of any bill rendered by Transporter when such amount is due, unless such failure to pay is the result of Transporter's error, interest shall accrue on the amount not paid at a rate of interest equal to the then effective rate computed in the manner set forth in Section 154.501(d) (1) of the FERC's regulations under the Natural Gas Act. If such regulations become inapplicable to such amounts, the rate shall be computed on the basis of the lesser of two percent (2%) above the prime rate from time to time charged by Chase Manhattan, N.A. (or the succeeding bank of Chase Manhattan, N.A.), or the maximum applicable nonusurious rate of interest in the state of Texas. Such interest shall accrue on unpaid amounts, including any unpaid interest compounded daily, beginning on the payment due date of Transporter's invoice to Shipper, and shall terminate when such an invoice is paid.

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

First Revised Sheet No. 537 First Revised Sheet No. 537

Superseding: Original Sheet No. 537

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE X - INVOICING AND PAYMENT (Continued)

- 10.4 Interest on Over Collections by Transporter. Should Transporter over collect by payment of any bill by Shipper, interest shall accrue on the amount of the over collection at a rate of interest equal to the then effective rate computed in the manner set forth in Section 154.501(d) (1) of the FERC's regulations under the Natural Gas Act. If such regulations become inapplicable to such amounts, the rate shall be computed on the basis of the lesser of two percent (2%) above the prime rate from time to time charged by Chase Manhattan, N.A. (or the succeeding bank of Chase Manhattan, N.A.), or the maximum applicable nonusurious rate of interest in the state of Texas. Such interest shall accrue on the amount of the over collection, plus any unpaid interest compounded daily, beginning on the date Transporter receives the over collected funds, and shall terminate on the date Transporter repays such funds to Shipper.
- 10.5 Remedies for Failure to Pay. If Shipper's failure to pay continues for 45 Days after payment is due, Transporter, in addition to any other remedy it may have, may suspend further delivery of Gas until such amount is paid unless Shipper in good faith disputes the amount owing and pays all amounts not subject to such good faith dispute.
- 10.6 Late Billing. If presentation of a bill by Transporter is delayed after the due date, then the time for payment shall be extended correspondingly unless Shipper is responsible for such delay.
- 10.7 Disputed Invoices. NAESB WGQ 3.3.19: "If invoice is in dispute, pay portion not in dispute and provide documentation identifying basis for the dispute."
- 10.8 Adjustment of Invoicing Error. If it shall be found by Transporter that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions hereof and Shipper shall have actually paid the invoice containing such overcharge or undercharge, then within 30 Days after the final determination thereof, Transporter shall refund the amount of any such overcharge or Shipper shall pay the amount of any such undercharge unless the amount is disputed by

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 538 Original Sheet No. 538 : Effective

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE X - INVOICING AND PAYMENT (Continued)

10.8 Adjustment of Invoicing Error. (Continued)

Shipper. In the event an error is discovered by Shipper in the amount invoiced for any invoice rendered by Transporter, such error shall be adjusted within 30 Days of the determination thereof; provided that notice of audit or error shall have been made within six (6) Months from the date of such invoice. In the event that any portion of the invoice is in dispute, payment of the disputed portion shall not be deemed a waiver of the right to contest such disputed portion in any forum having jurisdiction in the premises.

10.9 Financial Requirements. Upon request by Transporter, Shipper will render to Transporter complete audited financial statements of Shipper or, if applicable, Shipper's parent, as contained in Shipper's or Shipper's parent's latest Form 10-K and Annual Report, prepared in accordance with generally accepted accounting principles. If, at any time during the term of the Transportation Service Agreement, Shipper receives a written notice from Transporter that Transporter has reasonable grounds for insecurity as to Shipper's performance hereunder, describing such grounds in reasonable detail, Shipper shall, within ten Days after receipt of such notice, provide Transporter with adequate assurance of Shipper's performance hereunder, either by Shipper or by its parent. Transporter's receipt of a bona fide notice from one or more of Transporter's substantial lenders that any such lender considers the risk of Shipper's default hereunder to be unacceptably great shall be conclusively presumed to constitute reasonable grounds for Transporter's insecurity hereunder.

If Transporter reasonably deems Shipper's or Shipper's parent's assurance of performance to be inadequate under the circumstances, Transporter may request in writing to Shipper or Shipper's parent one or more forms of security or assurance of performance that Transporter will consider adequate. In such event, Shipper or Shipper's parent agrees to provide such security or assurance in a reasonable form specified by Transporter.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 539 Original Sheet No. 539 : Effective

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XI - FORCE MAJEURE

- 11.1 Force Majeure. If either party shall fail to perform any obligation imposed upon it by this Rate Schedule or the Transportation Service Agreement, and such failure shall be caused, or materially contributed to, by: any acts of God; strikes; lockouts; other industrial disturbances; act of public enemies; sabotage; wars; blockades; insurrections; riots; epidemics; landslides; mudslides; lightning; earthquakes; floods; hurricanes; storms; fires; washouts; arrests and restraints of rulers and people; civil disturbances; explosions; breakage of or accident to machinery or of lines of pipe; hydrate obstructions of lines of pipe; inability to obtain pipe, materials or equipment; the orders of any court or governmental authority; any act or omission whether of the kind herein enumerated or otherwise not within the control of the party invoking this section and which by the exercise of due diligence such party could not have prevented, or shall be occasioned by the necessity for making repairs to or reconditioning of machinery, equipment or pipelines, not resulting from the fault or negligence of such party; such failure shall be deemed not to be a breach of the obligation of such party; but such party shall use reasonable diligence to put itself in a position to carry out its obligations. Nothing contained herein shall be construed to require either party to settle a strike or lockout by acceding against its judgment to the demands of the opposing parties.

No such cause affecting the performance of either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any cause relieve either party from any obligation unless such party shall give notice thereof in writing to the other party with reasonable promptness; and like notice shall be given upon termination of such cause. Nothing in this Article XI shall relieve Shipper of payment of the Reservation Charge except as provided for in Section 4.1.7 this Rate Schedule.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 540 First Revised Sheet No. 540 : Effective
Superseding: Original Sheet No. 540

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XII - TITLE AND POSSESSION OF GAS

- 12.1 Possession of Gas and Responsibility. Title to the Gas delivered by Shipper to Transporter shall be retained by Shipper during Transportation hereunder. As between Transporter and Shipper, Shipper shall be deemed to be in control and possession of the Gas until it has been received by Transporter for Transportation at Receipt Point(s). Transporter shall thereupon be deemed to be in control and possession of the Gas until the Thermally Equivalent Quantities (less any requisite fuel and loss reimbursement) shall have been delivered to Shipper at the Delivery Point(s), after which Shipper shall be deemed to be in control and possession. Shipper shall have no responsibility with respect to any Gas after it has been received by Transporter at the Receipt Point(s) on account of anything which may be done, happen or arise with respect to said Gas, until the Thermally Equivalent Quantities (less any requisite fuel and loss reimbursement) are delivered to Shipper at the Delivery Point(s). Transporter shall have no responsibility with respect to said Gas prior to its receipt by Transporter at the Receipt Point(s), after its delivery to Shipper at the Delivery Point(s) or on account of anything which may be done, happen or arise with respect to said Gas prior to such receipt or after such delivery.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 541 Original Sheet No. 541 : Effective

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XIII - WARRANTY OF TITLE

13.1 Warranty of Title, Liens, Adverse Claims and Encumbrances.
Shipper warrants:

- (a) The title of all Gas delivered for Transportation hereunder;
- (b) The right to deliver the same for Transportation; and
- (c) That such Gas will be free from all liens and adverse claims.

Transporter warrants:

- (a) To preserve the title of Shipper to all of Shipper's Gas received by Transporter during Transportation and until delivered to Shipper;
- (b) To keep Shipper's Gas, while in Transporter's possession, free and clear of any claims, liens, encumbrances or taxes arising from or as a result of Transporter; and
- (c) To deliver such Gas to Shipper free and clear of any impairment of title of such claims, liens, encumbrances or taxes arising from or as a result of Transporter.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 542 Original Sheet No. 542 : Effective

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XIV - STATUTORY REGULATION

- 14.1 Rate Filings. Transporter's rates, charges, classification, and services as set forth in this Rate Schedule and the Transportation Service Agreement are subject to regulation by the FERC under the Natural Gas Act. Transporter shall have the right to file from time to time with the FERC under Section 4 of the Natural Gas Act and to place into effect changes in this Rate Schedule, the Transportation Service Agreement, or Transporter's tariff that Transporter may find necessary from time to time to assure Transporter just and reasonable conditions of service and rates as well as a rate of return sufficient, inter alia, to service the debt, attract capital, permit facilities expansion, and provide adequate Natural Gas Transportation service to all of Transporter's shippers. Shipper shall have the right to protest before the FERC any such changes in rates or conditions of service.
- 14.2 Conformance with Laws. Notwithstanding any other provisions hereof, this Rate Schedule and the Transportation Service Agreement and all rights and obligations arising under it are subject to all valid legislation, local, state and federal, and to all valid present and future orders, rules and regulations of duly constituted authorities, now or hereafter having jurisdiction.
- 14.3 Filing Requirement. Each party hereto shall proceed with diligence to file applications with the FERC and any other governmental authorities for any authorizations and/or permits necessary to carry out their respective obligations under this Rate Schedule and the Transportation Service Agreement.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 543 Original Sheet No. 543 : Effective

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XV - SERVICE CONDITIONS

- 15.1 Alterations and Repairs. When Transporter needs temporarily to curtail or interrupt service to Shipper hereunder in any portion of Transporter's pipeline system for the purpose of making necessary alterations or repairs therein, Transporter shall give Shipper as much notice as possible, but not less than 60 Days except in case of emergency. Transporter shall endeavor to arrange such curtailments or interruptions so as to inconvenience Shipper as little as possible and to continue same only for such time as is necessary.
- 15.2 Liability of Parties. Transporter shall assume responsibility and liability for the installation, maintenance and operation of its properties and equipment and shall indemnify and save harmless Shipper from all liability and expense on account of any and all losses, damages, claims, or actions, including injury to or death of persons, arising from any act or accident resulting from the installation, presence, maintenance and operation of the property and equipment of Transporter, unless the liability, loss or damage is caused by, or arises out of, the negligence or willful misconduct of Shipper.

Shipper shall assume responsibility and liability for the installation, maintenance and operation of its properties and equipment and shall indemnify and save harmless Transporter from all liability and expense on account of any and all losses, damages, claims or actions, including injury to or death of persons, arising from any act or accident resulting from the installation, presence, maintenance and operation of the property and equipment of Shipper unless the liability, loss or damage is caused by, or arises out of, the negligence or willful misconduct of Transporter.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 544 Original Sheet No. 544 : Effective

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XVI - PRIORITY OF SERVICE

16.1 Curtailment. If Transporter determines on any Day that for any reason whatsoever, including reasons of force majeure, the capacity of its system or any portion thereof is insufficient to satisfy the requirements for Transportation service as set forth in executed transportation agreements, Transporter shall curtail or interrupt receipts and deliveries. Such curtailment shall be limited to the portion of Transporter's system on which capacity is reduced and shall be in accordance with the priorities set forth in Section 13.3 of the General Terms and Conditions of this tariff.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Third Revised Sheet No. 545 Third Revised Sheet No. 545 : Effective
Superseding: Second Revised Sheet No. 545

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XVII - RECEIPT AND DELIVERY POINTS AND PRESSURES

17.1 Receipt Point(s).

- (a) The Primary Receipt Point(s) at which Transporter will receive Gas for Transportation are set forth in Exhibit "A" of the Transportation Service Agreement. Shipper may add Primary Receipt Points to its Transportation Service Agreement, or increase or decrease the amount of Shipper's Receipt Point Entitlement at any particular Primary Receipt Point, subject to the availability of capacity; provided, however, that in the event of any such addition or increase Shipper must concurrently relinquish an equivalent amount of its Receipt Point Entitlement at any one or more of the Primary Receipt Points contained in its Transportation Service Agreement. Exhibit "A" shall be amended as necessary to reflect any changes in Shipper's utilization of its Primary Receipt Point(s) which are mutually agreed to by the parties in writing.
- (b) Shipper may, subject to Section 16.1 of this Rate Schedule, nominate and schedule Gas for transportation from Secondary Receipt Points. The Secondary Receipt Points shall be all other points at which Transporter is authorized to receive Gas into Transporter's System and which are listed on the Operationally Available and Unsubscribed Capacity reports on Transporter's Designated Site. Capacity in excess of Shipper's Receipt Point Entitlement at a Primary Receipt Point shall be available to Shipper on a Secondary Receipt Point basis; provided, however, that any Quantities scheduled by Shipper for Transportation in excess of Shipper's Transportation Maximum Daily Quantity shall be considered Authorized Overrun Service.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

Second Revised Sheet No. 546 Second Revised Sheet No. 546 : Effective
Superseding: Sub First Revised Sheet No. 546

RATE SCHEDULE CH-1

Kern River Firm Transportation Services
(Continued)

ARTICLE XVII - RECEIPT AND DELIVERY POINTS AND PRESSURES (Continued)

17.1 Receipt Point(s). (Continued)

- (c) In the event Shipper temporarily releases any or all of its Transportation rights to a Replacement Shipper under Section 15 of the General Terms and Conditions of this Tariff, Shipper shall be required to relinquish, for the entire term of the relevant Release, some portion or all of its Receipt Point Entitlement at any one or more of its Primary Receipt Points in an aggregate amount no less than the amount of the DMDQ released. Following expiration of the term of any Release which is not a permanent Release, Shipper shall be entitled to utilize the Primary Receipt Points which the Replacement Shipper was entitled to utilize at the time of expiration of the Release Term, up to the amount of the respective Receipt Point Entitlement at each such point.
- (d) In the event Shipper permanently releases only a portion of its Transportation rights to a Replacement Shipper under Section 15 of the General Terms and Conditions of this tariff, Shipper's aggregate Receipt Point Entitlements must be released by the same percentage as Shipper's DMDQ and aggregate Delivery Point Entitlements are released.

17.2 Transporter's Receipt Pressure. Shipper shall deliver, or cause to be delivered, Gas to Transporter at the Receipt Point(s) at sufficient pressures to effect delivery thereof into Transporter's facilities against the pressures at such point(s) as exist from time to time, but Shipper shall not be obligated to deliver or cause to be delivered such Gas to Transporter in excess of the minimum receipt pressures as stated on Exhibit "A".

17.3 Delivery Point(s).

- (a) The Primary Delivery Point(s) at which Transporter will deliver Gas for Shipper's account are set forth in Exhibit "B" of the Transportation Service Agreement. Shipper may add Primary Delivery Points to its Transportation Service Agreement, or increase or decrease the amount of Shipper's Delivery Point

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Third Revised Sheet No. 547 Third Revised Sheet No. 547 : Effective
Superseding: Second Revised Sheet No. 547

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XVII - RECEIPT AND DELIVERY POINTS AND PRESSURES (Continued)

17.3 Delivery Point(s). (Continued)

Entitlement at any particular Primary Delivery Point, subject to the availability of capacity; provided, however, that in the event of any such addition or increase Shipper must concurrently relinquish an equivalent amount of its Delivery Point Entitlement at any one or more of the Primary Delivery Points contained in its Transportation Service Agreement. Exhibit "B" shall be amended as necessary to reflect any changes in Shippers utilization of its Primary Delivery Point(s) which is mutually agreed to by the parties in writing.

- (b) Shipper may, subject to Section 16.1 of this Rate Schedule, nominate and schedule Gas for transportation to Secondary Delivery Points. The Secondary Delivery Points for Gas transported by Transporter under this Rate Schedule shall be all other points at which Transporter is authorized to deliver Gas from Transporter's System and which are listed on the Operationally Available and Unsubscribed Capacity reports on Transporter's Designated Site. Capacity in excess of Shipper's Delivery Point Entitlement at a Primary Delivery Point shall be available to Shipper on a Secondary Delivery Point basis; provided, however, that any Quantities scheduled by Shipper for Transportation in excess of Shipper's Transportation Maximum Daily Quantity shall be considered Authorized Overrun Service.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

Second Revised Sheet No. 548 Second Revised Sheet No. 548 : Effective

Superseding: Sub First Revised Sheet No. 548

RATE SCHEDULE CH-1

Kern River Firm Transportation Services

(Continued)

ARTICLE XVII - RECEIPT AND DELIVERY POINTS AND PRESSURES (Continued)

17.3 Delivery Point(s). (Continued)

- (c) In the event Shipper temporarily relinquishes any or all of its Transportation rights to a Replacement Shipper pursuant to Section 15 of the General Terms and Conditions of this Tariff, Shipper shall be required to relinquish, for the entire term of the relevant Release, some portion or all of its Delivery Point Entitlement at any one or more of its Primary Delivery Points in an aggregate amount no less than the amount of the DMDQ released. Following expiration of the term of any Release which is not a permanent Release, Shipper shall be entitled to utilize the Primary Delivery Points which the Replacement Shipper was entitled to utilize at the time of expiration of the Release Term, up to the amount of the respective Delivery Point Entitlement at each such point.
- (d) In the event Shipper permanently releases only a portion of its Transportation rights to a Replacement Shipper under Section 15 of the General Terms and Conditions of this tariff, Shipper's aggregate Delivery Point Entitlements must be released by the same percentage as Shipper's DMDQ and aggregate Receipt Point Entitlements are released.

17.4 Transporter's Delivery Pressure. Gas shall be delivered by Transporter to Shipper (or for Shipper's account) at the Delivery Point(s) at such pressures as exist from time to time at the said point(s) of delivery, but not less than the minimum delivery pressures as stated on Exhibit "B".

17.5 Common Facilities: Receipt Points and Delivery Points shall include the points on or adjacent to the facilities owned by Transporter as a tenant-in-common with Mojave Pipeline Company, at which Transporter has the right, respectively, to receive or to deliver gas, to the extent of Transporter's rights to utilize such points.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 549 Original Sheet No. 549 : Effective

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XVIII - INSPECTION OF EQUIPMENT AND RECORDS

- 18.1 Inspection of Equipment and Data. Notwithstanding the provisions of Article VII, each party shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing or furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data, charts and other similar records in such party's possession, for a period of at least three years.
- 18.2 Verification of Computations. Each party shall have the right to examine at reasonable times the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, charge or computation made pursuant to this Rate Schedule or the Transportation Service Agreement.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 550 Original Sheet No. 550 : Effective

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XIX - MISCELLANEOUS

19.1 (reserved)

19.2 Successors and Assigns. The Transportation Service Agreement shall be binding upon and inure to the benefit of the parties thereto and their respective successors and assigns. No assignment or transfer by either party thereunder shall be made without written approval of the other party. Such approval shall not be unreasonably withheld. No such consent of Transporter or Shipper shall be required when an assignment by Shipper or Transporter is the result of, and part of, a corporate acquisition, merger or reorganization. Nothing contained in this Rate Schedule shall prevent either party from pledging, mortgaging or assigning its rights as security for its indebtedness and either party may assign to the pledgee or mortgagee (or to a trustee for the holder of such indebtedness) any money due or to become due under the Transportation Service Agreement. As between the parties thereto, such assignment shall become effective on the first Day of the Month following written notice that such assignment has been effectuated.

19.3 Gas Purchase and Sales. Transporter shall not engage in the purchase of Natural Gas for sale or resale.

19.4 Deregulation. In the event of deregulation of Transporter so that Transporter's facilities and rates and charges are no longer subject to regulation by the FERC or any other governmental authority as a result of legislation, rulemaking or any other action, the terms and provisions of this Rate Schedule and the Transportation Service Agreement in effect on the Day immediately preceding the effective date of such deregulation shall remain in force and effect until changed or otherwise modified by mutual agreement of Transporter and Shipper.

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP04- 4-000

Second Revised Sheet No. 551 Second Revised Sheet No. 551 : Effective
Superseding: First Revised Sheet No. 551

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XIX - MISCELLANEOUS (Continued)

- 19.5 Notices. All notices provided for herein shall be given in writing and addressed as follows:

If to Transporter:
Kern River Gas Transmission Company
2755 E. Cottonwood Parkway, Suite 300
P.O. Box 71400
Salt Lake City, UT 84171-0400

If to Shipper:

- 19.6 Amendment in Writing. The Transportation Service Agreement shall be amended only by an instrument in writing executed by both parties thereto.
- 19.7 Waiver of Defaults. No waiver by any party of any one or more defaults by the other in the performance of any provisions of this Rate Schedule or the Transportation Service Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.
- 19.8 Conflict of Interest. No director, employee or agent of either party to the Transportation Service Agreement shall give or receive any commission, fee, rebate, gift or entertainment of significant cost or value in connection with the Transportation Service Agreement. Any representative(s) authorized by either party may audit the applicable records of the other party solely for the purpose of determining whether there has been compliance with this paragraph.
- 19.9 Exhibits. The exhibits to the Transportation Service Agreement are incorporated by reference as if set forth in full therein.

Effective Date: 10/11/2002 Status: Effective

FERC Docket: RP02-542-000

First Revised Sheet No. 552 First Revised Sheet No. 552 : Effective
Superseding: Original Sheet No. 552

RATE SCHEDULE CH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XIX - MISCELLANEOUS (Continued)

- 19.10 Limitation of Liability. No liability for any act or omission of Transporter shall be incurred by, or asserted against any person or company which is a partner in Kern River Gas Transmission Company, or any owners, subsidiaries or affiliates of the partners. Any recourse for any liability of Transporter shall be against Transporter only.
- 19.11 Choice of Law. The Transportation Service Agreement shall be construed according to the laws of the State of Utah, except insofar as such laws may refer to the laws of another jurisdiction for resolution of any issue arising hereunder.
- 19.12 Headings. The headings of the Articles and Sections of this Rate Schedule and the Transportation Service Agreement are inserted for convenience of reference only and shall not affect the meaning or construction thereof.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Sheet Nos. 553-599 Sheet Nos. 553-599 : Effective

RESERVED FOR FUTURE USE

Effective Date: 04/20/2009 Status: Effective

FERC Docket: RP09-466-000

Second Revised Sheet No. 600 Second Revised Sheet No. 600

Superseding: First Revised Sheet No. 600

RATE SCHEDULE UP-1
Kern River Firm Transportation Services

AVAILABILITY

Pursuant to the Commission's order dated November 2, 1990, in Kern River Gas Transmission Company, Docket Nos. CP89-2047-000, et al., 53 F.E.R.C. (CCH) para. 61,172 (1990), this rate schedule posts in this FERC Gas Tariff the terms of the December 15, 1989 Firm Transportation Service Agreement between Transporter and Union Pacific Fuels, Inc. ("Rate Schedule UP-1"), as amended through November 1, 1991, and shall govern firm transportation service by Transporter to Union Pacific Fuels, Inc. within the contract term, Demand Maximum Daily Quantity and Receipt and Delivery Points established in such agreement.

This Rate Schedule is also available for firm transportation service to customers that request firm service on Kern River's 700 MMcf/d capacity interstate natural gas pipeline system after such system becomes operational. In order to qualify for service under this Rate Schedule, such shippers must submit to Kern River the same information as required by Section 3 of Kern River's KRF-1 Rate Schedule, and in accordance with the same procedures as those set forth therein. Such shippers must satisfy the same standards of creditworthiness as those set forth in Section 29 of the General Terms and Conditions of this tariff and must execute a firm transportation service agreement for service under this Rate Schedule.

APPLICABILITY AND CHARACTER OF SERVICE

See Section 2.2 of this Rate Schedule UP-1.

RATES

See Article III of this Rate Schedule UP-1.

MINIMUM BILL

Subject to the terms, conditions and limitations of this Rate Schedule and the Transportation Service Agreement between Transporter and Shipper, the minimum monthly bill shall be the Monthly Demand Charge Amount as defined herein, unless Transporter and Shipper mutually agree otherwise.

Effective Date: 12/19/2009 Status: Effective

FERC Docket: RP10-160-000

Eighth Revised Sheet No. 601 Eighth Revised Sheet No. 601

Superseding: Seventh Revised Sheet No. 601

RATE SCHEDULE UP-1
Kern River Firm Transportation Services

APPLICABLE GENERAL TERMS AND CONDITIONS

Notwithstanding anything to the contrary in this Rate Schedule UP-1, the following Sections of the General Terms and Conditions of this Tariff are applicable to service under this Rate Schedule UP-1:

Section Number	Section Title
1.1	Backhaul
1.8	Demand Maximum Daily Quantity
1.11	Elapsed-Prorated-Scheduled Quantity
1.12	Entitlements
1.22	Negotiated Rate
1.27	Recourse Rate
2.1	NAESB WGQ Flowing Gas Standards
5.1	NAESB WGQ Invoicing Standards
10.1	General Procedure
10.7	Shipper Imbalance Netting
10.8	Shipper Imbalance Trading
10.11	Penalty Revenue Crediting
11.4	Receipt and Delivery Point Entitlements
12	Reimbursement of Fuel Used and Lost and Unaccounted-for Gas
13.1	Nomination Process
13.2	Scheduling Process
13.3	Interruption/Curtailment Procedures
15	Capacity Release Program
16	Information and Communications Regarding Transportation Services
20	Facilities
21	NAESB WGQ Definitions, Standards and Models
22	Pooling
23	Negotiated Rates
25	Mcf to Dth Conversion Methodology
26	Segmentation

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 602 Original Sheet No. 602 : Effective

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

Article	INDEX	Sheet Number
I	Definitions	603
II	Gas to be Transported and Character of Service . . .	609
III	Transportation Rates and Charges	610
IV	Operating Procedures	616
V	Quality.	619
VI	Measurement of Gas	627
VII	Term of Agreement	632
VIII	Invoicing and Payment.	634
IX	Force Majeure	638
X	Title and Possession of Gas	640
XI	Warranty of Title	641
XII	Statutory Regulation	642
XIII	Service Conditions	643
XIV	Priority of Service	644
XV	Receipt and Delivery Points and Pressures	645
XVI	Inspection of Equipment and Records	648
XVII	Miscellaneous	649

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Second Revised Sheet No. 603 Second Revised Sheet No. 603
Superseding: First Revised Sheet No. 603

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE I - DEFINITIONS

- 1.1 "Annual Charge Adjustment" Surcharge means the surcharge assessed and required by the FERC on Transportation of Natural Gas under Section 3401 of the Omnibus Reconciliation Act of 1986, 42 U.S.C.A. Section 7178 (Supp. 1987), adjusted to Transporter's pressure base and heating value.
- 1.2 "Authorized Overrun Rate" shall mean a charge as provided for in Section 3.2.3 herein and shall be equal to Shipper's Authorized Overrun Rate as set forth from time to time on Exhibit "C" to the Transportation Service Agreement between Transporter and Shipper.
- 1.3 "Authorized Overrun Service" shall mean a service in addition to Firm Service, as set forth in Section 2.2.2 herein.
- 1.4 "Billing Month" shall mean that Month of service hereunder which immediately precedes the Month in which Transporter is obligated to render a bill for such service.
- 1.5 "Business Day": "Business Day is defined as Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico." NAESB WGQ 3.2.1.
- 1.6 "Btu": "Standardize the reporting basis for Btu as 14.73 psia and 60 degrees F (101.325 kPa and 15 degrees C, and dry). Standardize the reporting basis for gigacalorie as 1.035646 Kg/cm2 and 15.6 degrees C and dry. Standardize the reporting basis for gas volumes as cubic foot at standard conditions of 14.73 psia, 60 degrees, F and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry." NAESB WGQ 2.3.9
- 1.7 "Commencement Date" shall mean that date on which Transporter certifies in writing that it is capable of receiving into Transporter's System at the Receipt Point(s) and transporting to the Delivery Point(s) on an ongoing basis the full Quantity of Gas tendered daily by Shipper for transportation (within Shipper's TMDQ) on such Day. Transporter shall provide Shipper with at least 150 days advance written notice of the Commencement Date.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Third Revised Sheet No. 604 Third Revised Sheet No. 604 : Effective
Superseding: Second Revised Sheet No. 604

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE I - DEFINITIONS (Continued)

- 1.8 "Composite Gas Stream" shall mean the composite of all Gas receipts and/or nominations from all shippers for transportation by Kern River. Composite Gas Stream shall be the theoretical gas stream that will result from the combination of all gas receipts from all shippers as determined by a computer model that utilizes analytical and flow data generated at each of the Receipt Points. The computer model determines what the Composite Gas Stream composition will be on a feed forward basis.
- 1.9 "Contract Year" shall mean a period of 12 consecutive Months beginning with the Month next following the Commencement Date, and each successive 12 Month period thereafter.
- 1.10 "Cubic Foot of Gas" shall mean the volume of Gas which, at a temperature of 60 degrees Fahrenheit and at a pressure of 14.73 Psia, occupies one cubic foot of space.
- 1.11 "Day": "Standard time for the gas day should be 9 a.m. to 9 a.m. (central clock time)." NAESB WGQ 1.3.1.
- 1.12 "Dekatherm" shall mean 1,000,000 Btu.
- 1.13 "Delivery Point(s)" shall mean the point(s) on Transporter's System at which Transporter delivers Gas to Shipper or for Shipper's account. Delivery Points shall be either Primary Delivery Points, which shall be those set forth on Exhibit "B" to the Transportation Service Agreement, as amended from time to time, or Secondary Delivery Points, which shall be all other points at which Transporter is authorized to deliver Gas from Transporter's System, as listed on the Operationally Available and Unsubscribed Capacity reports on Transporter's Designated Site. Capacity in excess of Shipper's Delivery Point Entitlement at a Primary Delivery Point shall be available to Shipper on a Secondary Delivery Point basis; provided, however, that any quantities scheduled by Shipper for Transportation in excess of Shipper's TMDQ shall be considered Authorized Overrun Service.

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Third Revised Sheet No. 605 Third Revised Sheet No. 605

Superseding: Second Revised Sheet No. 605

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE I - DEFINITIONS (Continued)

- 1.14 "FERC" or "Commission" shall mean the Federal Energy Regulatory Commission or any federal commission, agency, or other governmental body or bodies succeeding to, lawfully exercising or superseding any powers which, as of the date hereof, are exercisable by the Federal Energy Regulatory Commission.
- 1.15 "Firm Service" shall mean a class of service that receives the highest priority on Transporter's system and that is not subject to interruption as permitted in Articles IX, XIII, and XIV herein.
- 1.16 "Gas" or "Natural Gas" shall mean any mixture of hydrocarbons or of hydrocarbons and non-combustible gases, in a gaseous state, consisting essentially of methane. Such Gas may be either in its natural state produced from wells, including casinghead and residue Gas, or after manufacture or other methods of producing synthetic Gas. For the purpose of determining whether Gas is in conformity with the terms of this Rate Schedule, Article V herein shall apply.
- 1.17 (Reserved)
- 1.18 (Reserved)
- 1.19 "Interconnect Operator" shall mean any person or entity responsible for the operation and/or maintenance of the facilities connected with Transporter's facilities.
- 1.20 "Interruptible Service" shall mean any service that is not Firm Service.

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Third Revised Sheet No. 606 Third Revised Sheet No. 606

Superseding: Second Revised Sheet No. 606

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE I - DEFINITIONS (Continued)

- 1.21 "Intra Day Nomination": "An intra-day nomination is a nomination submitted after the nomination deadline whose effective time is no earlier than the beginning of the gas day and runs through the end of that gas day." NAESB WGQ 1.2.4.
- 1.22 "Maximum Daily Quantity" (MDQ) For service agreements executed on an Mcf basis, MDQ shall mean the quantity, in Mcf per Day, which Shipper has contracted with Transporter for Firm Service and which Transporter is obligated to reserve for Firm Service. MDQ shall not include fuel and lost and unaccounted for Gas furnished in kind by Shipper pursuant to Section 3.3 herein. Transporter will convert the MDQ to a TMDQ using the methodology set out in Section 25 of the General Terms and Conditions of this tariff.
- 1.23 "Mcf" shall mean 1,000 cubic feet of Gas and shall be measured as set forth in Article VI herein.
- 1.24 "MBtu" shall mean 1,000,000 Btu.
- 1.25 "Month" shall mean the period beginning at 9:00 a.m. CCT on the first day of the calendar month and ending at 9:00 a.m. CCT on the first day of the succeeding calendar month.
- 1.26 "Monthly Commodity Charge Amount" shall mean the amount calculated as set out in Section 3.2.2 herein.
- 1.27 "Monthly Demand Charge Amount" shall mean the amount calculated as set out in Section 3.2.1 herein.
- 1.28 "NAESB" or "NAESB WGQ" shall mean the North American Energy Standards Board ("NAESB"), successor to the Gas Institute Standards Board or GISB. Transporter shall update its tariff, as necessary, to incorporate new or amended NAESB standards approved by the Commission.
- 1.29 "Psia" shall mean pounds per square inch absolute.
- 1.30 "Psig" shall mean pounds per square inch gauge.
- 1.31 "Quantity" shall mean the number of units of gas, either specified in Mcf or Dth.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Second Revised Sheet No. 607 Second Revised Sheet No. 607 : Effective
Superseding: First Revised Sheet No. 607

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE I - DEFINITIONS (Continued)

- 1.32 "Receipt Point(s)" shall mean the point(s) on Transporter's System at which Transporter receives Gas of Shipper. Receipt Points shall be either Primary Receipt Points, which shall be those set forth on Exhibit "B" to the Transportation Service Agreement, as amended from time to time, or Secondary Receipt Points, which shall be all other points at which Transporter is authorized to receive Gas into Transporter's System, as listed on the Operationally Available and Unsubscribed Capacity reports on Transporter's Designated Site. Capacity in excess of Shipper's Receipt Point Entitlement at a Primary Receipt Point shall be available to Shipper on a Secondary Receipt Point basis; provided, however, that any quantities scheduled by Shipper for Transportation in excess of Shipper's Transportation Maximum Daily Quantity shall be considered Authorized Overrun Service.
- 1.33 "Thermally Equivalent" shall mean an equal number of Btu's. The determination of Thermally Equivalent Quantities shall be accomplished by multiplying the unit of measurement, as provided in Section 6.2.5 herein, by the Total Heating Value adjusted to the standard conditions of the measured Quantities.
- 1.34 "Total Heating Value" shall mean the number of Btu's liberated by the complete combustion of one Cubic Foot of Gas at a constant pressure of 14.73 dry psia and temperature of 60 degrees Fahrenheit (101.325 kPa, 15 degrees C., and dry) with air at the same pressure and temperature and with water formed by combustion condensed to the liquid state. The average Total Heating Value in any Month shall be the volume weighted average of the Total Heating Values for each Day during such Month, adjusted to reflect the actual water vapor content of the Gas delivered or received.
- 1.35 "Transportation" shall mean the receipt of Gas of Shipper at Receipt Point(s), and the delivery of Thermally Equivalent Quantities by Transporter to Shipper or for Shipper's account (after making allowance for any requisite fuel and loss reimbursement) at Delivery Point(s).

Effective Date: 09/01/2002 Status: Effective

FERC Docket: RP02-392-000

Second Revised Sheet No. 608 Second Revised Sheet No. 608 : Effective
Superseding: First Revised Sheet No. 608

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE I - DEFINITIONS (Continued)

- 1.36 Transportation Maximum Daily Quantity or TMDQ: the Quantity reflected in a Shipper's Transportation Service Agreement, (exclusive of fuel used and lost and unaccounted-for gas), expressed in Dekatherms, that Transporter is obligated to receive for Transportation from Shipper on any Day at the Receipt Points, and transport and deliver on any Day to the Delivery Points specified in Shipper's Transportation Service Agreement. For agreements executed on an Mcf basis, Transporter will convert the MDQ to a TMDQ using the methodology set out in Section 25 of the General Terms and Conditions of this tariff.
- 1.37 "Transporter's System" shall mean that natural gas transmission system owned by Transporter, extending from a point of interconnection with the facilities of Northwest Pipeline Corporation (Northwest) in southwestern Wyoming to terminal points in Kern County, California, as more fully described in Transporter's application in FERC Docket No. CP89-2048 and as modified or expanded by Transporter from time to time. As used in this rate schedule, Transporter's pipeline system does not include the High Desert Lateral as described in Rate Schedule KRF-L1.
- 1.38 "Volume" shall mean the number of units of gas, either specified in Mcf or Dth.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 609 First Revised Sheet No. 609 : Effective
Superseding: Original Sheet No. 609

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE II - GAS TO BE TRANSPORTED AND CHARACTER OF SERVICE

- 2.1 DMDQ and Associated TMDQ. Subject to the terms, conditions and limitations hereof, the DMDQ shall be as provided for in the Transportation Service Agreement between Transporter and Shipper, and the associated TMDQ will be calculated using the methodology set out in Section 25 of the General Terms and Conditions of this tariff.
- 2.2 Character of Service.
- 2.2.1 Firm Transportation Service. Service rendered hereunder shall consist of:
- (a) The receipt on any Day by Transporter for the account of Shipper of Gas up to Shipper's entitlement at the Receipt Point(s) plus the quantities for fuel use and lost and unaccounted for Gas that Shipper is obligated to provide under Article III herein;
 - (b) The Transportation of Gas up to Shipper's TMDQ, on a Firm Service basis, through Transporter's System for the account of Shipper; and
 - (c) The delivery on such Day by Transporter of Gas in Thermally Equivalent quantities (less quantities of fuel use and lost and unaccounted for Gas furnished in-kind by Shipper pursuant to Section 3.3 herein) to Shipper or for the account of Shipper at the Delivery Point(s).
- 2.2.2 Authorized Overrun Service. In the event that Shipper requests Transportation of a quantity of Gas on any Day that is greater than its TMDQ and imbalance adjustments set out in Section 4.2.1 herein, Transporter shall provide such Transportation on an interruptible basis to the extent that capacity is available, pursuant to Article XIV herein.

Effective Date: 02/01/2006 Status: Effective

FERC Docket: RP06-160-000

Third Revised Sheet No. 610 Third Revised Sheet No. 610 : Effective
Superseding: Second Revised Sheet No. 610

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE III - TRANSPORTATION RATES AND CHARGES

- 3.1 Rate Definition. For the purposes of this Article III, the following terms shall have the following meanings:
- (a) The Transportation Rate means that rate levelized for fifteen years expressed on an Dth basis determined by dividing Transporter's cost of service for Transporter's System, which includes all fixed and variable costs as allowed by the FERC from time to time to determine the rates for jurisdictional service, by a throughput equal to 95% of the FERC-certificated daily design capacity of Transporter's System multiplied by 365. The cost of service levelization methodology is more particularly set forth in Transporter's application in FERC Docket No. CP89-2048.
 - (b) The Monthly Reservation Rate means that rate expressed as a monthly charge per Dth based on 95% of the FERC certificated daily design capacity of Transporter's System.
 - (c) The Commodity Rate means that rate expressed on a per Dth basis which equals the Transportation Rate minus the daily reservation rate.
- 3.2 Transportation Charges. For Transportation services provided by Transporter to Shipper pursuant to the Firm Transportation Service Agreement prior to the Commencement Date, Shipper shall pay Transporter the Authorized Overrun Rate for each Dth of Gas actually received by Transporter from Shipper, less fuel use and lost and unaccounted for Gas. For transportation services provided by Transporter to Shipper pursuant to the Firm Transportation Service Agreement each Month from and after the Commencement Date, Shipper shall pay Transporter either (1) an amount equal to the sum of the amounts described in Sections 3.2.1, 3.2.2, 3.2.3 and 3.2.4 below, or (2) the amount specified in Article 3.2.6.

Effective Date: 01/01/2004 Status: Effective

FERC Docket: RP04- 68-000

Second Revised Sheet No. 611 Second Revised Sheet No. 611 : Effective
Superseding: First Revised Sheet No. 611

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE III - TRANSPORTATION RATES AND CHARGES (Continued)

3.2 Transportation Charges. (Continued)

- 3.2.1 Monthly Demand Charge Amount. Subject to the provisions contained in Sections 9.1 and 13.1 below, an amount calculated by multiplying Shipper's DMDQ, by (i) the applicable Daily Reservation/Demand Rate shown on Sheet No. 5 and multiplying the result by (ii) the number of days in the Month.
- 3.2.2 Monthly Commodity Charge Amount. An amount calculated by multiplying the Commodity Rate shown on Sheet No. 5 by each Dth of Gas actually received by Transporter from Shipper each Day during the Billing Month for Firm Service pursuant to Section 2.2.1 herein less fuel use and lost and unaccounted for Gas.
- 3.2.3 Authorized Overrun Charge Amount. An amount calculated by multiplying the Authorized Overrun Rate shown on Sheet No. 5 by each Dth of Gas actually received by Transporter from Shipper each Day during the Billing Month in excess of Shipper's TMDQ and imbalance adjustments as set out in Section 4.2.1 herein, for Authorized Overrun Service pursuant to Section 2.2.2 herein, less fuel use and lost and unaccounted for Gas.

Effective Date: 08/01/2004 Status: Effective

FERC Docket: RP04-339-000

Third Revised Sheet No. 612 Third Revised Sheet No. 612 : Effective
Superseding: Second Revised Sheet No. 612

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE III - TRANSPORTATION RATES AND CHARGES (Continued)

3.2 Transportation Charges. (Continued)

3.2.4 FERC Annual Charge Adjustment Amount. An amount calculated by multiplying the FERC Annual Charge Adjustment Surcharge shown on Sheet No. 5 by each Dth of Gas actually received by Transporter from Shipper during the Billing Month, less fuel use and lost and unaccounted for Gas.

3.2.5 (Reserved)

3.2.6 Negotiated Rates. Notwithstanding the foregoing provisions of this Article 3, Transporter and Shipper may mutually agree to Negotiated Rates for service hereunder as provided in Section 23 of the General Terms and Conditions. The ACA surcharge pursuant to Article 3.2.4 of this rate schedule, as well as fuel reimbursement pursuant to Section 12 of the General Terms and Conditions will be applied to Shippers paying Negotiated Rates in the same manner as they are applied to Shippers paying Recourse Rates.

Effective Date: 02/01/2006 Status: Effective

FERC Docket: RP06-160-000

Second Revised Sheet No. 613 Second Revised Sheet No. 613 : Effective
Superseding: First Revised Sheet No. 613

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE III - TRANSPORTATION RATES AND CHARGES (Continued)

3.3 Fuel Use, Lost and Unaccounted for Gas.

3.3.1 Fuel Calculation. The Transportation rates set out in Exhibit "C" to the Transportation Service Agreement are exclusive of fuel use requirements and lost and unaccounted for Gas, which shall be furnished in kind by Shipper each Month, pursuant to Section 12 of the General Terms and Conditions of this tariff.

3.3.2 Fuel and Loss Limitations. Notwithstanding anything to the contrary herein, the total quantity of Gas in Dekatherms for fuel use and lost and unaccounted for Gas each Month shall not exceed two and one half percent (2.5%) of the quantity of Gas in Dekatherms tendered by Shipper to Transporter on a monthly basis. Such percentage ceiling shall be subject to adjustment upon mutual agreement by the parties to reflect subsequent expansion of Transporter's System.

3.4 Discounted Recourse Rates.

- (a) Transporter reserves the right to discount at any time the Recourse Rates for any individual Shipper under any service agreement without discounting any other Recourse Rates for that or any other Shipper; provided, however, that such discounted Recourse Rates will not be less than any applicable Minimum Rates set forth on Sheet No. 5 of Transporter's effective tariff, or any superseding tariff. Such discounted Recourse Rates may apply to specific volumes of Gas (such as volumes above or below a certain level or all volumes if volumes exceed a certain level), volumes of Gas transported during specific time periods, and volumes of Gas transported from specific receipt points and/or to specific delivery points, or within other defined geographical areas. If Transporter discounts any Recourse Rates to any Shipper, Transporter will file with the FERC any required reports reflecting such adjusted rates.

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP04- 4-000

Third Revised Sheet No. 614 Third Revised Sheet No. 614 : Effective
Superseding: Second Revised Sheet No. 614

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

- 3.5 Rate Filings. Transporter's rates, charges, classifications and services as set forth in the Transportation Service Agreement and this Rate Schedule are subject to regulation by the FERC under the Natural Gas Act. Transporter shall have the right to file from time to time with the FERC under Section 4 of the Natural Gas Act and to place into effect such changes in the Rate Schedule, Transportation Service Agreement, and other applicable terms of Transporter's Tariff as Transporter may find necessary from time to time to assure Transporter just and reasonable rates and charges and terms and conditions of service and Shipper shall have the right to oppose such changes. Shipper shall have the rights available to it under Section 5 of the Natural Gas Act to assure Shipper just and reasonable rates and charges and terms and conditions. Waivers of these statutory rights, if any, shall be as provided in the Transportation Service Agreement between Transporter and Shipper.
- 3.6 System Expansion.
- 3.6.1 DMDQ Reduction Rights. If the FERC-certificated daily design capacity of Transporter's System is less than 775 MMCFD, then within 30 days of written notice from Transporter of a decision by Transporter to expand the capacity of Transporter's System, Shipper shall have an option to reduce its DMDQ, effective on the

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 615 First Revised Sheet No. 615 : Effective
Superseding: Original Sheet No. 615

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE III - TRANSPORTATION RATES AND CHARGES (Continued)

3.6 System Expansion. (Continued)

in-service date of such expansions. Provided, however, that (i) Shipper may reduce its DMDQ only to the extent that Transporter has entered into a firm transportation agreement with another Shipper for the firm capacity which Shipper wishes to release, and (ii) that Shipper's rights under this Section 3.6 are not assignable pursuant to Section 15 of the General Terms and Conditions of Transporter's Tariff.

- 3.6.2 Effect on Transportation Rate. Shipper shall bear no costs, including fuel, related to an expansion of Transporter's System for third parties if such expansion and allocation of the costs thereof otherwise would result in an increase in Shipper's Transportation Rate as determined pursuant to Article III. Subject to FERC approval, costs incurred as a consequence of expansion or increased capacity of Transporter's System shall be rolled in rather than treated as incremental costs for purposes of rate determination if such rolled in treatment results in a lower overall transportation rate (inclusive of fuel) to Shipper.

Effective Date: 01/01/2003 Status: Effective

FERC Docket: RP00-337-003

Second Revised Sheet No. 616 Second Revised Sheet No. 616 : Effective
Superseding: First Revised Sheet No. 616

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE IV - OPERATING PROCEDURES

4.1 Scheduling and Dispatching.

4.1.1 Scheduling, nomination and dispatch of Shipper's gas Quantities for transportation hereunder shall be governed by Sections 10.1, 13.1, 13.2 and 15.11(g) of the General Terms and Conditions of this Tariff.

4.1.2 Limitation Upon Transporter's Daily Transportation Obligation. Subject to the provisions of this Rate Schedule as to scheduling and balancing, Transporter shall not be obligated to deliver to Shipper on any Day a greater quantity of Gas, on a Thermally Equivalent basis, up to Shipper's TMDQ, than it has received from Shipper on such Day, reduced by any requisite fuel and loss reimbursement.

4.2 Balancing of Gas.

4.2.1 Daily Deliveries.

- (a) Shipper and Transporter shall attempt to keep variances from scheduled receipts and deliveries to a minimum and shall attempt to balance any imbalances, including required fuel and lost and unaccounted for gas for the month, within 30 days.
- (b) In the event Shipper fails to correct any imbalance within 60 days Transporter may assess Shipper a penalty calculated as the product of: five dollars, times either (i) the quantity, in Dekatherms, by which Shipper's takes of Gas from Transporter's System exceed Shipper's deliveries of Gas to Transporter's System less fuel and lost and unaccounted-for Gas or (ii) the quantity, in Dekatherms, by which Shipper's deliveries of Gas to Transporter's System, less fuel and lost and unaccounted-for Gas, exceed Shipper's takes of Gas from Transporter's System. Transporter will waive imbalance penalties if, in its reasonable judgment, Shipper's actions have not jeopardized system integrity. Penalties or waivers of said penalties will be applied uniformly and in a non-discriminatory manner.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 617 Original Sheet No. 617 : Effective

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE IV - OPERATING PROCEDURES (Continued)

4.2 Balancing of Gas. (Continued)

- (c) Transporter shall have the right to take actions of whatever nature may be required (including suspension or reduction of service to Shipper) to correct any imbalances which threaten the operation or integrity of Transporter's System, including maintenance of service to other shippers.
- (d) Transporter shall not apply the provisions of this Section 4.2.1 to Shipper in a manner less favorable than Transporter applies same or similar provisions to other shippers.

4.2.2 At End of Agreement. Transporter and Shipper agree to correct any cumulative imbalances in receipts and deliveries as soon as practicable. In the event that at the end of the term of the Transportation Service Agreement there are cumulative imbalances in receipts and deliveries, Transporter and Shipper shall correct such cumulative imbalances as soon as practicable after the end of the term of the Transportation Service Agreement, as provided in Section 7.3. All calculations of balances and imbalances and corrections under this Section 4.2.2 shall be made on a Thermally Equivalent basis.

4.2.3 Uniform Deliveries. Transporter and Shipper shall undertake to maintain receipts and deliveries on a uniform daily basis to the maximum extent practicable, subject to the provisions of this Rate Schedule as to scheduling and balancing.

4.3 Records of Scheduled Quantities. Transporter shall keep accurate records of the quantities of Gas scheduled for Transportation and any imbalances, which records shall be made available to Shipper at its request. If Shipper's Gas is commingled with other Gas at the Receipt Point(s) or at the Delivery Point(s), the scheduling arrangements

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 618 Original Sheet No. 618 : Effective

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE IV - OPERATING PROCEDURES (Continued)

4.3 Records of Scheduled Quantities. (Continued)

and Transporter's records shall include procedures for the allocation of the total quantity at such points. Where an allocation of volumes of Gas is to be made among more than one Shipper at the same Receipt Point, all such shippers tendering Gas at such Receipt Point shall designate a single agent who shall be responsible for making daily nominations on behalf of such shippers and advising Transporter on the allocation of Gas volumes at such Receipt Point.

4.4 Arrangements Prior to Receipt and After Delivery. It shall be Shipper's obligation to make any necessary arrangements with other parties for delivery of Gas into Transporter's System at the Receipt Point(s) and for receipt of Gas after Transportation at the Delivery Point(s). Shipper shall be obligated in such arrangements to require dispatching and operating coordination with Transporter and access to appropriate charts and records.

4.5 Operating Information and Estimates. Upon reasonable request of Transporter, Shipper shall from time to time submit its best estimates of the daily, monthly and annual volumes of Gas to be transported hereunder, including peak Day requirements, together with such other operating data as Transporter may require in order to schedule its operations. Any such best estimates provided under this Section 4.5 shall not supplant the scheduling and dispatching of volumes as provided in Section 4.1 herein.

4.6 Imbalances With Other Parties. Transporter shall not be responsible for eliminating imbalances in volumes transported that accrue between Shipper and any other party, including without limitation any volume imbalances that accrue between producers or other pipelines and Shipper.

Furthermore, Transporter shall not be obligated to adjust or deviate from its standard operating and accounting procedures in order to alleviate any such imbalances.

FERC Docket: RP08-177-000

Superseding: Original Sheet No. 619

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE V - QUALITY

- 5.1 Transporter and Shipper are subject to Section 4, Quality, of the General Terms and Conditions in Transporter's FERC Gas Tariff, as revised from time to time.

Effective Date: 03/01/2008 Status: Effective

FERC Docket: RP08-177-000

First Revised Sheet No. 620 First Revised Sheet No. 620 : Effective
Superseding: Sheet Nos. 620-626

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

First Revised Sheet No. 620 supersedes the following sheets:

Original Sheet No. 620
Original Sheet No. 621
Original Sheet No. 622
Original Sheet No. 623
Original Sheet No. 624
Original Sheet No. 625
Second Revised Sheet No. 626

Sheet Nos. 620 through 626 are reserved for future use.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 621 Original Sheet No. 621 : Effective

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE V - QUALITY (Continued)

5.3 Gas Blending Rights. (Continued)

- (a) One (1) grain of hydrogen sulfide per 100 Cubic Feet of Gas, subject to the condition that the volume weighted average hydrogen sulfide content of the Composite Gas Stream does not exceed 0.25 grain per 100 Cubic Feet of Gas; and
- (b) Ten (10) grains of total sulfur per 100 Cubic Feet of Gas, provided that the volume weighted average total sulfur content of the Composite Gas Stream does not exceed 0.75 grain per 100 Cubic Feet of Gas; and
- (c) Five (5) grains of mercaptan sulfur per 100 Cubic Feet of Gas, subject to the condition that the volume weighted average mercaptan sulfur content of the Composite Gas Stream does not exceed 0.30 grain per 100 Cubic Feet of Gas; and
- (d) Four percent (4.0%) by volume of carbon dioxide, subject to the condition that the volume weighted average carbon dioxide content of the Composite Gas Stream does not exceed three percent (3.0%), subject to Section 5.3(f) below; and
- (e) Six percent (6.0%) by volume of nitrogen subject to the condition that the volume weighted average nitrogen content of the Composite Gas Stream shall not exceed three percent (3.0%), subject to Section 5.3(f) below; and
- (f) Six percent (6.0%) by volume of inerts, subject to the condition that the volume weighted average total inerts of the Composite Gas Stream shall not exceed four percent (4.0%).

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 622 Original Sheet No. 622 : Effective

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE V - QUALITY (Continued)

5.4 Quality Tests.

- (a) Location of Tests. The quality of the Gas received and delivered by Transporter hereunder shall be determined by tests which Transporter shall cause to be made at each Receipt Point and other locations along its system.
- (b) Specification for Tests. Transporter shall determine the Total Heating Value of Gas and its component analysis at least once each Month in accordance with the Gas Measurement Committee Report No. 3 prepared by the Gas Measurement Committee of the American Gas Association, dated September 1985 or any subsequent revisions (AGA-3). Such determination shall be made using either an on-line chromatograph or by chromatographic analysis of a representative sample of Gas taken with a continuous flow proportional sampler. Chromatography shall be performed in accordance with Gas Processors Association (GPA) publications 2261-86 and 2286-86 or any subsequent revisions. The values of the physical constants for the Gas components shall be determined by the use of the physical constants listed in Table 5 of AGA-3. For components of the Gas not listed in said Table 5, GPA publication 2145-88 or any subsequent revision shall be used.
- (c) Non-Hydrocarbon Tests. Tests shall be made to determine the total sulfur, hydrogen sulfide, mercaptans, carbon dioxide, nitrogen and oxygen content of the Gas, and the hydrocarbon dew point and water vapor content of such Gas by approved standard methods in general use in the gas industry. Tests shall be made frequently enough to assure that the Gas continuously conforms to the quality requirements.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 623 Original Sheet No. 623 : Effective

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE V - QUALITY (Continued)

5.5 Failure to Conform.

- (a) If the Gas offered for Transportation by Shipper shall fail at any time to conform to any of the specifications set forth in Section 5.2, then Transporter shall have the right, upon written (including by telecopy) or oral notice to Shipper to be followed by written notice, to immediately refuse to accept all or any portion of such Gas.
- (b) Notwithstanding the foregoing, however, in the event the provisions of Section 5.3 are in effect, the following procedures shall apply:
 - (i) When the calculated quality of the Composite Gas Stream approaches 90% of the allowable maximums for those Gas components whose specifications are subject to blending, then Transporter shall notify all shippers whose Gas does not conform with Section 5.1.
 - (ii) When the calculated quality of the Composite Gas Stream equals or exceeds 95% of the allowable maximums for those Gas components whose specifications are subject to blending, Transporter shall immediately notify all shippers whose Gas does not conform, that Transporter will commence curtailing receipt of their Gas in the following manner:
 - (1) Transporter shall determine which Gas nominations or receipts do not conform with Section 5.1. For each Shipper, whose Gas nominations or deliveries to Transporter do not conform with Section 5.1, Transporter shall identify the quantity of the Gas component that is in excess of the limits set forth in Section 5.1, compute a total thereof for all such shippers, and calculate the percentage of said total for each such Shipper.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 624 Original Sheet No. 624 : Effective

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE V - QUALITY (Continued)

5.5 Failure to Conform. (Continued)

- (2) The calculated percentage shall be used to determine the quantity of non-conforming component that each of the non-conforming shippers must eliminate from its Gas nominations and/or receipts, in order to bring said Composite Gas Stream back to within 93% of the quality specification described in Section 5.1. The required reduction of the non-conforming component, as well as the newly calculated maximum allowable concentration of the non-conforming component in Shipper's Gas deliveries to Transporter, shall be communicated to each of the non-conforming shippers.
- (3) Shipper shall reduce the non-conforming component to the maximum allowable concentration in 5.5(b)(ii)(2) above by either replacing nominated or existing Gas deliveries to Transporter with Gas containing less of the non-conforming component or by reducing nominations or deliveries of non-conforming Gas until, inclusive of the reductions of non-conforming components similarly required of any other non-conforming shippers, the Composite Gas Stream is again calculated not to exceed 3% of the requirements of Section 5.1 herein.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 625 Original Sheet No. 625 : Effective

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE V - QUALITY (Continued)

5.5 Failure to Conform. (Continued)

- (4) Should Shipper fail to take adequate corrective action to comply with Transporter's requirements, Transporter shall have the right to curtail receipts from Shipper as described in Section 5.5(a) above and it shall be relieved of its obligations hereunder to the extent of rightful suspension for the duration of such time as the Gas does not meet such specifications, provided, however, that Transporter shall not apply the provisions of this Section 5.5 to Shipper in a manner less favorable than Transporter applies the same or similar provisions to other shippers, and provided further that Transporter shall not apply the provisions of this Section 5.5 to Shipper so long as the aggregate of all Gas tendered to Transporter by Shipper at all Receipt Points complies with the quality specifications of Section 5.2 herein.
- (c) Continuation of Obligation to Pay. In the event Transporter refuses to accept Gas tendered by Shipper because such Gas does not conform to the specifications set forth herein, Shipper shall within a reasonable time make a diligent effort to correct such failure by treatment or dehydration consistent with prudent operations and by means which are economically feasible in Shipper's opinion so as to deliver Gas conforming to the above specifications. Shipper shall not be relieved of its obligation to pay any Monthly Demand Charge provided for in Shipper's Transportation Service Agreement during the time such Gas does not conform to the specifications set forth herein.

Effective Date: 01/01/2004 Status: Effective

FERC Docket: RP04- 68-000

Second Revised Sheet No. 626 Second Revised Sheet No. 626 : Effective
Superseding: First Revised Sheet No. 626

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE V - QUALITY (Continued)

5.5 Failure to Conform. (Continued)

- (d) Transporter shall deliver to Shipper Gas which conforms to the quality specifications of Section 5.1 herein. If Transporter fails to deliver Gas which conforms to such quality specifications, then the Monthly Demand Charge Amount for the Month in which such failure occurs shall be reduced by an amount calculated by multiplying each Dth of non-conforming Gas tendered but not delivered by Transporter to Shipper by the Daily Reservation/Demand Rate, provided however, that if during the Month of Transporter's non-conforming deliveries, Transporter receives from Shipper Gas which does not conform to the quality specifications of this Article V, all non-conforming volumes received by Transporter from Shipper during such Month shall be subtracted from the volumes of non-conforming deliveries by Transporter to Shipper before the amount of the reduction to the Monthly Demand Charge Amount is calculated.

Effective Date: 03/01/2008 Status: Effective

FERC Docket: RP08-177-000

Second Revised Sheet No. 627 Second Revised Sheet No. 627 : Effective
Superseding: First Revised Sheet No. 627

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VI - MEASUREMENT OF GAS

- 6.1 Transporter and Shipper are subject to Section 2, Measurement, and Section 3, Measuring Equipment, of the General Terms and Conditions in Transporter's FERC Gas Tariff, as revised from time to time.

Effective Date: 03/01/2008 Status: Effective

FERC Docket: RP08-177-000

First Revised Sheet No. 628 First Revised Sheet No. 628 : Effective
Superseding: Sheet Nos. 628-631

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

First Revised Sheet No. 628 supersedes the following sheets:

Original Sheet No. 628
Original Sheet No. 629
Original Sheet No. 630
Original Sheet No. 631

Sheet Nos. 628 through 631 are reserved for future use.

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VI - MEASUREMENT OF GAS (Continued)

6.1 Measuring Equipment. (Continued)

- (b) If such check measuring equipment is not registering accurately but the percentage of error is ascertainable by a calibration test, by using the data recorded, corrected to zero error; or
- (c) If neither of the methods provided in (a) nor (b) above can be used, by estimating the quantity delivered by reference to deliveries under similar conditions during a period when the equipment was registering accurately. No correction shall be made in the recorded volumes of Gas delivered hereunder for inaccuracies in measuring equipment of one percent (1%) or less.

6.1.5 New Measurement Techniques. If, at any time during the term of the Transportation Service Agreement a new method or technique is developed with respect to Gas measurement, such new method or technique may be substituted for the Gas measurement set forth in this Article VI upon mutual agreement thereto by the parties in writing.

6.1.6 Correction of stated metered volumes. GISB 2.3.14: "Measurement data corrections should be processed within 6 months of the production month with a 3 month rebuttal period. This standard will not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard."

6.2 Measurement Procedures.

6.2.1 Metering. The Gas shall be metered by either orifice or turbine type meters, at the discretion of Transporter. When orifice meters are used, they shall be installed and maintained, and volumes shall be measured in accordance with the methods prescribed in ANSI/API 2530, dated September 1985 or any subsequent revision thereof acceptable to Transporter and

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 630 Original Sheet No. 630 : Effective

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VI - MEASUREMENT OF GAS (Continued)

6.2 Measurement Procedures. (Continued)

Shipper. When used, orifice meters shall be operated at a nominal Beta ratio of approximately 0.5, but in no event shall the Beta ratio be less than 0.4 nor greater than 0.6. Transporter shall provide and use multiple meters when the operational range of Gas flow rates would necessitate Beta ratios outside of such limits. When turbine meters are used, they shall be installed and operated in accordance with American Gas Association Transmission Measurement Committee Report No. 7.

All meters shall be equipped with electronic flow computers, and all orifice meter tubes shall be equipped with straightening vanes. Transporter shall make available, at no expense to Shipper, access to electronic signals from all electronic measuring and metering devices installed on Transporter's system but shall not be required to install, maintain or pay for any additional facilities. If facilities are required in order to access electronic signals, they shall be installed at Shipper's expense.

6.2.2 Deviation from Ideal Gas Laws. Correction shall be made for deviation of the Gas from Boyle's Law at the pressure and temperature at which the Gas is metered. Deviation of Gas from Boyle's Law shall be computed in accordance with the American Gas Association Bulletin Number 8 and any modifications and amendments thereto applied in a practical manner.

6.2.3 Specific Gravity. The specific gravity of Gas flowing through the meters shall be determined by means of a recording gravitometer or gas chromatograph located at the delivering party's measuring station or at any other point on said party's system where there will be no commingling thereafter of Gas with that delivered to the receiving party, and the arithmetic average specific gravity each Day at such point shall be used in computing deliveries of Gas during such Day at such point.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 631 Original Sheet No. 631 : Effective

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VI - MEASUREMENT OF GAS (Continued)

6.2 Measurement Procedures. (Continued)

- 6.2.4 Flowing Temperature. The flowing temperature of the Gas being metered shall be determined by means of a recording thermometer installed and maintained in accordance with the specifications set forth in the Gas Measurement, Report No. 3, prepared by the Gas Measurement Committee of the American Gas Association, dated September, 1985, or any subsequent revisions thereof. The arithmetical average temperature for the time that Gas is flowing shall be deemed the Gas temperature and used in computing the volumes of Gas metered during such Day at such points.
- 6.2.5 Measurement. The unit of measurement for Gas received or delivered hereunder shall be an Mcf of Gas at a base temperature of 60 degrees Fahrenheit and at a base pressure of 14.73 Psia.

Effective Date: 12/20/2002 Status: Effective

FERC Docket: RP03- 82-000

Third Revised Sheet No. 632 Third Revised Sheet No. 632 : Effective
Superseding: Second Revised Sheet No. 632

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VII - TERM OF AGREEMENT

- 7.1 Effective Date and Term. The term of service shall be as provided for in the Transportation Service Agreement between Transporter and Shipper.
- 7.2 Continuation of Term. Shipper shall have the continuing option to extend the term of the Transportation Service Agreement at the same or a lower DMDQ for one or more additional one-year periods by providing at least twelve months written notice prior to the commencement of each such additional period. Such notice(s) shall include any DMDQ reduction. Provided, however, that no such extended term shall be effective unless Transporter and Shipper mutually agree, at least six months prior to the commencement of each such extended term, on the rates or rate mechanism to be in effect during such extended term. Transporter and Shipper shall make every reasonable effort to reach agreement on such rates. Notwithstanding the foregoing, if Shipper agrees to pay Transporter's then-existing maximum FERC authorized rate for firm transportation service, then such extended term shall be effective in accordance with Shipper's notice.

If Shipper elects to extend the primary term of its service agreement for only a portion of its firm contract rights, Shipper's DMDQ, aggregate Receipt Point Entitlements and aggregate Delivery Point Entitlements for the extended term must be retained by the same percentage.

7.3 Right of First Refusal.

- (a) At the end of the term determined in accordance with Sections 7.1 and 7.2 above, Shipper may exercise a right of first refusal to continue service, provided that Shipper is receiving service (1) at the maximum rate for a term of twelve consecutive months or longer (or for more than one year for service which is not available for twelve consecutive months); or (2) at any rate for a term of one year or longer when such service is provided under a service agreement executed prior to March 27, 2000.

To exercise such right of first refusal, Shipper must agree to match the rate or rates, up to the maximum rate or rates then applicable, and the agreement term which a competing prospective shipper is willing to irrevocably agree to with Transporter, for all or any portion of

Effective Date: 07/01/2009 Status: Effective

FERC Docket: RP09-616-000

Third Revised Sheet No. 633 Third Revised Sheet No. 633

Superseding: Second Revised Sheet No. 633

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VII - TERM OF AGREEMENT (Continued)

7.3 Right of First Refusal. (Continued)

the transportation rights then held by Shipper. If the highest bid submitted by a competing prospective Shipper is a Negotiated Rate that meets or exceeds the lowest rate Transporter is willing to accept for such service, the existing Shipper may retain its capacity by matching the bid on either a Negotiated Rate basis or a Recourse Rate basis as provided in Section 23.2(c) of the General Terms and Conditions; provided, however, that nothing herein shall obligate Transporter to render service to Shipper or to any competing prospective Shipper if such persons do not agree to pay Transporter's maximum rates then applicable. To exercise its rights of first refusal, Shipper must agree to all other terms and conditions of service to which the competing prospective shipper is prepared to agree, or to such other terms and conditions as may be acceptable to Transporter.

- (b) If Shipper chooses to exercise the foregoing right of first refusal, Shipper shall give written notice to that effect to Transporter at least one hundred twenty (120) days prior to the termination date of its Transportation Service Agreement. Transporter shall post such notice on its EBB for a minimum period of sixty (60) days and shall receive any competing offers for such transportation service only during such period.
- (c) If Shipper chooses to exercise the foregoing right of first refusal, but wishes to retain only a portion of its capacity, Shipper's MDQ, aggregate Maximum Receipt Volume entitlements and aggregate Maximum Delivery Volume entitlements all must be retained by the same percentage.

7.4 Extension to Correct Imbalance. The term of the Transportation Service Agreement shall continue for a period of time reasonably sufficient to allow the parties to correct any cumulative imbalances in receipts and deliveries pursuant to Section 4.2.2 herein. Provided however, that Shipper shall not be subject to a Daily Reservation/Demand Rate during such period of time.

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

First Revised Sheet No. 634 First Revised Sheet No. 634

Superseding: Original Sheet No. 634

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VIII - INVOICING AND PAYMENT

8.1 Invoicing. When information necessary for invoicing by Transporter is in the control of Shipper, Shipper shall furnish such information to Transporter on or before the fifth (5th) Business Day of the Month following the Invoicing Month. NAESB WGQ 2.3.7: "The cutoff for closing of measurement is 5 business days after business month." If information necessary for invoicing is not available in time for Transporter to render a timely statement, Transporter may use reasonable estimates and subsequently reconcile such estimates with actual information. NAESB WGQ 3.3.14: "The imbalance statement should be rendered prior to or with the invoice, and the transportation invoice should be prepared on or before the 9th business day after the end of the production month. Rendered is defined as post-marked, time-stamped, and delivered to the designated site." Shipper and Transporter shall have the right to examine at reasonable times books, records and charts of the other to the extent necessary to verify the accuracy of any statement, charge or computation made under or pursuant to any of the provisions hereof.

- (a) Disputed invoices: NAESB WGQ 3.3.19: "If invoice is in dispute, pay portion not in dispute and provide documentation identifying basis for the dispute."

8.2 Payment. On or before the later of the twenty-fifth Day of each Month or 10 days after receipt of a statement by Shipper (Due Date), or the previous Business Day in the event the Due Date is a weekend or holiday, Shipper shall pay Transporter by wire transfer of immediately available funds to a depository designated by Transporter, the amount due for the Billing Month. Subject to the provisions of Section 9.1.2 and 13.1 hereof, Shipper shall make payment of that portion of the statement identified as the Monthly Demand Charge in full, irrespective of any dispute as to the invoiced amount of said Monthly Demand Charge, and Shipper shall not be entitled to any abatement or setoff against said amount, including, but not limited to, those alleged to be due by reason of any past, present or future claims or other rights of Shipper against Transporter or any other person or entity whether in connection herewith or any unrelated transaction. Nothing contained herein shall prejudice or limit Shipper's ability to withhold amounts disputed in good

Effective Date: 02/03/2002 Status: Effective
FERC Docket: RP02-137-000

First Revised Sheet No. 635 First Revised Sheet No. 635 : Effective
Superseding: Original Sheet No. 635

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VIII - INVOICING AND PAYMENT (Continued)

8.2 Payment. (Continued)

faith, including any amount attributable to the Monthly Demand Charge, so long as such amounts are withheld only from the Monthly Commodity Charge or other charges other than the Monthly Demand Charges invoiced or claimed by Transporter. Except as otherwise specifically provided, nothing herein shall prejudice or limit Shipper's right to dispute the propriety or amount of any statement or portion thereof received from Transporter.

8.3 Interest on Unpaid Amounts. Should Shipper fail to pay the amount of any invoice rendered by Transporter when such amount is due, unless such failure to pay is the result of Transporter's error, interest shall accrue on the amount not paid at a rate of interest equal to the then effective rate computed in the manner set forth in Section 154.501(d) (1) of the FERC's regulations under the Natural Gas Act. If such rate becomes unavailable, the rate shall be computed on the basis of the lesser of two percent (2%) above the prime rate from time to time charged by Chase Manhattan N.A. (or the succeeding bank of Chase Manhattan, N.A.), or the maximum applicable nonusurious rate of interest in the state of Texas. Such interest shall accrue on unpaid amounts, including any unpaid interest compounded daily, beginning on the Due Date of Transporter's invoice to Shipper, and shall terminate when such an invoice is paid.

8.4 Interest on Overcollections by Transporter. Should Transporter overcollect by payment of any bill by Shipper, interest shall accrue on the amount of the overcollection at a rate of interest equal to the then effective rate computed in the manner set forth in Section 154.501(d) (1) of the FERC's regulations under the Natural Gas Act. If such rate becomes unavailable, the rate shall be computed on the basis of the lesser of two percent (2%) above the prime rate from time to time charged by Chase Manhattan, N.A. (or the succeeding bank of Chase

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 636 Original Sheet No. 636 : Effective

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VIII - INVOICING AND PAYMENT (Continued)

8.4 Interest on Overcollections by Transporter. (Continued)

Manhattan, N.A.), or the maximum applicable nonusurious rate of interest in the state of Texas. Such interest shall accrue on the amount of the overcollection, plus any unpaid interest compounded daily, beginning on the date Transporter receives the overcollected funds, and shall terminate on the date Transporter repays such funds to Shipper.

8.5 Remedies for Failure to Pay. If Shipper's failure to pay continues for 45 Days after payment is due, Transporter, in addition to any other remedy it may have, may suspend further Transportation of Gas until such amount is paid unless Shipper in good faith disputes the amount owing and pays all amounts not subject to such good faith dispute.

8.6 Late Billing. If presentation of a bill by Transporter is delayed after the due date, then the time for payment shall be extended correspondingly unless Shipper is responsible for such delay.

8.7 Adjustment of Invoicing Errors. In the event an error is discovered in any invoice rendered by Transporter, Shipper must contest such amount in writing within six (6) months from the date that the invoice was rendered, otherwise the invoice will be deemed correct. Transporter will correct any invoicing errors (after a rebuttal period of not more than three months) within thirty (30) days of the date that Shipper and Transporter agree that an invoicing error occurred.

8.8 Financial Requirements. Upon a reasonable request by Transporter, Shipper will render to Transporter complete audited financial statements of Shipper or Shipper's parent (including Shipper's ultimate parent) as contained in the respective Form 10-K's and Annual Reports of such companies. Upon request by Transporter, Shipper shall cause its parent to provide a guaranty of Shipper's financial performance hereunder.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 637 Original Sheet No. 637 : Effective

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VIII - INVOICING AND PAYMENT (Continued)

8.8 Financial Requirements. (Continued)

If, at any time during the term hereof, Shipper receives a written notice from Transporter that Transporter has reasonable grounds for insecurity as to Shipper's performance hereunder, describing such grounds in reasonable detail, Shipper shall, within ten Days after receipt of such notice, provide Transporter with adequate assurance of Shipper's performance hereunder. If Transporter reasonably deems Shipper's assurance of performance to be inadequate under the circumstances, Transporter may request in writing to Shipper one or more forms of security or assurance of performance that Transporter will consider adequate. In such event, Shipper agrees to provide such security or assurance in a reasonable form specified by Transporter.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 638 Original Sheet No. 638 : Effective

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE IX - FORCE MAJEURE

9.1 Force Majeure.

9.1.1 Force Majeure Provisions. Except as hereinafter provided, if either party shall fail to perform any obligation imposed upon it by the Transportation Service Agreement, and such failure shall be caused by: any acts of God; strikes; lockouts; other industrial disturbances; act of public enemies; sabotage; breakage of equipment; wars; blockades; insurrections; riots; epidemics; landslides; mudslides; lightning; earthquakes; extreme cold or freezing weather; floods; hurricanes; storms; fires; washouts; arrests and restraints of rulers and people; civil disturbances; explosions; breakage or freezing of or accident to machinery or of lines of pipe; inability to obtain pipe, materials or equipment; the orders of any court or governmental authority; any act or omission whether of the kind herein enumerated or otherwise not within the control of the party invoking this section and which by the exercise of due diligence such party could not have prevented, such failure shall be deemed not to be a breach of the obligation of such party; but such party shall use reasonable diligence to put itself in a position to carry out its obligations. Nothing contained herein shall be construed to require either party to settle a strike or lockout by acceding against its judgment to the demands of the opposing parties. No such cause affecting the performance of either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any cause relieve either party from any obligation unless such party shall give notice thereof in writing to the other party with reasonable promptness; and like notice shall be given upon termination of such cause.

Effective Date: 01/01/2004 Status: Effective

FERC Docket: RP04- 68-000

First Revised Sheet No. 639 First Revised Sheet No. 639 : Effective
Superseding: Original Sheet No. 639

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE IX - FORCE MAJEURE (Continued)

9.1 Force Majeure. (Continued)

- 9.1.2 Monthly Demand Charge Adjustment. Nothing in this Article IX shall relieve Shipper of payment of the Monthly Demand Charge Amount, unless and until the total number of days per occurrence of force majeure that Transporter is unable to transport gas on behalf of Shipper due to a condition(s) of force majeure, exceeds thirty (30) days. Shipper shall be relieved of payment of the Daily Reservation/Demand Rate for all days that Transporter is unable to transport gas on behalf of Shipper due to a condition(s) of force majeure in excess of thirty (30) days per occurrence of force majeure; provided, however, that no adjustment to the Monthly Demand Charge shall be made for any interruption or curtailment of service at any Secondary Receipt Point or Secondary Delivery Point. The provisions of this Section 9.1.2 shall be superceded by any alternative force majeure provisions that are made effective pursuant to procedures agreed to by Transporter and Shipper and included in the Transportation Service Agreement executed by Transporter and Shipper.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 640 First Revised Sheet No. 640 : Effective
Superseding: Original Sheet No. 640

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE X - TITLE AND POSSESSION OF GAS

- 10.1 Possession of Gas and Responsibility. As between Transporter and Shipper, Shipper shall be deemed to be in control and possession of the Gas until it has been received by Transporter for Transportation at Receipt Point(s). Transporter shall thereupon be deemed to be in control and possession of the Gas until the Thermally Equivalent Quantities (less any requisite fuel and loss reimbursement) shall have been delivered to Shipper at the Delivery Point(s), after which Shipper shall be deemed to be in control and possession. Shipper shall have no responsibility with respect to any Gas after it has been received by Transporter at the Receipt Point(s) on account of anything which may be done, happen or arise with respect to said Gas, until the Thermally Equivalent Quantities (less any requisite fuel and loss reimbursement) are delivered to Shipper at the Delivery Point(s). Transporter shall have no responsibility with respect to said Gas prior to its receipt by Transporter at the Receipt Point(s), after its delivery to Shipper at the Delivery Point(s) or on account of anything which may be done, happen or arise with respect to said Gas prior to such receipt or after such delivery.

FERC Docket: RP09-306-000

Superseding: Original Sheet No. 641

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XI - WARRANTY OF TITLE

- 11.1 Warranty of Title. Shipper warrants that it will, at the time of delivery of Gas to Transporter for Transportation, have the right to ship all Gas so delivered to Transporter, free and clear of all liens, encumbrances and claims whatsoever, and that it will at such time of delivery have title to such Gas.

Subject to the foregoing, Transporter warrants that it will at the time of delivery of the transported Gas to Shipper at the Delivery Point(s) have the right to deliver said Gas free and clear of all liens, encumbrances and claims whatsoever that may have attached or accrued as a result of any act or omission of Transporter.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 642 Original Sheet No. 642 : Effective

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XII - STATUTORY REGULATION

- 12.1 Filing Requirement. Each party hereto shall proceed with diligence to file applications with the FERC and any other governmental authorities for any authorizations necessary to carry out their respective obligations under the Transportation Service Agreement.
- 12.2 Conformance with Laws. Notwithstanding any other provisions hereof, the Transportation Service Agreement and all rights and obligations arising under it are subject to all valid legislation, both State and Federal, and to all valid present and future orders, rules and regulations of duly constituted authorities, now or hereafter having jurisdiction.

Effective Date: 01/01/2004 Status: Effective

FERC Docket: RP04- 68-000

Second Revised Sheet No. 643 Second Revised Sheet No. 643 : Effective
Superseding: First Revised Sheet No. 643

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XIII - SERVICE CONDITIONS

- 13.1 Alterations and Repairs. When Transporter needs temporarily to curtail or interrupt service to Shipper hereunder in any portion of Transporter's System for the purpose of making necessary alterations or repairs therein, Transporter shall give Shipper as much notice as possible, but not less than 60 Days except in case of emergency. Transporter shall endeavor to arrange such curtailments or interruptions so as to inconvenience Shipper as little as possible and to continue same only for such time as is necessary. If, pursuant to this Section, Transporter curtails service to Shipper during any Contract Year by an aggregate Quantity which exceeds three percent (3%) of the product of Shipper's TMDQ times 365, then the Monthly Demand Charge Amount, for the Month in which the aggregate curtailed Quantity first exceeds such 3% threshold in such Contract Year, and for each Month thereafter of such Contract Year in which a curtailment pursuant to this Section occurs, shall be reduced by an amount calculated by multiplying each Dth of Gas curtailed by Transporter pursuant to this Section during such Month in excess of the 3% threshold described above by an amount equal to the applicable Daily Reservation/Demand Rate. Notwithstanding the foregoing, there shall be no reduction to the Monthly Demand Charge Amount for any interruption or curtailment of service at a Secondary Receipt Point or Secondary Delivery Point.
- 13.2 Liability of Parties. Transporter and Shipper each assume full responsibility and liability for the installation, presence, maintenance and operation of their respective properties and facilities and shall indemnify and hold harmless the other from all liability and expense on account of any and all damages, claims, or actions, including injury to and death of persons, arising from any act, accident or omission in connection with the installation, presence, maintenance and operation of properties and facilities of the indemnifying party, except to the extent, if any, that such liability or expense is caused by, or arises out of, the gross negligence or willful misconduct of the non-indemnifying party or its agents or employees. Transporter shall have no obligation to odorize gas delivered to Shipper under this agreement nor to maintain any odorant level.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 644 Original Sheet No. 644 : Effective

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XIV - PRIORITY OF SERVICE

- 14.1 Curtailment. If Transporter determines on any Day that for any reason whatsoever, including reasons of force majeure, the capacity of Transporter's System or any portion thereof is insufficient to satisfy the requirements for Transportation service as set forth in executed transportation agreements, Transporter shall curtail or interrupt receipts and deliveries.

Subject to the balancing provisions of Section 4.2 herein such curtailment shall be limited to the portion of Transporter's System on which capacity is reduced and shall be in accordance with the priorities set forth in Section 13.3 of the General Terms and Conditions of this tariff.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-004

Second Revised Sheet No. 645 Second Revised Sheet No. 645 : Effective
Superseding: First Revised Sheet No. 645

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XV - RECEIPT AND DELIVERY POINTS AND PRESSURES

15.1 Receipt Point(s).

- (a) The Primary Receipt Point(s) at which Transporter will receive Gas from Shipper for Transportation are set forth in Exhibit "A" to the Transportation Service Agreement. Exhibit "A" also states a Receipt Point Entitlement for each Primary Receipt Point, which shall be the maximum Quantity of Gas Transporter is obligated to receive for Transportation at such Primary Receipt Point on any Day. Shipper may add Primary Receipt Points to its Transportation Service Agreement, or increase or decrease the amount of Shipper's Receipt Point Entitlement at any particular Primary Receipt Point, subject to the availability of capacity; provided, however, that in the event of any such addition or increase, Shipper must concurrently relinquish an equivalent amount of its Receipt Point Entitlement at any one or more of the Primary Receipt Points contained in its Transportation Service Agreement. Exhibit "A" shall be amended as necessary to reflect any changes in Shipper's utilization of its Primary Receipt Points. Shipper may request Primary Receipt Points additional to those on Exhibit "A" to be installed in accordance with Section 6.1.1 above and Transporter's agreement to install such additional Primary Receipt Points shall not be unreasonably withheld. In addition, Shipper may, subject to Section 13 of the General Terms and conditions of this Tariff, nominate and schedule Gas for Transportation from Secondary Receipt Points.
- (b) In the event Shipper temporarily releases any or all of its Transportation rights to a Replacement Shipper under Section 15 of the General Terms and Conditions of this Tariff, Shipper shall be required to relinquish, for the entire term of the relevant Release, some portion or all of its Receipt Point Entitlement at any one or more of its Primary Receipt Points in an aggregate amount no less than the amount of the DMDQ released. Following expiration of the term of any Release which is not a permanent Release, Shipper shall be entitled to utilize the Primary Receipt Points which the Replacement Shipper was entitled to utilize at the time of expiration of the Release Term, up to the amount of the Replacement Shipper's respective Receipt Point Entitlement at each such point.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

Second Revised Sheet No. 646 Second Revised Sheet No. 646 : Effective
Superseding: Sub First Revised Sheet No. 646

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XV - RECEIPT AND DELIVERY POINTS AND PRESSURES (Continued)

15.1 Receipt Point(s). (Continued)

- (c) In the event Shipper permanently releases only a portion of its Transportation rights to a Replacement Shipper under Section 15 of the General Terms and Conditions of this tariff, Shipper's aggregate Receipt Point Entitlements must be released by the same percentage as Shipper's DMDQ and aggregate Delivery Point Entitlements are released.

15.2 Transporter's Receipt Pressure. Shipper shall deliver, or cause to be delivered to Transporter the Gas at the Receipt Point(s) at sufficient pressures to effect delivery thereof into Transporter's System against the pressures at such point(s), but Shipper shall not be obligated to deliver or cause to be delivered such Gas to Transporter in excess of the maximum receipt pressures as stated on Exhibit "A" to the Transportation Service Agreement.

15.3 Delivery Point(s).

- (a) The Primary Delivery Point(s) at which Transporter will deliver Gas for Shipper's account are set forth in Exhibit "B" to the Transportation Service Agreement. Exhibit "B" also states a Delivery Point Entitlement for each Primary Delivery Point which is the maximum Quantity of Gas Transporter is obligated to deliver at such Primary Delivery Point on any Day. Shipper may add Primary Delivery Points to its Transportation Service Agreement, or increase or decrease the amount of Shipper's Delivery Point Entitlement at any particular Primary Delivery Point, subject to the availability of capacity; provided, however, that in the event of any such addition or increase, Shipper must concurrently relinquish an equivalent amount of its Delivery Point Entitlement at any one or more of the Primary Delivery Points contained in its Transportation Service Agreement. Exhibit "B" shall be amended as necessary to reflect any changes in Shipper's utilization of its Primary Delivery Points which is mutually agreed to by the parties in writing. Shipper may request Primary Delivery Point(s) additional to those on Exhibit "B" which require the installation of new facilities on Transporter's

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

Second Revised Sheet No. 647 Second Revised Sheet No. 647 : Effective
Superseding: Sub First Revised Sheet No. 647

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XV - RECEIPT AND DELIVERY POINTS AND PRESSURES (Continued)

15.3 Delivery Point(s). (Continued)

System, to be installed in accordance with Section 6.1.1 above and Transporter's agreement to install such additional Primary Delivery Point(s) shall not be unreasonably withheld. In addition, Shipper may, subject to Section 13 of the General Terms and conditions of this Tariff, nominate and schedule Gas for Transportation from Secondary Delivery Points.

- (b) In the event Shipper temporarily releases any or all of its Transportation rights to a Replacement Shipper under Section 15 of the General Terms and Conditions of this Tariff, Shipper shall be required to relinquish, for the entire term of the relevant Release, some portion or all of its Delivery Point Entitlement at any one or more of its Primary Delivery Points in an aggregate amount no less than the amount of the DMDQ released. Following expiration of the term of any Release which is not a permanent Release, Shipper shall be entitled to utilize the Primary Delivery Points which the Replacement Shipper was entitled to utilize at the time of expiration of the Release Term, up to the amount of the Replacement Shipper's respective Delivery Point Entitlement at each such point.
- (c) In the event Shipper permanently releases only a portion of its Transportation rights to a Replacement Shipper under Section 15 of the General Terms and Conditions of this tariff, Shipper's aggregate Delivery Point Entitlements must be released by the same percentage as Shipper's DMDQ and aggregate Receipt Point Entitlements are released.

- 15.4 Transporter's Delivery Pressure. Gas shall be delivered by Transporter to Shipper (or for Shipper's account) at the Delivery Point(s) at such pressures as may be available at the said Delivery Point(s), but not in excess of the maximum delivery pressures as stated on Exhibit "B" to the Transportation Service Agreement.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 648 Original Sheet No. 648 : Effective

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XVI - INSPECTION OF EQUIPMENT AND RECORDS

- 16.1 Inspection of Equipment and Data. Notwithstanding the provisions of Article VI, each party shall have the right upon reasonable notice to the other to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing or furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data, charts and other similar records in such party's possession, for a period of at least three years.
- 16.2 Verification of Computations. Each party shall have the right to examine at reasonable times the books, records and charts of the other to the extent necessary to verify the accuracy of any [statement, charge or computation made pursuant to this Rate Schedule.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 649 Original Sheet No. 649 : Effective

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XVII - MISCELLANEOUS

- 17.1 Successors and Assigns. The Transportation Service Agreement shall be binding upon and inure to the benefit of the parties thereto and their respective successors and assigns. No assignment or transfer by either party thereunder shall be made without written approval of the other party. Such approval shall not be unreasonably withheld. No such consent of Transporter or Shipper shall be required when an assignment by Shipper or Transporter is the result of, and part of, a corporate acquisition, merger or reorganization. Nothing contained herein shall prevent either party from pledging, mortgaging or assigning its rights as security for its indebtedness and either party may assign to the pledgee or mortgagee (or to a trustee for the holder of such indebtedness) any money due or to become due under the Transportation Service Agreement. As between the parties hereto, such assignment shall become effective on the first Day of the Month following written notice that such assignment has been effectuated. Upon request of either party, the other party shall acknowledge in writing any permitted assignment described herein and the right of any permitted assignee (including any assignee upon enforcement of any assignment made as security for indebtedness) to enforce the Transportation Service Agreement against such other party, and shall also deliver such certificates, copies of corporate documents and opinions of counsel as may be reasonably requested by such permitted assignee relating to such party, the Transportation Service Agreement and any other matters relevant thereto. Unless otherwise agreed by the parties hereto in a separate writing or pursuant to any provision of the Transportation Service Agreement that expressly allows Shipper to be relieved of its obligations thereunder in connection with an assignment, no permitted assignment shall relieve the assigning party from any of its obligations under the Transportation Service Agreement; provided however that if Shipper assigns its rights thereunder to an Eligible Assignee and otherwise complies with the foregoing provisions of this Section 17.1, then effective upon such assignment the Shipper shall be relieved of its obligations thereunder to the extent of such assignment with respect to any period beginning on or after the date of such assignment. As used in the preceding sentence, Eligible Assignee means an entity that (i) at the time of such assignment (A) has senior unsecured long term public debt that has a rating by Standard & Poor's Corporation ("S&P")

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP04- 4-000

Second Revised Sheet No. 650 Second Revised Sheet No. 650 : Effective
Superseding: First Revised Sheet No. 650

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XVII - MISCELLANEOUS (Continued)

17.1 Successors and Assigns. (Continued)

or Moody's Investors Service Inc. ("Moody's"), or if such entity is not rated by such agencies, that has an imputed credit rating as determined by a mutually agreeable independent financial consultant based on the application of the standards and methods used by S&P or Moody's to rate corporate debt, that is at least as high as "A" (by S&P) and "A2" (by Moody's) and (B) is not on Credit Watch with negative implications, in the case of S&P, or under review for possible downgrade, in the case of Moody's and (ii) has unconditionally assumed the obligations of the Shipper hereunder pursuant to such instruments as may be reasonably requested by Transporter.

17.2 Notices. All notices provided for herein and in the Transportation Service Agreement shall be given in writing and addressed as follows:

If to Transporter:

Kern River Gas Transmission Company
2755 E. Cottonwood Parkway, Suite 300
P.O. Box 71400
Salt Lake City, UT 84171-0400
Fax No. (801) 937-6444
Attention: Marketing and Customer Services

If to Shipper:

17.3 Amendment in Writing. The Transportation Service Agreement shall be amended only by an instrument in writing executed by both parties hereto.

17.4 Waiver of Defaults. No waiver by any party of any one or more defaults by the other in the performance of any provisions of this Rate Schedule or the Transportation Service Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.

Effective Date: 10/11/2002 Status: Effective

FERC Docket: RP02-542-000

First Revised Sheet No. 651 First Revised Sheet No. 651 : Effective
Superseding: Original Sheet No. 651

RATE SCHEDULE UP-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XVII - MISCELLANEOUS (Continued)

- 17.5 Exhibits. The exhibits to the Transportation Service Agreement are incorporated by reference as if set forth in full therein.
- 17.6 Limitation of Liability. No liability for any act or omission of Transporter shall be incurred by or asserted against any person or company which is a partner in Kern River Gas Transmission Company, or any owners, subsidiaries or affiliates of the partners. Any recourse for any liability of Transporter shall be against Transporter only.
- 17.7 Choice of Law. The Transportation Service Agreement shall be construed according to the laws of the State of Utah, except insofar as such laws may refer to the laws of another jurisdiction for resolution of any issue arising hereunder.
- 17.8 Headings. The headings of the Articles and Sections herein are inserted for convenience of reference only and shall not affect the meaning or construction thereof.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Sheet Nos. 652-699 Sheet Nos. 652-699 : Effective

RESERVED FOR FUTURE USE

Effective Date: 04/20/2009 Status: Effective

FERC Docket: RP09-466-000

Second Revised Sheet No. 700 Second Revised Sheet No. 700
Superseding: First Revised Sheet No. 700

RATE SCHEDULE MO-1
Kern River Firm Transportation Services

AVAILABILITY

Pursuant to the Commission's order dated November 2, 1990, in Kern River Gas Transmission Company, Docket Nos. CP89-2047-000, et al., 53 FERC (CCH) para. 61,172 (1990), this rate schedule posts in this FERC Gas Tariff the terms of the December 20, 1989 Firm Transportation Service Agreement between Transporter and Mobil Natural Gas Inc. ("Rate Schedule MO-1"), as amended through November 1, 1991, and shall govern firm transportation service by Transporter to Mobil Natural Gas Inc. within the contract term, Demand Maximum Daily Quantity and Receipt and Delivery Points established in such agreement.

This Rate Schedule is also available for firm transportation service to customers that request firm service on Kern River's 700 MMcf/d capacity interstate natural gas pipeline system after such system becomes operational. In order to qualify for service under this Rate Schedule, such shippers must submit to Kern River the same information as required by Section 3 of Kern River's KRF-1 Rate Schedule, and in accordance with the same procedures as those set forth therein. Such shippers must satisfy the same standards of creditworthiness as those set forth in Section 29 of the General Terms and Conditions of this tariff and must execute a firm transportation service agreement for service under this Rate Schedule.

APPLICABILITY AND CHARACTER OF SERVICE

See Section 2.2.1 of this Rate Schedule MO-1.

RATES

See Article III of this Rate Schedule MO-1.

MINIMUM BILL

Subject to the terms, conditions and limitations hereof, the minimum monthly bill shall be the monthly reservation charge amount as defined herein, unless Transporter and Shipper mutually agree otherwise.

Effective Date: 12/19/2009 Status: Effective

FERC Docket: RP10-160-000

Eighth Revised Sheet No. 701 Eighth Revised Sheet No. 701

Superseding: Seventh Revised Sheet No. 701

RATE SCHEDULE MO-1
Kern River Firm Transportation Services

APPLICABLE GENERAL TERMS AND CONDITIONS

Notwithstanding anything to the contrary in this Rate Schedule MO-1, the following Sections of the General Terms and Conditions of this Tariff are applicable to service under this Rate Schedule MO-1:

Section Number	Section Title
1.1	Backhaul
1.8	Demand Maximum Daily Quantity
1.11	Elapsed-Prorated-Scheduled Quantity
1.12	Entitlements
1.22	Negotiated Rate
1.27	Recourse Rate
2.1	NAESB WGQ Flowing Gas Standards
5.1	NAESB WGQ Invoicing Standards
10.1	General Procedure
10.7	Shipper Imbalance Netting
10.8	Shipper Imbalance Trading
10.11	Penalty Revenue Crediting
11.4	Receipt and Delivery Point Entitlements
12	Reimbursement of Fuel Used and Lost and Unaccounted-for Gas
13.1	Nomination Process
13.2	Scheduling Process
13.3	Interruption/Curtailment Procedures
15	Capacity Release Program
16	Information and Communications Regarding Transportation Services
20	Delivery Facilities
21	NAESB WGQ Definitions, Standards and Models
22	Pooling
23	Negotiated Rates
25	Mcf to Dth Conversion Methodology
26	Segmentation

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 702 Original Sheet No. 702 : Effective

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

INDEX

Article		Sheet Number
I	Definitions	703
II	Gas to be Transported and Character of Service	709
III	Transportation Rates and Charges.	710
IV	Operating Procedures.	718
V	Quality of Gas.	721
VI	Measurement of Gas.	728
VII	Term of Agreement	733
VIII	Invoicing and Payment	735
IX	Force Majeure	739
X	Title and Possession of Gas	741
XI	Warranty of Title	742
XII	Statutory Regulation.	743
XIII	Service Conditions.	744
XIV	Priority of Service	745
XV	Receipt and Delivery Points and Pressures . .	746
XVI	Inspection of Equipment and Records	750
XVII	Miscellaneous	751

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

First Revised Sheet No. 703 First Revised Sheet No. 703

Superseding: Original Sheet No. 703

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE I - DEFINITIONS

- 1.1 "Authorized Overrun Charge" shall mean a charge as provided for in Section 3.2.3 herein and shall be equal to the Maximum Transportation Rate as defined in Section 3.1.1 (g); provided, however, if Transporter provides any other shipper a rate for Authorized Overrun Service for Transportation of comparable or greater distance which rate is lower than the Maximum Transportation Rate, Shipper shall be entitled to such lower rate for the same period without having to agree to any other terms associated with that rate.
- 1.2 "Authorized Overrun Service" shall mean a service in addition to Firm Service as set forth in Section 2.2.2 herein.
- 1.3 "Billing Month" shall mean that Month of service hereunder which immediately precedes the Month in which Transporter is obligated to render a bill for such service.
- 1.4 "Btu": "Standardize the reporting basis for Btu as 14.73 psia and 60 degrees F (101.325 kPa and 15 degrees C, and dry). Standardize the reporting basis for gigacalorie as 1.035646 Kg/cm2 and 15.6 degrees C and dry. Standardize the reporting basis for gas volumes as cubic foot at standard conditions of 14.73 psia, 60 degrees, F and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry." NAESB WGQ 2.3.9.
- 1.5 "Business Day": "Business Day is defined as Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico." NAESB WGQ 3.2.1.
- 1.6 "Commencement Date" shall mean the first day of the seven consecutive day period during which Transporter has (i) delivered to Shipper at the Delivery Point(s) volumes of Gas Thermally Equivalent to the volume

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Second Revised Sheet No. 704 Second Revised Sheet No. 704

Superseding: First Revised Sheet No. 704

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE I - DEFINITIONS (Continued)

of Gas tendered in accordance with the provisions of this Rate Schedule by Shipper at the Receipt Point(s) for Transportation (up to the Shipper's TMDQ) and (ii) Transporter has delivered to all shippers at all delivery points the Quantity of Gas tendered by all shippers at all receipt points, for Transportation for the same seven consecutive Days. In satisfying these tests, Transporter shall be permitted a cumulative variance over the seven-Day period of plus or minus 5 percent of the Quantities tendered, and a daily variance of plus or minus 10 percent of the Quantities tendered.

- 1.7 "Composite Gas Stream" shall mean the composite of all Gas receipts and/or nominations from all shippers for transportation by Kern River. Composite Gas Stream shall be the theoretical gas stream that will result from the combination of all gas receipts from all shippers as determined by a computer model that utilizes analytical and flow data generated at each of the Receipt Points. The computer model determines what the Composite Gas Stream composition will be on a feed forward basis.
- 1.8 "Contract Year" shall mean a period of 12 consecutive Months beginning with the Month next following the Commencement Date, and each successive 12-Month period thereafter.
- 1.9 "Cubic Foot of Gas" shall mean the volume of Gas which, at a temperature of 60 degrees Fahrenheit and at a pressure of 14.73 Psia, occupies one cubic foot of space.
- 1.10 "Day" "Standard time for the gas day should be 9 a.m. to 9 a.m. (central clock time)." NAESB WGQ 1.3.1.
- 1.11 "Dekatherm" shall mean 1,000,000 Btu.
- 1.12 "Delivery Point(s)" shall mean the point(s) on the Kern River System at which Transporter delivers Gas to Shipper or for Shipper's account. Delivery Points shall be either Primary Delivery Points, which shall be those set forth on Exhibit "B" to the Transportation Service Agreement, as amended from time to time, or Secondary Delivery Points, which shall be all other points at which Transporter is authorized to deliver Gas

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Fourth Revised Sheet No. 705 Fourth Revised Sheet No. 705

Superseding: Third Revised Sheet No. 705

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE I - DEFINITIONS (Continued)

from Transporter's System, as listed on the Operationally Available and Unsubscribed Capacity reports on Transporter's Designated Site. Capacity in excess of Shipper's Delivery Point Entitlement at a Primary Delivery Point shall be available to Shipper on a Secondary Delivery Point basis; provided, however, that any quantities scheduled by Shipper for Transportation in excess of Shipper's Transportation Maximum Daily Quantity shall be considered Authorized Overrun Service.

- 1.13 "Designated Site" shall mean an Internet address designated by Transporter and any service requester for the receipt or delivery of NAESB WGQ standardized data sets.
- 1.14 "FERC" or "Commission" shall mean the Federal Energy Regulatory Commission or any federal commission, agency, or other governmental body or bodies succeeding to, lawfully exercising or superseding any powers which, as of the date hereof, are exercisable by the Federal Energy Regulatory Commission.
- 1.15 "Firm Service" shall mean a class of service that receives the highest priority on Transporter's system and that is not subject to interruption except as permitted in Articles IX, XIII, and XIV herein. Transporter's total firm service obligations shall not exceed the design capacity of its system, nor shall Transporter's total firm service obligations at a receipt point ("Receipt Point Entitlements") or at a delivery point ("Delivery Point Entitlements") exceed the design capacity of any such facility.
- 1.16 "Gas" or "Natural Gas" shall mean any mixture of hydrocarbons or of hydrocarbons and non-combustible gases, in a gaseous state, consisting essentially of methane. Such Gas may be either in its natural state produced from wells, including casinghead and residue Gas, or after manufacture or other methods of producing synthetic Gas. For the purpose of determining whether Gas is in conformity with the terms of this Rate Schedule, Article V herein shall apply.

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Third Revised Sheet No. 706 Third Revised Sheet No. 706

Superseding: Second Revised Sheet No. 706

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE I - DEFINITIONS (Continued)

- 1.17 (Reserved)
- 1.18 "Interruptible Service" shall mean any service that is not Firm Service.
- 1.19 "Intra-Day Nomination": "An intra-day nomination is a nomination submitted after the nomination deadline whose effective time is no earlier than the beginning of the gas day and runs through the end of that gas day." NAESB WGQ 1.2.4.
- 1.20 "Maximum Daily Quantity" (MDQ) For service agreements executed on an Mcf basis, MDQ shall mean the quantity, in Mcf per Day, which Shipper has contracted with Transporter for Firm Service and which Transporter is obligated to reserve for Firm Service. MDQ shall not include fuel and lost and unaccounted for Gas furnished in kind by Shipper pursuant to Section 3.4 herein. Transporter will convert the MDQ to a TMDQ using the methodology set out in Section 25 of the General Terms and Conditions of this tariff.
- 1.21 "Mcf" shall mean 1,000 cubic feet of Gas and shall be measured as set forth in Article VI herein.
- 1.22 "MMBtu" shall mean 1,000,000 Btu.

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Fourth Revised Sheet No. 707 Fourth Revised Sheet No. 707

Superseding: Third Revised Sheet No. 707

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE I - DEFINITIONS (Continued)

- 1.23 "Month" shall mean the period beginning at 9:00 CCT a.m. on the first day of the calendar month and ending at 9:00 CCT a.m. on the first day of the succeeding calendar month.
- 1.24 "Monthly Commodity Charge Amount" shall mean the amount calculated as set out in Section 3.2.2 herein.
- 1.25 "Monthly Reservation Charge Amount" shall mean the amount calculated as set out in Section 3.2.1 herein.
- 1.26 "NAESB" or "NAESB WGQ" shall mean the North American Energy Standards Board ("NAESB"), successor to the Gas Institute Standards Board or GISB. Transporter shall update its tariff, as necessary, to incorporate new or amended NAESB standards approved by the Commission.
- 1.27 "Psia" shall mean pounds per square inch absolute.
- 1.28 "Psig" shall mean pounds per square inch gauge.
- 1.29 "Quantity" shall mean the number of units of gas, either specified in Mcf or Dth.
- 1.30 "Receipt Point(s)" shall mean the point(s) on the Kern River System at which Transporter receives Gas of Shipper. Receipt Points shall be either Primary Receipt Points, which shall be those set forth on Exhibit "A" to the Transportation Service Agreement, as amended from time to time, or Secondary Receipt Points, which shall be all other points at which Transporter is authorized to receive Gas into Transporter's System, as listed on the Operationally Available and Unsubscribed Capacity reports on Transporter's Designated Site. Capacity in excess of Shipper's Receipt Point Entitlement at a Primary Receipt Point shall be available to Shipper on a Secondary Receipt Point basis; provided, however, that any quantities scheduled by Shipper for Transportation in excess of Shipper's Transportation Maximum Daily Quantity shall be considered Authorized Overrun Service.
- 1.31 "Start-Up Date" shall mean the date on which Transporter is ready to commence Transportation for any shipper. Transporter shall provide Shipper prior written notice of such date.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 708 First Revised Sheet No. 708 : Effective
Superseding: Original Sheet No. 708

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE I - DEFINITIONS (Continued)

- 1.32 "Thermally Equivalent" shall mean an equal number of Btu's. The determination of Thermally Equivalent Quantities shall be accomplished by multiplying the unit of measurement, as provided in Section 6.2.5 herein, by the Total Heating Value adjusted to the standard conditions of the measured Quantities.
- 1.33 "Total Heating Value" shall mean the number of Btu's liberated by the complete combustion of one Cubic foot of Gas at a constant pressure of 14.73 Psia and temperature of 60 degrees Fahrenheit with air at the same pressure and temperature and with water formed by combustion condensed to the liquid state. The average Total Heating Value in any Month shall be the volume-weighted average of the Total Heating Values for each Day during such Month, adjusted to reflect the actual water vapor content of the Gas delivered.
- 1.34 "Transportation" shall mean the receipt of Gas of Shipper at Receipt Point(s), and the delivery of Thermally Equivalent Quantities by Transporter to Shipper or for Shipper's account (after making allowance for any requisite fuel and loss reimbursement) at Delivery Point(s).
- 1.35 Transportation Maximum Daily Quantity or TMDQ: the Quantity reflected in a Shipper's Transportation Service Agreement, (exclusive of fuel used and lost and unaccounted-for gas), expressed in Dekatherms, that Transporter is obligated to receive for Transportation from Shipper on any Day at the Receipt Points, and transport and deliver on any Day to the Delivery Points specified in Shipper's Transportation Service Agreement. For agreements executed on an Mcf basis, Transporter will convert the MDQ to a TMDQ using the methodology set out in Section 25 of the General Terms and Conditions of this tariff.
- 1.36 "Volume" shall mean the number of units of gas, either specified in Mcf or Dth.
- 1.37 "Week" shall mean the seven consecutive Days commencing with the Day Tuesday.

Effective Date: 09/01/2002 Status: Effective

FERC Docket: RP02-392-000

Second Revised Sheet No. 709 Second Revised Sheet No. 709 : Effective
Superseding: First Revised Sheet No. 709

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE II - GAS TO BE TRANSPORTED AND CHARACTER OF SERVICE

2.1 DMDQ and Associated TMDQ. Subject to the terms, conditions and limitations hereof, the DMDQ shall be as provided for in the Transportation Service Agreement between Transporter and Shipper, and the associated TMDQ will be calculated using the methodology set out in Section 25 of the General Terms and Conditions of this tariff.

2.2 Character of Service.

2.2.1 Firm Service. Except as provided in Section 2.2.2 herein, service rendered under this Rate Schedule, commencing at the Start-up Date, shall be Firm Service and shall consist of:

- (a) The receipt on any Day by Transporter for the account of Shipper of Gas up to Shipper's entitlement at the Receipt Point(s) plus the quantities for fuel use and lost and unaccounted for Gas that Shipper is obligated to provide under Section 3.4 herein;
- (b) The Transportation of Gas up to Shipper's TMDQ, on a Firm Service basis, through Transporter's pipeline system for the account of Shipper; and
- (c) The delivery on such Day by Transporter of Gas in Thermally Equivalent quantities (less quantities of fuel use and lost and unaccounted for Gas furnished in-kind by Shipper pursuant to Section 3.4 herein) to Shipper or for the account of Shipper at the Delivery Point(s).

Provided, however, Shipper recognizes that Transporter may be unable to accept all or part of Shipper's nominations prior to Commencement Date.

As used in this rate schedule, Transporter's pipeline system does not include the High Desert Lateral as described in Rate Schedule KRF-L1.

2.2.2 Authorized Overrun Service. In the event that Shipper requests Transportation of a quantity of Gas on any Day that is greater than its TMDQ and imbalance adjustments set out in Section 4.2.1 herein, Transporter shall provide such Transportation on an interruptible basis to the extent that capacity is available, pursuant to Article XIV herein.

Effective Date: 02/01/2006 Status: Effective

FERC Docket: RP06-160-000

First Revised Sheet No. 710 First Revised Sheet No. 710 : Effective
Superseding: Original Sheet No. 710

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE III - TRANSPORTATION RATES AND CHARGES

3.1 Rates.

3.1.1 Definitions. For the purposes of this Article III the following terms shall have the following meanings:

- (a) The Transportation Rate means that rate expressed on a Dth basis determined by dividing Transporter's cost of service, which includes all fixed and variable costs, levelized for fifteen years by a throughput equal to 95% of the daily design capacity of the Kern River System multiplied by 365.
- (b) The Monthly Reservation Rate means that rate expressed as a monthly charge per Dth based on 95% of the daily design capacity of Transporter's System.
- (c) The Commodity Rate means that rate expressed on a per Dth basis which equals the Transportation Rate minus the daily reservation rate.
- (d) The Construction Notification Date shall be the date prior to commencement of construction at the time when Transporter is prepared to commit to the construction of its project, that Transporter provides Shipper a revised estimate of capital costs for the Kern River System and the associated rates.
- (e) The Contractual Cost Estimate shall be the sum of (i) that portion of the cost estimate provided to Shipper at Construction Notification Date which estimates the cost of the materials necessary for construction of the Kern River System multiplied by 1.03, and (ii) all costs other than materials costs actually incurred by Transporter for construction of the Kern River System.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 711 Original Sheet No. 711 : Effective

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE III - TRANSPORTATION RATES AND CHARGES (Continued)

3.1 Rates. (Continued)

- (f) The Projected Transportation Rate, Projected Monthly Reservation Rate, and Projected Commodity Rate means those rates calculated as set forth in (a), (b), and (c) above, based on Transporter's actual fixed and variable costs as allowed by the FERC from time to time to determine rates for jurisdictional service, except that the capital cost of constructing the initial Kern River System shall be based upon the Contractual Cost Estimate. To the extent any such costs are subsequently disallowed by a lawful, FERC order, resulting in refunds to the shippers on Transporter's system, Shipper shall be entitled to a refund of its rates to reflect such lawful disallowance.
- (g) The Maximum Transportation Rate, Maximum Monthly Reservation Rate, and Maximum Commodity Rate means those rates calculated as set forth in (a), (b) and (c) above, based on Transporter's actual capital cost of constructing the Kern River System and all other fixed and variable costs as allowed by the FERC from time to time to determine the rates for jurisdictional service. To the extent any such costs are subsequently disallowed by a lawful, FERC order, resulting in refunds to the shippers on Transporter's system, Shipper shall be entitled to a refund of its rates to reflect such lawful disallowance.
- (h) FERC Annual Charge Adjustment Surcharge means the surcharge assessed and required by the FERC on Transportation of Natural Gas under Section 3401 of the Omnibus Reconciliation Act of 1986, 42 U.S.C.A. 7178 (Supp. 1987), adjusted to Transporter's pressure base and heating value.

Effective Date: 08/01/2004 Status: Effective

FERC Docket: RP04-339-000

Third Revised Sheet No. 712 Third Revised Sheet No. 712 : Effective
Superseding: Second Revised Sheet No. 712

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE III - TRANSPORTATION RATES AND CHARGES (Continued)

3.1 Rates. (Continued)

3.1.2 Effective Rates. Effective on the Commencement Date the Monthly Reservation Rate shall be the Maximum Monthly Reservation Rate, and the Commodity Rate shall be the lesser of the Projected Commodity Rate or the Maximum Commodity Rate.

3.2 Charges. Shipper shall pay Transporter for transportation services pursuant to this Rate Schedule each Month from and after the Commencement Date either (1) an amount equal to the sum of the amounts described in Sections 3.2.1, 3.2.2, 3.2.3 and 3.2.4 below, or (2) the amount specified in Article 3.2.6.

3.2.1 Monthly Reservation Charge Amount. A monthly amount calculated by multiplying Shipper's DMDQ by the applicable Daily Reservation/Demand Rate shown on Sheet No. 5 and multiplying the result by the number of days in the Month.

Effective Date: 01/01/2004 Status: Effective

FERC Docket: RP04- 68-000

Second Revised Sheet No. 713 Second Revised Sheet No. 713 : Effective
Superseding: First Revised Sheet No. 713

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE III - TRANSPORTATION RATES AND CHARGES (Continued)

3.2 Charges (Continued)

- 3.2.2 Monthly Commodity Charge Amount. A monthly amount calculated by multiplying the Commodity Rate as shown on Sheet No. 5 by each Dth of Gas actually received by Transporter from Shipper each Day during the Billing Month, less fuel use and lost and unaccounted for Gas, for Firm Service pursuant to Section 2.2.1 herein.
- 3.2.3 Authorized Overrun Charge Amount. An amount calculated by multiplying the Authorized Overrun Charge as specified on Sheet No. 5 by each Dth of Gas actually received by Transporter from Shipper each Day during the Billing Month in excess of Shipper's TMDQ and imbalance adjustments as set out in Section 4.2.1 herein, less fuel use and lost and unaccounted for Gas, for Authorized Overrun Service pursuant to Section 2.2.2 herein.
- 3.2.4 Annual Charge Adjustment Amount. An amount calculated by multiplying the FERC Annual Charge Adjustment Surcharge, if applicable, as defined in Section 3.1.1(h) herein, shown on Sheet No. 5 , by each Dth of Gas actually received by Transporter from Shipper during the Billing Month, less fuel use and lost and unaccounted for Gas.

Effective Date: 08/01/2004 Status: Effective

FERC Docket: RP04-339-000

Third Revised Sheet No. 714 Third Revised Sheet No. 714 : Effective
Superseding: Second Revised Sheet No. 714

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE III - TRANSPORTATION RATES AND CHARGES (Continued)

3.2 Charges (Continued)

3.2.5 (Reserved)

3.2.6 Negotiated Rates: Notwithstanding the foregoing provisions of this Article 3, Transporter and Shipper may mutually agree to Negotiated Rates for service hereunder as provided in Section 23 of the General Terms and Conditions. ACA surcharges pursuant to Article 3.2.4 of this rate schedule, as well as fuel reimbursement pursuant to Section 12 of the General Terms and Conditions will be applied to Shippers paying Negotiated Rates in the same manner as they are applied to Shippers paying Recourse Rates.

3.3. Prior to the Commencement Date. Prior to the Commencement Date, as defined in Section 1.5 herein, Shipper shall pay Transporter for Transportation pursuant to this Rate Schedule an amount equal to the sum of (a), (b) and (c) below:

- (a) An amount calculated by multiplying the lesser of the Projected Transportation Rate or the Maximum Transportation Rate by each Dth of Gas actually received by Transporter from Shipper each Day, less fuel use and lost and unaccounted for Gas. Provided, however, if Commencement Date has not occurred by 60 Days after Start-Up Date, then Shipper shall, after such 60-Day period and prior to Commencement Date, pay an amount calculated by

Effective Date: 08/01/2004 Status: Effective

FERC Docket: RP04-339-000

Third Revised Sheet No. 715 Third Revised Sheet No. 715 : Effective
Superseding: Second Revised Sheet No. 715

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE III - TRANSPORTATION RATES AND CHARGES (Continued)

3.3 Prior to the Commencement Date. (Continued)

multiplying the Maximum Commodity Rate by each Dth of Gas actually received by Transporter from Shipper each Day, less fuel use and lost and unaccounted for Gas, as adjusted by the Thermal Conversion Factor.

- (b) The Annual Charge Adjustment Amount as described in Section 3.2.4 herein.

3.4 Fuel Use, Lost and Unaccounted for Gas.

3.4.1 Fuel Calculation. The Transportation rates set out on Sheet No. 5 are exclusive of fuel use requirements and lost and unaccounted for Gas, which shall be furnished in kind by Shipper each Day, pursuant to Section 12 of the General Terms and Conditions of this tariff. Transporter shall make every reasonable effort to operate in a prudent manner and to conserve and keep to the optimum level the quantity of Gas used for compressor station fuel. Shipper shall only be required to provide fuel as provided in this Section 3.4.1 to support normal operations. Shipper shall not be required to provide fuel for start-up, testing, line pack or other non-operational purposes.

3.4.2 Loss Limitations. The total quantity of Gas in Dekatherms for lost and unaccounted for Gas shall not exceed one percent (1%) of the quantity of Gas in Dekatherms tendered by Shipper to Transporter on a cumulative basis.

Effective Date: 02/01/2006 Status: Effective

FERC Docket: RP06-160-000

Third Revised Sheet No. 716 Third Revised Sheet No. 716 : Effective
Superseding: Second Revised Sheet No. 716

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE III - TRANSPORTATION RATES AND CHARGES (Continued)

3.5 Discounted Recourse Rates:

- (a) Transporter reserves the right to discount at any time the Recourse Rates for any individual Shipper under any service agreement without discounting any other Recourse Rates for that or any other Shipper; provided, however, that such discounted Recourse Rates will not be less than any applicable Minimum Rates set forth on Sheet No. 5 of Transporter's effective tariff, or any superseding tariff. Such discounted Recourse Rates may apply to specific volumes of Gas (such as volumes above or below a certain level or all volumes if volumes exceed a certain level), volumes of Gas transported during specific time periods, and volumes of Gas transported from specific receipt points and/or to specific delivery points, or within other defined geographical areas. If Transporter discounts any Recourse Rates to any Shipper, Transporter will file with the FERC any required reports reflecting such adjusted rates.

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP04- 4-000

Third Revised Sheet No. 717 Third Revised Sheet No. 717 : Effective
Superseding: Second Revised Sheet No. 717

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE III - TRANSPORTATION RATES AND CHARGES (Continued)

- 3.6 Cost of Leases. If Transporter enters into any lease agreements for the use of third party facilities, Shipper will not make any payments (if any) for such leases, except to the extent that the cost of any such lease is reflected in Shipper's rate for transportation service hereunder.
- 3.7 State of Wyoming Financing. Notwithstanding Section 3.1 herein, debt service costs associated with financing by the state of Wyoming will be passed on to Shipper on a basis that is consistent with the terms and conditions of the final loan agreement between Transporter and the State of Wyoming, which loan agreement shall be subject to approval by Shipper.
- 3.8 System Expansions and/or Extensions. If Transporter expands or extends its pipeline system and if Transporter has available capacity on this expansion or extension and if Shipper desires to contract for such capacity, Shipper and Transporter will negotiate suitable terms and conditions, including rates, for such capacity.
- 3.9 Third Party Expansion. Shipper shall bear no costs whatsoever, including fuel, related to the incremental expansion on behalf of parties other than Shipper of the Kern River System above the System's initial capacity, unless such incremental expansion, the allocation of costs thereof, associated fuel requirements, and lost and unaccounted for Gas results in a decrease in Shipper's unit cost per Dth of Gas. Such unit cost shall include the Transportation Rate and the market value of Gas at Shipper's Receipt Point(s) used for fuel to compress that unit of Gas and for lost and unaccounted for Gas.
- 3.10 Shipper's Rate Option. Shipper shall have the option to pay for transportation service hereunder a rate higher than that which would otherwise be in effect pursuant to this Article III.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 718 First Revised Sheet No. 718 : Effective
Superseding: Original Sheet No. 718

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE IV - OPERATING PROCEDURES

4.1 Scheduling and Dispatching.

4.1.1 Scheduling, nomination and dispatch of Shipper's gas volumes for transportation hereunder shall be governed by Sections 10.1, 13.1 and 15.11(g) of the General Terms and Conditions of this tariff.

4.1.2 Limitation Upon Transporter's Daily Transportation Obligation. Subject to the provisions of this Rate Schedule as to scheduling and balancing, Transporter shall not be obligated to deliver to Shipper on any Day a greater quantity of Gas, on a Thermally Equivalent basis, up to Shipper's TMDQ, than it has received from Shipper on such Day, reduced by any requisite fuel and loss reimbursement.

4.2 Balancing of Gas.

4.2.1 Daily Deliveries. It is recognized that receipts by Transporter from Shipper and deliveries by Transporter to Shipper may vary above or below the quantities scheduled on any Day due to operating conditions affecting Shipper or Transporter. Shipper and Transporter shall use every reasonable effort to minimize departures from scheduled receipts and deliveries and to correct any cumulative imbalances in receipts and deliveries as soon as practicable. In any event, Transporter and Shipper shall eliminate any cumulative imbalances at least once every 60 Days by adjusting delivery and receipt volumes. Transporter shall provide to Shipper the status of Shipper's imbalance account at least monthly. Transporter shall have the right to suspend or reduce service to Shipper to correct critical imbalances caused by or contributed to by Shipper which threaten the operation or integrity of its system including, without limitation, maintenance of service to other shippers. Transporter will give reasonable notice to Shipper of any such impending critical imbalance situation, however, in the event of any emergency such notice shall not be required. Transporter shall not be responsible for eliminating any imbalances between Shipper and any third party. Furthermore, Transporter shall not be obligated to adjust or

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 719 Original Sheet No. 719 : Effective

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE IV - OPERATING PROCEDURES (Continued)

4.2 Balancing of Gas. (Continued)

deviate from its standard operating and accounting procedures in order to alleviate any such imbalances.

4.2.2 At End of Agreement. In the event that at the end of the term of the Transportation Service Agreement there are cumulative imbalances in receipts and deliveries, Transporter and Shipper shall correct such cumulative imbalances as soon as practicable after the end of the term of the Transportation Service Agreement. All calculations of balances and imbalances and corrections under this Section 4.2.2 shall be made on a Thermally Equivalent basis.

4.2.3 Uniform Deliveries. Transporter and Shipper undertake to maintain receipts and deliveries on a uniform daily basis to the maximum extent practicable, subject to the provisions of this Rate Schedule as to scheduling and balancing.

4.3 Records of Scheduled Quantities. Transporter shall keep accurate records of the quantities of Gas scheduled for Transportation and any imbalances, which records shall be made available to Shipper at its request.

If Shipper's Gas is commingled with other Gas at a Delivery Point, the scheduling arrangements and Transporter's records shall include procedures acceptable to Shipper providing for the allocation of the total volumes at such Delivery Point. If Shipper's Gas is commingled with other Gas at a Receipt Point. Shipper and Transporter shall use every reasonable effort to have all such shippers tendering Gas at

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 720 Original Sheet No. 720 : Effective

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE IV - OPERATING PROCEDURES (Continued)

4.3 Records of Scheduled Quantities. (Continued)

such Receipt Point designate a single agent who shall be responsible for making daily nominations on behalf of such shippers and advising Transporter on the allocation of Gas volumes at such Receipt Point. Transporter will accept corrections to such allocations for a period of no greater than 60 Days after the Billing Month; and thereafter the allocations shall be deemed final for purposes of billing, payment and balancing.

4.4 Arrangements Prior to Receipt and After Delivery. It shall be Shipper's obligation to make any necessary arrangements with other parties for delivery of Gas into Transporter's system at the Receipt Point(s) and for receipt of Gas after Transportation at the Delivery Point(s). Shipper shall be obligated in such arrangements to require dispatching and operating coordination with Transporter and access to appropriate charts and records. Such arrangements shall be mutually satisfactory to Transporter and Shipper.

4.5 Operating Information and Estimates. Upon reasonable request of Transporter, Shipper shall from time to time submit its best estimates of the daily, monthly and annual volumes of Gas to be transported hereunder, including peak Day requirements together with such other operating data as Transporter may require in order to schedule its operations. Any such best estimates provided under this Section 4.5 shall not supplant the scheduling and dispatching of volumes as provided in Section 4.1 herein. Upon reasonable request of Shipper, Transporter shall from time to time submit its best estimates of the daily, monthly and annual volumes of Gas to be transported hereunder, including peak Day requirements.

FERC Docket: RP08-177-000

Superseding: Original Sheet No. 721

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE V - QUALITY OF GAS

- 5.1 Transporter and Shipper are subject to Section 4, Quality, of the General Terms and Conditions in Transporter's FERC Gas Tariff, as revised from time to time.

Effective Date: 03/01/2008 Status: Effective

FERC Docket: RP08-177-000

First Revised Sheet No. 722 First Revised Sheet No. 722 : Effective
Superseding: Sheet Nos. 722-727

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

First Revised Sheet No. 722 supersedes the following sheets:

Original Sheet No. 722
Original Sheet No. 723
Original Sheet No. 724
Original Sheet No. 725
Original Sheet No. 726
Original Sheet No. 727

Sheet Nos. 722 through 727 are reserved for future use.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 723 Original Sheet No. 723 : Effective

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE V - QUALITY OF GAS (Continued)

5.3 Gas Blending Rights. (Continued)

on said Gas components as described below and Shipper may tender, at any Receipt Point, Gas which contains not more than:

- (a) One (1) grain of hydrogen sulfide per 100 Cubic Feet of Gas, subject to the condition that the volume weighted average hydrogen sulfide content of the Composite Gas Stream does not exceed 0.25 grain per 100 Cubic Feet of Gas; and
- (b) Ten (10) grains of total sulfur per 100 Cubic Feet of Gas, provided that the volume weighted average total sulfur content of the Composite Gas Stream does not exceed 0.75 grain per 100 Cubic Feet of Gas; and
- (c) Five (5) grains of mercaptan sulfur per 100 Cubic Feet of Gas, subject to the condition that the volume weighted average mercaptan sulfur content of the Composite Gas Stream does not exceed 0.30 grain per 100 Cubic Feet of Gas; and
- (d) Four percent (4.0%) by volume of carbon dioxide per 100 Cubic Feet of Gas, subject to the condition that the volume weighted average carbon dioxide content of the Composite Gas Stream does not exceed three percent (3%), subject to Section 5.3(f) below; and
- (e) Six percent (6.0%) by volume of nitrogen per 100 cubic feet of Gas, subject to the condition that the volume weighted average nitrogen content of the Composite Gas Stream does not exceed three percent (3.0%), subject to Section 5.3(f) below; and

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 724 Original Sheet No. 724 : Effective

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE V - QUALITY OF GAS (Continued)

5.3 Gas Blending Rights. (Continued)

- (f) Six percent (6.0%) by volume of inerts, subject to the condition that the volume weighted average total inerts of the Composite Gas Stream shall not exceed four percent (4.0%).

5.4 Quality Tests.

- (a) Location of Tests. The quality of the Gas received and delivered by Transporter hereunder shall be determined by tests which Transporter shall cause to be made at each Receipt and Delivery Point and other locations along its system.
- (b) Specification for Tests. Transporter shall determine the Total Heating Value of Gas and its component analysis at least once each Month in accordance with the Gas Measurement Committee Report No. 3 prepared by the Gas Measurement Committee of the American Gas Association, dated September 1985 or any subsequent revisions (AGA-3). Such determination shall be made using either an on-line chromatograph or by chromatographic analysis of a representative sample of Gas taken with a continuous flow proportional sampler. Chromatography shall be performed in accordance with Gas Processors Association (GPA) publications 2261-86 and 2286-86 or any subsequent revisions. The values of the physical constants for the Gas components shall be determined by the use of the physical constants listed in Table 5 of AGA-3. For components of the Gas not listed in said Table 5, GPA publication 2145-88 or any subsequent revision shall be used.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 725 Original Sheet No. 725 : Effective

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE V - QUALITY OF GAS (Continued)

5.4 Quality Tests. (Continued)

- (c) Non-Hydrocarbon Tests. Tests shall be made to determine the total sulfur, hydrogen sulfide, mercaptans, carbon dioxide, nitrogen and oxygen content of the Gas, and the hydrocarbon dew point and water vapor content of such Gas by approved standard methods in general use in the gas industry. Tests shall be made frequently enough to assure that the Gas continuously conforms to the quality requirements.

5.5 Failure to Conform.

- (a) If the Gas offered for Transportation by Shipper shall fail at any time to conform to any of the specifications set forth in Section 5.2, then Transporter shall have the right, upon written (including by telecopy) or oral notice to Shipper, to immediately refuse to accept all or any portion of such Gas.
- (b) Notwithstanding the foregoing, however, in the event the provisions of Section 5.3 are in effect, the following procedures shall apply:
 - (i) When the calculated quality of the Composite Gas Stream approaches 90% of the allowable maximums for those Gas components whose specifications are subject to blending, then Transporter shall notify all shippers whose Gas does not conform with Section 5.1.
 - (ii) When the calculated quality of the Composite Gas Stream equals or exceeds 95% of the allowable maximums for those Gas components whose specifications are subject to blending, Transporter shall immediately notify all shippers whose Gas does not conform, that Transporter will commence curtailing receipt of their Gas in the following manner:

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 726 Original Sheet No. 726 : Effective

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE V - QUALITY OF GAS (Continued)

5.5 Failure to Conform. (Continued)

- (1) Transporter shall determine which Gas nominations or receipts do not conform with Section 5.1. For each Shipper, whose Gas nominations or deliveries to Transporter do not conform with Section 5.1, Transporter shall identify the quantity of the Gas component that is in excess of the limits set forth in Section 5.1, compute a total thereof for all shippers, and calculate the percentage of said total for each Shipper.
- (2) The calculated percentage shall be used to determine the quantity of non-conforming component that each of the non-conforming shippers must eliminate from its Gas nominations and/or receipts, in order to bring said Composite Gas Stream back to within 93% of the quality specification described in Section 5.1. The required reduction of the non-conforming component, as well as the newly calculated maximum allowable concentration of the non-conforming component in Shipper's Gas deliveries to Transporter, shall be communicated to each of the non-conforming shippers.
- (3) Shipper may reduce the non-conforming component to the maximum allowable concentration in 5.5(b)(ii)(2) above by either replacing nominated or existing Gas deliveries to Transporter with Gas containing less of the non-conforming component, or by reducing

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 727 Original Sheet No. 727 : Effective

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE V - QUALITY OF GAS (Continued)

5.5 Failure to Conform. (Continued)

nominations or deliveries of non-conforming Gas until, inclusive of the reductions of non-conforming components similarly required of any other non-conforming shippers, the Composite Gas Stream is again calculated not to exceed 93% of the requirements of Section 5.1 herein.

- (4) Should Shipper fail to take adequate corrective action to comply with Transporter's requirements, Transporter shall have the right to curtail receipts from Shipper as described in Section 5.5(a) above.

- (c) Continuation of Obligation to Pay. In the event Transporter refuses to accept Gas tendered by Shipper because such Gas does not conform to the specifications set forth herein, Shipper shall not be relieved of its obligation to pay any Reservation Charge provided for in Shipper's Transportation Service Agreement.

5.6 Processing Rights.

All products removed from the Gas prior to receipt by Transporter shall remain the property of Shipper. All liquids or liquefiable hydrocarbons recovered by Transporter, after receipt of Gas hereunder by Transporter and prior to delivery of Gas by Transporter to Shipper, shall be and remain the exclusive property of Transporter.

Effective Date: 03/01/2008 Status: Effective

FERC Docket: RP08-177-000

First Revised Sheet No. 728 First Revised Sheet No. 728 : Effective
Superseding: Original Sheet No. 728

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VI - MEASUREMENT OF GAS

- 6.1 Transporter and Shipper are subject to Section 2, Measurement, and Section 3, Measuring Equipment, of the General Terms and Conditions in Transporter's FERC Gas Tariff, as revised from time to time.

Effective Date: 03/01/2008 Status: Effective

FERC Docket: RP08-177-000

First Revised Sheet No. 729 First Revised Sheet No. 729 : Effective
Superseding: Sheet Nos. 729-732

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

First Revised Sheet No. 729 supersedes the following sheets:

Original Sheet No. 729
First Revised Sheet No. 730
First Revised Sheet No. 731
Original Sheet No. 732

Sheet Nos. 729 through 732 are reserved for future use.

Effective Date: 02/03/2002 Status: Effective

FERC Docket: RP02-137-000

First Revised Sheet No. 730 First Revised Sheet No. 730 : Effective
Superseding: Original Sheet No. 730

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VI - MEASUREMENT OF GAS (Continued)

6.1 Measuring Equipment (Continued)

- (c) If neither of the methods provided in (a) nor (b) above can be used, by estimating the quantity delivered by reference to deliveries under similar conditions during a period when the equipment was registering accurately. No correction shall be made in the recorded volumes of Gas delivered hereunder for inaccuracies in measuring equipment of one percent (1%) or less.

6.1.5 New Measurement Techniques. If, at any time during the term of the Transportation Service Agreement a new method or technique is developed with respect to Gas measurement, such new method or technique may be substituted for the Gas measurement set forth in this Article VI upon mutual agreement thereto by the parties in writing.

6.1.6 Correction of Stated Metered Volumes. GISB 2.3.14: "Measurement data corrections will be processed within six (6) months of the production month with a three (3) month rebuttal period. This standard will not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard."

6.2 Measurement Procedures.

6.2.1 Metering. The Gas shall be metered by either orifice, turbine or ultrasonic type meters, at the discretion of Transporter. When orifice meters are used, they shall be installed and maintained, and volumes shall be measured in accordance with the methods prescribed in ANSI/API 2530, dated September 1985 or any

Effective Date: 02/03/2002 Status: Effective

FERC Docket: RP02-137-000

First Revised Sheet No. 731 First Revised Sheet No. 731 : Effective
Superseding: Original Sheet No. 731

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VI - MEASUREMENT OF GAS (Continued)

6.2 Measurement Procedures. (Continued)

subsequent revision thereof acceptable to Transporter and Shipper. When used, orifice meters shall be operated at a nominal Beta ratio of 0.5, but in no event shall the Beta ratio be less than 0.4 nor greater than 0.6. Transporter shall provide and use multiple meters when the operational range of Gas flow rates would necessitate Beta ratios outside of such limits. Where positive displacement meters, turbine meters, ultrasonic meters or other measuring devices are used, they shall be installed and operated in accordance with then-current American Gas Association recommendations, where available.

All meters shall be equipped with electronic flow computers, and all orifice meters shall be equipped with straightening vanes. Transporter shall make available, at no expense to Shipper, access to electronic signals from all electronic measuring and metering devices installed on Transporter's system but shall not be required to install, maintain or pay for any additional facilities. If facilities are required in order to access electric signals it shall be at Shipper's expense.

- 6.2.2 Deviation from Ideal Gas Laws. Correction shall be made for deviation of the Gas from Boyle's Law at the pressure and temperature at which the Gas is metered. Deviation of Gas from Boyle's Law shall be computed in accordance with the American Gas Association Bulletin Number 8 and any modifications and amendments thereto applied in a practical manner.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 732 Original Sheet No. 732 : Effective

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VI - MEASUREMENT OF GAS (Continued)

6.2 Measurement Procedures. (Continued)

6.2.3 Specific Gravity. The specific gravity of Gas flowing through the meters shall be determined by means of a recording gravitometer or gas chromatograph located at the delivering party's measuring station or at any other point on said party's system where there will be no commingling thereafter of Gas with that delivered to the receiving party, and the arithmetic average specific gravity each Day at such point shall be used in computing deliveries of Gas during such Day at such point.

6.2.4 Flowing Temperature. The flowing temperature of the Gas being metered shall be determined by means of a recording thermometer installed and maintained in accordance with the specifications set forth in Gas Measurement Committee Report No. 3, prepared by the Gas Measurement Committee of the American Gas Association, dated September, 1985, or any subsequent revisions thereof. The arithmetical average of readings each Day for the time that Gas is flowing shall be deemed the Gas temperature and used in computing the volumes of Gas metered during such Day.

6.2.5 Measurement. The volumetric unit of measurement for Gas received or delivered hereunder shall be an Mcf of Gas at a base temperature of 60 degrees Fahrenheit and at a base pressure of 14.73 Psia.

Effective Date: 12/20/2002 Status: Effective

FERC Docket: RP03- 82-000

Second Revised Sheet No. 733 Second Revised Sheet No. 733 : Effective
Superseding: Sub First Revised Sheet No. 733

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VII - TERM OF AGREEMENT

7.1 Effective Date and Term. The term of service shall be as provided for in the Transportation Service Agreement between Transporter and Shipper.

7.2 Continuation of Term. Shipper shall have the continuing option to extend the term of the Transportation Service Agreement for one or more additional twelve-month periods by providing at least twelve months written notice prior to the commencement of each such additional period; provided, however, that no such extended term shall be effective unless Transporter and Shipper mutually agree, at least six months prior to the commencement of each such extended term, on the rates or rate mechanism to be in effect during such extended term. Transporter and Shipper shall make every reasonable effort to reach agreement on such rates. If Shipper agrees to pay Transporter's then existing maximum rate for Firm Service, then such extended term shall be effective in accordance with Shipper's notice.

If Shipper elects to extend the primary term of its service agreement for only a portion of its firm contract rights, Shipper's MDQ, aggregate Maximum Receipt Volume entitlements and aggregate Maximum Delivery Volume entitlements for the extended term must be retained by the same percentage.

7.3 Right of First Refusal

- (a) At the end of the term determined in accordance with Sections 7.1 and 7.2 above, Shipper may exercise a right of first refusal to continue service, provided that Shipper is receiving service (1) at the maximum rate for a term of twelve consecutive months or longer (or for more than one year for service which is not available for twelve consecutive months); or (2) at any rate for a term of one year or longer when such service is provided under a service agreement executed prior to March 27, 2000.

To exercise such right of first refusal, Shipper must agree to match the rate or rates, up to the maximum rate or rates then applicable, and the agreement term which a competing prospective shipper is willing to irrevocably agree to with Transporter, for all or any portion of the transportation rights then held by Shipper. If the highest bid submitted by a competing prospective Shipper is a Negotiated

Effective Date: 10/01/2002 Status: Effective

FERC Docket: RP02-482-000

Second Revised Sheet No. 734 Second Revised Sheet No. 734 : Effective
Superseding: Sub First Revised Sheet No. 734

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VII - TERM OF AGREEMENT (Continued)

7.3 Right of First Refusal (Continued)

Rate that meets or exceeds the lowest rate Transporter is willing to accept for such service, the existing Shipper may retain its capacity by matching the bid on either a Negotiated Rate basis or a Recourse Rate basis as provided in Section 23.2(c) of the General Terms and Conditions; provided, however, that nothing herein shall obligate Transporter to render service to Shipper or to any competing prospective shipper if such persons do not agree to pay the maximum rates then applicable. To exercise its rights of first refusal, Shipper must agree to all other terms and conditions of service to which the competing prospective shipper is prepared to agree, or to such other terms and conditions as may be acceptable to Transporter.

- (b) If Shipper chooses to exercise the foregoing right of first refusal, Shipper shall give written notice to that effect to Transporter at least one hundred twenty (120) days prior to the termination date of its Transportation Service Agreement. Transporter shall post such notice on its Designated Site for a minimum period of sixty (60) days and shall receive any competing offers for such transportation service only during such period.
- (c) If Shipper chooses to exercise the foregoing right of first refusal, but wishes to retain only a portion of its capacity, Shipper's MDQ, aggregate Maximum Receipt Volume entitlements and aggregate Maximum Delivery Volume entitlements all must be retained by the same percentage.

7.4 Extension to Correct Imbalance. The term of the Transportation Service Agreement shall continue for a period of time reasonably sufficient to allow the parties to correct any cumulative imbalances in receipts and deliveries pursuant to Section 4.2.2 herein.

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Second Revised Sheet No. 735 Second Revised Sheet No. 735

Superseding: First Revised Sheet No. 735

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VIII - INVOICING AND PAYMENT

- 8.1 Invoicing. When information necessary for invoicing by Transporter is in the control of Shipper, Shipper shall furnish such information to Transporter on or before the fifth (5th) Business Day of the Month following the Invoicing Month. NAESB WGQ 2.3.7: "The cutoff for closing of measurement is 5 Business Days after business month." If information necessary for invoicing is not available in time for Transporter to render a timely statement, Transporter may use reasonable estimates and subsequently reconcile such estimates with actual information. NAESB WGQ 3.3.14: "The imbalance statement should be rendered prior to or with the invoice, and the transportation invoice should be prepared on or before the 9th business day after the end of the production month. Rendered is defined as postmarked, time-stamped, and delivered to the designated site." Shipper and Transporter shall have the right to examine, at reasonable times, books, the records and charts of the other to the extent necessary to verify the accuracy of any invoice, charge or computation made under or pursuant to any of the provisions hereof.
- 8.2 Payment. On or before the twenty-fifth Day of each Month, or the previous business Day in the event the twenty-fifth Day is a weekend or holiday, Shipper shall pay Transporter by wire transfer of immediately available funds to a depository designated by Transporter, the amount due for the Billing Month.
- 8.3 Interest on Unpaid Amounts. Should Shipper fail to pay the amount of any bill rendered by Transporter when such amount is due, unless such failure to pay is the result of Transporter's error, interest shall accrue on the amount not paid at a rate of interest equal to the then effective rate computed in the manner set forth in Section 154.501(d) (1) of the FERC's regulations under the Natural Gas Act. If such rate becomes unavailable, the rate shall be computed on the basis of the lesser of two percent (2%) above the prime rate from time to time charged by Chase Manhattan N.A. (or the succeeding bank of Chase Manhattan, N.A.), or the maximum applicable nonusurious rate of interest in the State of Texas.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 736 Original Sheet No. 736 : Effective

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VIII - INVOICING AND PAYMENT (Continued)

8.3 Interest on Unpaid Amounts. (Continued)

Such interest shall accrue on unpaid amounts, including any unpaid interest compounded quarterly, beginning on the payment due date of Transporter's invoice to Shipper, and shall terminate when such an invoice is paid.

8.4 Interest on Overcollections by Transporter. Should Transporter overcollect by payment of any bill by Shipper, interest shall accrue on the amount of the overcollection at a rate of interest equal to the then effective rate computed in the manner set forth in Section 154.501(d)(1) of the FERC's regulations under the Natural Gas Act. If such rate becomes unavailable, the rate shall be computed on the basis of the lesser of two percent (2%) above the prime rate from time to time charged by Chase Manhattan, N.A. (or the succeeding bank of Chase Manhattan, N.A.), or the maximum applicable nonusurious rate of interest in the State of Texas. Such interest shall accrue on the amount of the overcollection, plus any unpaid interest compounded quarterly, beginning on the date Transporter receives the overcollected funds, and shall terminate on the date Transporter repays such funds to Shipper.

8.5 Remedies for Failure to Pay. If Shipper's failure to pay continues for 30 Days after payment is due, Transporter may discontinue transportation service; provided, however, that Transporter shall provide Shipper with a minimum of 15 Days notice before service is discontinued and shall report such discontinuance of service to the FERC. Transporter shall not be entitled to suspend further delivery of Gas if Shipper in good faith shall dispute the amount of any such bill or part thereof and shall pay to Transporter such amounts as it concedes to be correct.

8.6 Late Billing. If presentation of a bill by Transporter is delayed after the due date, then the time for payment shall be extended correspondingly unless Shipper is responsible for such delay.

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

First Revised Sheet No. 737 First Revised Sheet No. 737

Superseding: Original Sheet no. 737

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VIII - INVOICING AND PAYMENT (Continued)

- 8.7 Disputed Invoices. NAESB WGQ 3.3.19: "If invoice is in dispute, pay portion not in dispute and provide documentation identifying basis for dispute."
- 8.8 Adjustment of Invoicing Errors. In the event an error is discovered in the amount billed in any invoice rendered by Transporter, such error shall be adjusted within 30 days of the determination thereof, provided that claim therefor shall have been made within six (6) months from the date of such invoice.
- 8.9 Financial Requirements. As a necessary condition for entering into the Transportation Service Agreement, Transporter requires a corporate guarantee satisfactory to Transporter of Shipper's obligations under the Transportation Service Agreement from a creditworthy affiliate of Shipper. It is understood and agreed that Transporter is not required to commence service or continue to perform service under the Transportation Service Agreement if Shipper, or, if applicable, its parent, in its role as guarantor, fails to demonstrate creditworthiness as reasonably determined by Transporter.

Transporter's determination of creditworthiness for purposes of this Rate Schedule shall be based upon a review of such person's financial statements, bank references, trade references, and such other information relating to the person's financial status and payment history as is ordinarily required by lending institutions to establish creditworthiness.

Transporter shall provide a written explanation and notice to Shipper and, if applicable, to its guarantor, of any future determination of a change in such person's credit status which may lead to the imposition of additional credit supports as provided for herein.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 738 First Revised Sheet No. 738 : Effective
Superseding: Original Sheet No. 738

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE VIII - INVOICING AND PAYMENT (Continued)

8.9 Financial Requirements. (Continued)

If Transporter hereafter reasonably determines that Shipper or its guarantor is not creditworthy, Transporter may require Shipper to deposit with Transporter, and maintain on prepaid account, or to establish and maintain an escrow account, or to furnish a letter of credit from a financial institution mutually agreeable to Transporter and Shipper, in an amount equal to Transporter's estimate of three (3) months of the charges for performing Transportation service at the level of Shipper's Demand Maximum Daily Quantity, or to furnish within 15 days of notice, good and sufficient security in a form mutually agreed to by Transporter and Shipper, of a continuing nature and in an amount equal to Transporter's estimate of the charges for performing said transportation service at a level of Shipper's Demand Maximum Daily Quantity for a period of three (3) months, or as Shipper and Transporter mutually agree provides equivalent credit support.

If a deposit is required of Shipper then upon Shipper's establishment of an acceptable credit record or upon expiration of the Transportation Service Agreement, Transporter shall refund Shipper's deposit, with interest accrued at rates set pursuant to 18 CFR Section 154.501(d)(1).

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 739 Original Sheet No. 739 : Effective

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE IX - FORCE MAJEURE

- 9.1 Force Majeure. In the event of either party's being rendered, wholly or in part by force majeure, unable to carry out its obligations under the Transportation Service Agreement, it is agreed that when such party gives notice and full particulars of such force majeure, in writing, by electronic mail or by telephone, to the other party, which shall be done as soon as practicable after the occurrence of the event of force majeure relied on, then the obligations of the parties hereto so far as such obligations are affected by such force majeure shall be suspended during the continuance of any period of force majeure, but for no longer period, and such inability to perform shall, so far as possible, be remedied with all reasonable dispatch. The term "force majeure" as employed herein shall include, but shall not be limited to blockades, insurrections, riots, epidemics, floods, washouts, landslides, mudslides, earthquakes, extreme cold or freezing weather, lightning, restraints of rulers and peoples, civil disturbances, explosions, breakage or freezing of or accident to machinery or line of pipe, the order of any court or governmental authority having jurisdiction, and any other cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. Failure to prevent or settle any strike or strikes shall not be considered a matter within the control of the party claiming suspension. Such causes or contingencies affecting the performance under the Transportation Service Agreement by either Transporter or Shipper, however, shall not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve either party from its obligations to make payments of amounts then due in respect of Gas theretofore delivered.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 740 First Revised Sheet No. 740 : Effective
Superseding: Original Sheet No. 740

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE IX - FORCE MAJEURE (Continued)

9.1 Force Majeure. (Continued)

Nothing in this Article IX shall relieve Shipper of payment of the Monthly Reservation Charge Amount; provided, however, that if Transporter fails to accept 90% of the volumes nominated by Shipper within Entitlements at the Receipt Point(s), or fails to deliver volumes at the Delivery Point(s) Thermally Equivalent to 90% of the volumes received by Transporter at the Receipt Point(s), for a period of 90 days as a result of force majeure, Shipper's obligation to pay the Monthly Reservation Charge Amount shall be suspended following such 90-Day period until the termination of such period of force majeure. Notwithstanding the foregoing, no adjustment to the Monthly Reservation Charge Amount shall be made for any interruption or curtailment of service at any Secondary Receipt Point or Secondary Delivery Point.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 741 First Revised Sheet No. 741 : Effective
Superseding: Original Sheet No. 741

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE X - TITLE AND POSSESSION OF GAS

- 10.1 Possession of Gas and Responsibility. As between Transporter and Shipper, Shipper shall be deemed to be in control and possession of the Gas until it has been received by Transporter for Transportation at Receipt Point(s). Transporter shall thereupon be deemed to be in control and possession of the Gas until the Thermally Equivalent Quantities (less any requisite fuel and loss reimbursement) shall have been delivered to Shipper at the Delivery Point(s), after which Shipper shall be deemed to be in control and possession. Shipper shall have no responsibility with respect to any Gas after it has been received by Transporter at the Receipt Point(s) on account of anything which may be done, happen or arise with respect to said Gas, until the Thermally Equivalent Quantities (less any requisite fuel and loss reimbursement) are delivered to Shipper at the Delivery Point(s). Transporter shall have no responsibility with respect to said Gas prior to its receipt by Transporter at the Receipt Point(s), after its delivery to Shipper at the Delivery Point(s) or on account of anything which may be done, happen or arise with respect to said Gas prior to such receipt or after such delivery.

FERC Docket: RP09-306-000

Superseding: Original Sheet No. 742

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XI - WARRANTY OF TITLE

11.1 Warranty of Title. Shipper warrants that Shipper will, at the time of delivery of Gas to Transporter at the Receipt Point(s) for Transportation, have good title to all Gas so delivered to Transporter, free and clear of all liens, encumbrances and claims whatsoever, and that it will at such time of delivery have the right to deliver such Gas.

Subject to the foregoing, Transporter warrants that it will, at the time of delivery of the transported Gas to Shipper at the Delivery Point(s), have the right to deliver said Gas free and clear of all liens, encumbrances and claims whatsoever.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 743 Original Sheet No. 743 : Effective

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XII - STATUTORY REGULATION

- 12.1 Rate Filings. Transporter's rates, charges, classifications and services as set forth in this Rate Schedule and the Transportation Service Agreement are subject to regulation by the FERC under the Natural Gas Act of 1938, as amended, 15 USC Section 717, et seq. ("NGA"). Transporter shall have the right to file from time to time with the FERC under Section 4 of the Natural Gas Act and to place into effect such changes in this Rate Schedule, the Transportation Service Agreement or Transporter's Tariff as Transporter may find necessary from time to time to assure Transporter just and reasonable rates and charges and terms and conditions of service. Shipper shall have the right to oppose any such changes assure Shipper just and reasonable rates and terms and conditions. Shipper shall have the right to seek from the FERC under the NGA such changes in this Rate Schedule or the Transportation Service Agreement as Shipper may find necessary. Waivers of these statutory rights, if any, shall be as provided in the Transportation Service Agreement between Transporter and Shipper.
- 12.2 Filing Requirement. Each party hereto shall proceed with diligence to file applications with the FERC and any other governmental authorities for any authorizations necessary to carry out their respective obligations under this Rate Schedule and the Transportation Service Agreement.
- 12.3 Conformance with Laws. Notwithstanding any other provisions hereof, this Rate Schedule and the Transportation Service Agreement and all rights and obligations arising under it are subject to all valid legislation, both State and Federal, and to all valid present and future orders, rules and regulations of duly constituted authorities, now or hereafter having jurisdiction.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 744 Original Sheet No. 744 : Effective

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XIII - SERVICE CONDITIONS

- 13.1 Alterations and Repairs. When Transporter needs temporarily to curtail or interrupt service to Shipper hereunder in any portion of Transporter's pipeline system for the purpose of making necessary alterations (such as those required for safety purposes, environmental requirements, regulatory requirements, the addition of Receipt Point(s) and Delivery Point(s), the tie-in of expansion facilities or other similar alterations of the Kern River System) or repairs therein, Transporter shall give Shipper as much notice as possible, but not less than 60 Days except in case of emergency. Transporter shall endeavor to arrange such curtailments or interruptions so as to inconvenience Shipper as little as possible and to continue same only for such time as is necessary.
- 13.2 Liability of Parties. Transporter and Shipper each assume full responsibility and liability for the installation, presence, maintenance and operation of their respective properties and facilities and shall indemnify and hold harmless the other from all liability and expense on account of any and all damages, claims, or actions, including injury to and death of persons, arising from any act, accident or omission in connection with the installation, presence, maintenance and operation of properties and facilities of the indemnifying party, except to the extent, if any, that such liability or expense is caused by, or arises out of, the negligence or willful misconduct of the non-indemnifying party or its agents or employees. Transporter shall have no obligation to odorize gas delivered to Shipper under this Rate Schedule nor to maintain any odorant level.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 745 Original Sheet No. 745 : Effective

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XIV - PRIORITY OF SERVICE

- 14.1 Curtailment. Transporter and Shipper agree that in the event that Transporter must curtail deliveries to some or all shippers due to insufficient capacity, whether due to force majeure, alterations and repairs, or any other cause, Transporter shall curtail or interrupt deliveries in accordance with the priorities set forth in Section 13.3 of the General Terms and Conditions of this tariff, to the extent necessary to maintain superior priority of service.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-003

Second Revised Sheet No. 746 Second Revised Sheet No. 746 : Effective
Superseding: First Revised Sheet No. 746

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XV - RECEIPT AND DELIVERY POINTS AND PRESSURES

15.1 Receipt Point(s).

- a) The Primary Receipt Point(s) at which Transporter will receive Gas from Shipper for Transportation are set forth in Exhibit "A" to the Transportation Service Agreement. Exhibit "A" also states a Receipt Point Entitlement for each Primary Receipt Point, which shall be the maximum volume of Gas Transporter is obligated to receive for Transportation at such Primary Receipt Point on any Day. Shipper may add Primary Receipt Points to its Transportation Service Agreement, or increase or decrease the amount of Shipper's Receipt Point Entitlement at any particular Primary Receipt Point, subject to the availability of capacity; provided, however, that in the event of any such addition or increase, Shipper must concurrently relinquish an equivalent amount of its Receipt Point Entitlement at any one or more of the Primary Receipt Points contained in its Transportation Service Agreement. Subject to the foregoing requirement to relinquish Receipt Point Entitlements, Shipper may request Primary Receipt Points additional to those on Exhibit "A" to be installed in accordance with Section 6.1.1 above and Transporter's agreement to install such additional Primary Receipt Points shall not be unreasonably withheld. Exhibit "A" shall be amended as necessary to reflect any changes in Shipper's utilization of its Primary Receipt Points.
- b) In addition, Shipper may, subject to Section 13 of the General Terms and conditions of this Tariff, nominate and schedule Gas for Transportation from Secondary Receipt Points. In the event Shipper temporarily releases any or all of its transportation rights to a Replacement Shipper under Section 15 of the General Terms and Conditions of this Tariff, Shipper shall be required to relinquish, for the entire term of the relevant Release, some portion or all of its Receipt Point Entitlements at any one or more of its Primary Receipt Points in an aggregate

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

Second Revised Sheet No. 747 Second Revised Sheet No. 747 : Effective
Superseding: Sub First Revised Sheet No. 747

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XV - RECEIPT AND DELIVERY POINTS AND PRESSURES (Continued)

15.1 Receipt Point(s). (Continued)

amount no less than the amount of the DMDQ released. Following expiration of the term of any Release which is not a permanent Release, Shipper shall be entitled to utilize the Primary Receipt Points which the Replacement Shipper was entitled to utilize at the time of expiration of the Release Term, up to the amount of the Replacement Shipper's respective Receipt Point Entitlement at each such point.

- (c) In the event Shipper permanently releases only a portion of its Transportation rights to a Replacement Shipper under Section 15 of the General Terms and Conditions of this tariff, Shipper's aggregate Receipt Point Entitlements must be released by the same percentage as Shipper's DMDQ and aggregate Delivery Point Entitlements are released.

15.2 Transporter's Receipt Pressure. Shipper shall deliver, or cause to be delivered, to Transporter the Gas at the Receipt Point(s) at sufficient pressures to effect delivery thereof into Transporter's facilities against the pressures at such point(s), but Shipper shall not be obligated to deliver or cause to be delivered such Gas to Transporter in excess of the minimum receipt pressures as stated on Exhibit "A" to the Transportation Service Agreement.

15.3 Delivery Point(s).

- (a) The Primary Delivery Point(s) at which Transporter will deliver Gas for Shipper's account are set forth in Exhibit "B" to the Transportation Service Agreement. Exhibit "B" also states a Delivery Point Entitlement for each Primary Delivery Point which is the maximum Quantity of Gas Transporter is obligated to deliver at such Primary Delivery Point on any Day. Shipper may add Primary Delivery Points to its Transportation Service Agreement, or increase or decrease the amount of Shipper's Delivery

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

Second Revised Sheet No. 748 Second Revised Sheet No. 748 : Effective
Superseding: First Revised Sheet No. 748

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XV - RECEIPT AND DELIVERY POINTS AND PRESSURES (Continued)

15.3 Delivery Point(s). (Continued)

Point Entitlement at any particular Primary Delivery Point, subject to the availability of capacity; provided, however, that in the event of any such addition or increase, Shipper must concurrently relinquish an equivalent amount of its Delivery Point Entitlement at any one or more of the Primary Delivery Points contained in its Transportation Service Agreement. Subject to the foregoing requirement to relinquish Delivery Point Entitlements, Shipper may request Primary Delivery Point(s) additional to those on Exhibit "B" which require the installation of new facilities on Transporter's System, to be installed in accordance with Section 6.1.1 above and Transporter's agreement to install such additional Primary Delivery Point(s) shall not be unreasonably withheld. Exhibit "B" shall be amended as necessary to reflect any changes in Shipper's utilization of its Primary Delivery Points which is mutually agreed to by the parties in writing.

- (b) In addition, Shipper may, subject to Section 13 of the General Terms and conditions of this Tariff, nominate and schedule Gas for Transportation from Secondary Delivery Points. In the event Shipper temporarily releases any or all of its transportation rights to a Replacement Shipper under Section 15 of the General Terms and Conditions of this Tariff, Shipper shall be required to relinquish, for the entire term of the relevant Release, some portion or all of its Delivery Point Entitlement at any one or more of its Primary Delivery Points in an aggregate amount no less than the amount of the DMDQ released. Following expiration of the term of any Release which is not a permanent Release,

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

Second Revised Sheet No. 749 Second Revised Sheet No. 749 : Effective
Superseding: Sub First Revised Sheet No. 749

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XV - RECEIPT AND DELIVERY POINTS AND PRESSURES (Continued)

15.3 Delivery Point(s). (Continued)

Shipper shall be entitled to utilize the Primary Delivery Points which the Replacement Shipper was entitled to utilize at the time of expiration of the Release Term, up to the amount of the Replacement Shipper's respective Delivery Point Entitlement at each such point.

- (c) In the event Shipper permanently releases only a portion of its Transportation rights to a Replacement Shipper under Section 15 of the General Terms and Conditions of this tariff, Shipper's aggregate Delivery Point Entitlements must be released by the same percentage as Shipper's DMDQ and aggregate Receipt Point Entitlements are released.

15.4 Transporter's Delivery Pressure. Gas shall be delivered by Transporter to Shipper (or for Shipper's account) at the Delivery Point(s) at such pressures as may be available, at the said Delivery Point(s), but not less than the minimum delivery pressures as stated on Exhibit "B".

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 750 Original Sheet No. 750 : Effective

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XVI - INSPECTION OF EQUIPMENT AND RECORDS

- 16.1 Inspection of Equipment and Data. Notwithstanding the provisions of Article VI, each party shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the party installing or furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data, charts and other similar records in such party's possession, for a period of at least three years.
- 16.2 Verification of Computations. Each party shall have the right to examine at reasonable times the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, charge or computation made pursuant to this Rate Schedule.

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP04- 4-000

Second Revised Sheet No. 751 Second Revised Sheet No. 751 : Effective
Superseding: First Revised Sheet No. 751

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XVII - MISCELLANEOUS

- 17.1 Successors and Assigns. The Transportation Service Agreement shall be binding upon and inure to the benefit of the parties thereto and their respective successors and assigns. No assignment or transfer by either party thereunder shall be made without written approval of the other party. Such approval shall not be unreasonably withheld. No such consent of Transporter or Shipper shall be required when an assignment by Shipper or Transporter is the result of, and part of, a corporate acquisition, merger, or reorganization. Nothing contained in this Rate Schedule shall prevent either party from pledging, mortgaging or assigning its rights as security for its indebtedness and either party may assign to the pledgee or mortgagee (or to a trustee for the holder of such indebtedness) any money due or to become due under the Transportation Service Agreement. As between the parties thereto, such assignment shall become effective on the first Day of the Month following written notice that such assignment has been effectuated. If requested to do so, Transporter agrees, if the Kern River System is fully subscribed, to assist Shipper in locating a third party to accept assignment of some or all of Shipper's rights and obligations under the Transportation Service Agreement.
- 17.2 Notices. All notices provided for herein shall be given in writing and addressed as follows:

If to Transporter:

Kern River Gas Transmission Company
2755 E. Cottonwood Parkway, Suite 300
P.O. Box 71400
Salt Lake City, UT 84171-0400
Fax No. (801) 937-6444
Attention: Marketing and Customer Services

If to Shipper:

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 752 Original Sheet No. 752 : Effective

RATE SCHEDULE MO-1
Kern River Firm Transportation Services
(Continued)

ARTICLE XVII - MISCELLANEOUS (Continued)

- 17.3 Amendment in Writing. The Transportation Service Agreement shall be amended only by an instrument in writing executed by both parties hereto.
- 17.4 Waiver of Defaults. No waiver by any party of any one or more defaults by the other in the performance of any provisions of this Rate Schedule or the Transportation Service Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.
- 17.5 Exhibits. The exhibits to the Transportation Service Agreement are incorporated by reference as if set forth in full therein.
- 17.6 Limitation of Liability. Any recourse for any liability of Transporter shall be against Transporter only, to the exclusion of any parent or affiliate of Transporter, and shall be limited to the assets of Transporter.
- 17.7 Choice of Law. The Transportation Service Agreement shall be construed according to the laws of the State of Utah, except insofar as such laws may refer to the laws of another jurisdiction for resolution of any issue arising hereunder.
- 17.8 Headings. The headings of the Articles and Sections of this Rate Schedule and Transportation Service Agreement are inserted for convenience of reference only and shall not affect the meaning or construction thereof.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Sheet Nos. 753-799 Sheet Nos. 753-799 : Effective

RESERVED FOR FUTURE USE

Effective Date: 04/20/2009 Status: Effective

FERC Docket: RP09-466-000

Second Revised Sheet No. 800 Second Revised Sheet No. 800
Superseding: First Revised Sheet No. 800

RATE SCHEDULE SH-1
Kern River Firm Transportation Services

AVAILABILITY

Pursuant to the Commission's order dated November 2, 1990, in Kern River Gas Transmission Company, Docket Nos. CP89-2047-000, et al., 53 F.E.R.C. (CCH) para. 61,172 (1990), this rate schedule posts in this FERC Gas Tariff the terms of the October 2, 1989 Firm Transportation Service Agreement between Transporter and Shell Western E&P, Inc. ("Rate Schedule SH-1"), as amended, and shall govern firm transportation service by Transporter to Shell Western E&P, Inc. within the contract term, Demand Maximum Daily Quantity and Receipt and Delivery Points established in such agreement.

This Rate Schedule is also available for firm transportation service to customers that request firm service on Kern River's 700 MMcf/d capacity interstate natural gas pipeline system after such system becomes operational. In order to qualify for service under this Rate Schedule, such shippers must submit to Kern River the same information as required by Section 3 of Kern River's KRF-1 Rate Schedule, and in accordance with the same procedures as those set forth therein. Such shippers must satisfy the same standards of creditworthiness as those set forth in Section 29 of the General Terms and Conditions of this tariff and must execute a firm transportation service agreement for service under this Rate Schedule.

APPLICABILITY AND CHARACTER OF SERVICE

See Section 2.1 of this Rate Schedule SH-1.

RATES

Unless otherwise agreed by Transporter pursuant to Article 6 herein, rates for service hereunder shall be determined in accordance with Section 5 of Rate Schedule KRF-1 in this Tariff (except that Section 5.8 of Rate Schedule KRF-1 shall not apply to service hereunder).

MINIMUM BILL

Subject to the terms, conditions and limitations hereof, the minimum monthly bill will be the monthly reservation charge, if any, in effect from time to time pursuant to the provision hereof, unless Transporter and Shipper mutually agree otherwise.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

First Revised Sheet No. 801 First Revised Sheet No. 801 : Effective
Superseding: Original Sheet No. 801

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

Article	INDEX	Sheet Number
1.	Definitions	803
2.	Quantity.	811
3.	Term.	812
4.	Termination	814
5.	(Reserved)	815
6.	Rates	843
7.	Invoicing	856
8.	Payment	858
9.	Force Majeure	860
10.	Interruptions of Service.	865
11.	Receipt and Delivery Points	868
12.	Fuel Gas, Unaccounted-for Gas, Testing & Line Pack.	871
13.	Operating Procedures.	873
14.	Quality of Gas.	874
15.	Pressure.	881
16.	Operating Tolerances and Balancing.	883
17.	Measurement	884

Effective Date: 08/01/2004 Status: Effective

FERC Docket: RP04-339-000

Second Revised Sheet No. 802 Second Revised Sheet No. 802 : Effective
Superseding: First Revised Sheet No. 802

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

INDEX (Continued)

Article	Sheet Number
18. Inspection of Equipment and Records	889
19. Warranty of Title, Liens, Adverse Claims, and Encumbrances.	890
20. Liability of Parties and Indemnification.	891
21. Notices	893
22. Miscellaneous	894
23. (Reserved)	898
24. Revenue Sharing	900
25. (Reserved).	900
26. Delivery Facilities	900

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

First Revised Sheet No. 803 First Revised Sheet No. 803

Superseding: Original Sheet No. 803

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 1 - DEFINITIONS

Unless another definition is expressly stated, the following terms and abbreviations, when used in this Rate Schedule, the Firm Transportation Service Agreement between Transporter and Shipper and in all related exhibits, recitals, and appendices, are intended and will mean as follows:

- 1.1 "Business Day": "Business Day is defined as Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico." NAESB WGQ 3.2.1
- 1.2 "Annual Charge Adjustment" or "ACA" shall mean any and all charges assessed to Transporter pursuant to Part 382 of the FERC's Regulations, 18 C.F.R. 382.101 et. seq., as those Regulations may hereafter be amended or superseded.
- 1.3 "Btu": "Standardize the reporting basis for Btu as 14.73 psia and 60 degrees F (101.325 kPa and 15 degrees C, and dry). Standardize the reporting basis for gigacalorie as 1.035646 Kg/cm2 and 15.6 degrees C and dry. Standardize the reporting basis for gas volumes as cubic foot at standard conditions of 14.73 psia, 60 degrees, F and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry." NAESB WGQ 2.3.9
- 1.4 "Construction Commitment Date" shall mean the date Shipper receives written notice from Transporter that Transporter and Mojave have executed purchase order(s) to purchase the pipe required to construct Transporter's System (including the Common Facilities) under terms that impose a binding legal obligation upon Transporter to make non-refundable payment(s) equal to thirty (30) percent of the total cost of the pipe. A copy of such purchase order(s) shall accompany Transporter's written notice to Shipper. The Construction Commitment Date shall not be less than fifteen (15) Days after the Construction Notification Date.
- 1.5 "Construction Notification Date" shall mean the date on which Transporter notifies Shipper that Transporter has (a) obtained regulatory approvals adequate to support the commencement of

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Second Revised Sheet No. 804 Second Revised Sheet No. 804 : Effective
Superseding: First Revised Sheet No. 804

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 1 - DEFINITIONS (Continued)

1.5 "Construction Notification Date" (Continued)

construction of the pipeline system, (b) obtained firm bids for the purchase of materials and construction and installation of the pipeline, and (c) obtained initial financing commitments from lenders, such that Transporter is prepared to initiate the construction of the pipeline system. Such notice shall also specify the date which Transporter reasonably anticipates will be the Construction Commitment Date.

1.6 "Contract Year" shall mean the period of twelve consecutive months beginning on the first Day of the Primary Term of the Firm Transportation Service Agreement, and each succeeding period of twelve consecutive months during the term of the Firm Transportation Service Agreement.

1.7 "CPUC" shall mean the Public Utilities Commission of the State of California, or any successor agency.

1.8 (reserved)

1.9 "Cubic Foot of Gas" shall mean that quantity of Gas which, at a temperature of 60 degrees Fahrenheit and at a pressure of 14.73 psia, occupies one cubic foot.

1.10 "Day": "Standard time for the gas day should be 9 a.m. to 9 a.m. (central clock time)." NAESB WGQ 1.3.1.

1.11 "Delivery Point" shall mean a point on Transporter's System at which Transporter delivers Gas to Shipper or for Shipper's account. Delivery Points shall be either Primary Delivery Points, which shall be those set forth on Exhibit "A" to the Firm Transportation Service Agreement, as amended from time to time, or Secondary Delivery Points, which shall be all other points at which Transporter is authorized to deliver Gas from Transporter's System, as listed on the Operationally Available and Unsubscribed Capacity reports on Transporter's Designated Site. Capacity in excess of

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Third Revised Sheet No. 805 Third Revised Sheet No. 805

Superseding: Second Revised Sheet No. 805

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 1 - DEFINITIONS (Continued)

1.11 "Delivery Point". (continued)

Shipper's Delivery Point Entitlement at a Primary Delivery Point shall be available to Shipper on a Secondary Delivery Point basis; provided, however, that any quantities scheduled by Shipper for Transportation in excess of Shipper's Transportation Maximum Daily Quantity shall be considered Authorized Overrun Service.

1.12 "Delivery Point Entitlements" shall mean the maximum quantity that Transporter is obligated to deliver to Shipper and Shipper is obligated to accept from Transporter on any Day at the Primary Delivery Points designated on Exhibit "A" to the Firm Transportation Service Agreement, as amended from time to time.

1.13 (Reserved)

1.14 (Reserved)

1.15 "FERC" or "Commission" shall mean the Federal Energy Regulatory Commission or any successor thereto.

1.16 (Reserved)

1.17 (Reserved)

1.18 (Reserved)

1.19 "Force Majeure" shall have the meaning stated in Section 9.1.

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Third Revised Sheet No. 806 Third Revised Sheet No. 806

Superseding: Second Revised Sheet No. 806

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 1 - DEFINITIONS (Continued)

- 1.20 "Gas" or "Natural Gas" shall mean any mixture of hydrocarbons or of hydrocarbons and non-combustible gases, in a gaseous state, consisting essentially of methane. Such gas may be either in its natural state produced from wells, including casinghead and residue gas, or after manufacture or other methods of producing synthetic gas.
- 1.21 (Reserved)
- 1.22 "In-Service Date" shall mean the first Day of the initial seven (7) Day time period during which on each and every Day of that time period Transporter performs Transportation service under the Firm Transportation Service Agreement by receiving 100% of the Gas volumes tendered by Shipper at the Receipt Points, limited only by Shipper's Transportation Maximum Daily Quantity, and delivering to Shipper such Gas volumes at the Delivery Points pursuant to the Firm Transportation Service Agreement.
- 1.23 "Interconnect Operator": Any person or entity responsible for the operation and/or maintenance of the facilities connected with the Transporter's facilities.
- 1.24 "Intra-Day Nomination": "An intra-day nomination is a nomination submitted after the nomination deadline whose effective time is no earlier than the beginning of the gas day and runs through the end of that gas day." NAESB WGQ 1.2.4.
- 1.25 "Transportation Maximum Daily Quantity" ("TMDQ") or "Shipper's Transportation Maximum Daily Quantity" shall have the meaning stated in Article 2.1(a).
- 1.26 "Mcf" shall mean one thousand (1000) Cubic Feet of Gas.
- 1.27 "Month" shall mean the period starting at 9:00 a.m. Central Clock Time on the first Day of a calendar month and ending at 9:00 a.m. Central Clock Time on the first Day of the next calendar month.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 807 First Revised Sheet No. 807 : Effective
Superseding: Original Sheet No. 807

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 1 - DEFINITIONS (Continued)

- 1.28 "Monthly Commodity Charge" shall mean the commodity, usage or transportation rate component of Shipper's rate for service hereunder to be paid by Shipper each month pursuant to Section 7.2.2 herein.
- 1.29 "Monthly Reservation Charge" shall mean the reservation component of Shipper's rate for service hereunder to be paid by Shipper each month pursuant to Section 7.2.1 herein.
- 1.30 "NGA" or "Natural Gas Act" shall mean the Natural Gas Act of 1938, as amended, 15 U.S.C. Sec. 717, et seq.
- 1.31 "NGPA" or "Natural Gas Policy Act" shall mean the Natural Gas Policy Act of 1978, as amended, 15 U.S.C. Sec. 3301, et seq.
- 1.32 "Overrun Gas" shall mean any Gas Quantity in excess of Shipper's Transportation Maximum Daily Quantity which, upon prior request of Shipper and with Transporter's approval, Shipper tenders and Transporter accepts for Transportation on any Day.
- 1.33 "Overthrust Area" shall mean that geological Natural Gas production area located primarily in southwestern Wyoming and extending into northeastern Utah.
- 1.34 "Overthrust Pipeline" shall have the meaning stated in Section 4.2.
- 1.35 "Primary Term" shall have the meaning stated in Section 3.1.
- 1.36 "psia" shall mean pounds per square inch, absolute.
- 1.37 "psig" shall mean pounds per square inch, gauge.
- 1.38 "Quantity" shall mean the number of units of gas, either specified in Mcf or Dth.

Effective Date: 09/06/2004 Status: Effective

FERC Docket: RP04-444-000

Third Revised Sheet No. 808 Third Revised Sheet No. 808 : Effective
Superseding: Second Revised Sheet No. 808

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 1 - DEFINITIONS (Continued)

- 1.39 "Receipt Point" shall mean a point on Transporter's System at which Shipper or Shipper's designee may tender Gas to Transporter and Transporter shall receive Gas from Shipper or for Shipper's account. Receipt Points shall be either Primary Receipt Points, which shall be those set forth on Exhibit "A" to the Firm Transportation Service Agreement, as amended from time to time, or Secondary Receipt Points, which shall be all other points at which Transporter is authorized to receive Gas into Transporter's System, as listed on the Operationally Available and Unsubscribed Capacity reports on Transporter's Designated Site. Capacity in excess of Shipper's Receipt Point Entitlement at a Primary Receipt Point shall be available to Shipper on a Secondary Receipt Point basis; provided, however, that any quantities scheduled by Shipper for Transportation in excess of Shipper's Transportation Maximum Daily Quantity shall be considered Authorized Overrun Service.
- 1.40 "Receipt Point Entitlements" shall mean the maximum quantity of Natural Gas, as listed on Exhibit "A" to the Firm Transportation Service Agreement, as amended from time to time, that Shipper may tender to Transporter and Transporter shall receive from Shipper at the Primary Receipt Points on any Day.
- 1.41 (Reserved)
- 1.42 (Reserved)
- 1.43 "Shipper's Fuel Gas Volumes" shall have the meaning stated in Section 12.1.
- 1.44 "Shipper's L&U Volumes" shall have the meaning stated in Section 12.2.
- 1.45 (Reserved)
- 1.46 (Reserved)
- 1.47 "Thermally Equivalent" shall mean equivalent in the number of Btu's.

Effective Date: 09/01/2002 Status: Effective

FERC Docket: RP02-392-000

First Revised Sheet No. 809 First Revised Sheet No. 809 : Effective
Superseding: Original Sheet No. 809

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 1 - DEFINITIONS (Continued)

- 1.48 "Total Heating Value" shall mean the number of Btu's liberated by the complete combustion of one Cubic Foot of Gas saturated with water vapor at a constant pressure of 14.73 psia and temperature of 60 degrees Fahrenheit with air at the same pressure and temperature and with water formed by combustion condensed to the liquid state with the number of Btu's so determined then mathematically adjusted to reflect the actual water vapor content of the Gas stream from which such Cubic Foot of Gas was obtained.
- 1.49 "Transportation" shall mean Transporter's receipt of Gas tendered by Shipper or for Shipper's account at Receipt Points and delivery of Thermally Equivalent volumes of Gas (after making allowance for any requisite fuel or loss reimbursement) to Shipper or for Shipper's account at Delivery Points.
- 1.50 "Volume" shall mean the number of units of gas, either specified in Mcf or Dth.
- 1.51 "Transporter's System" shall mean Transporter's pipeline and related facilities, including compression, owned by Transporter, but excluding the High Desert Lateral as described in Rate Schedule KRF-L1.
- 1.52 "Mojave" shall refer to Mojave Pipeline Company.
- 1.53 "Common Facilities" shall mean the natural gas pipeline system extending from the vicinity of Daggett, California to the vicinity of Bakersfield, California, to be jointly owned by Transporter and Mojave as tenants-in-common.
- 1.54 "Composite Gas Stream" shall mean the composite of all Gas receipts and/or nominations from all shippers for transportation by Transporter. Composite Gas Stream shall be the theoretical gas stream that will result from the combination of all gas receipts from all shippers as determined by a computer model that utilizes analytical and flow data generated at each of the Receipt Points. The computer model determines what the Composite Gas Stream composition will be on a feed forward basis.

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

Second Revised Sheet No. 810 Second Revised Sheet No. 810
Superseding: First Revised Sheet No. 810

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 1 - DEFINITIONS (Continued)

1.55 (Reserved)

1.56 "NAESB" or "NAESB WGQ" shall mean the North American Energy Standards Board ("NAESB"), successor to the Gas Institute Standards Board or GISB. Transporter shall update its tariff, as necessary, to incorporate new or amended NAESB standards approved by the Commission.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 811 First Revised Sheet No. 811 : Effective

Superseding: Original Sheet No. 811

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 2 - QUANTITY

2.1 Transportation Service. Subject to the provisions of this Rate Schedule and the Firm Transportation Service Agreement, Transporter and Shipper hereby agree that Transporter shall render to Shipper a Transportation service that shall consist of:

- (a) The receipt by Transporter for the account of Shipper of up to a transportation maximum daily quantity (TMDQ) as calculated using the methodology set out in Section 25 of the General Terms and Conditions of this tariff, based on Entitlements at the Receipt Point(s) plus the quantities for fuel use and lost and unaccounted for Gas that Shipper is obligated to provide under Article 12 herein;
- (b) The Transportation of Gas up to Shipper's TMDQ, on a firm basis, subject to Article 10 of this Rate Schedule SH-1, through Transporter's pipeline system for the account of Shipper; and
- (c) The delivery of Gas in Thermally Equivalent quantities after Transportation (less quantities of fuel use and lost and unaccounted for Gas furnished in-kind by Shipper pursuant to Article 12 herein) by Transporter to Shipper or for the account of Shipper at the Delivery Point(s).

Effective Date: 12/20/2002 Status: Effective

FERC Docket: RP03- 82-000

Second Revised Sheet No. 812 Second Revised Sheet No. 812 : Effective
Superseding: Sub First Revised Sheet No. 812

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 3 - TERM

- 3.1 Primary and Extended Terms. The Primary Term of service shall be as provided in the Firm Transportation Service Agreement between Transporter and Shipper. Shipper shall have the option to extend the term of the Firm Transportation Service Agreement for one or more extended periods of at least twelve months each (such periods referred to individually as "an Extended Term"); provided, however, that to exercise its option for the first Extended Term, Shipper shall provide notice to Transporter at least twelve months prior to the end of the Primary Term, and for each succeeding Extended Term shall provide notice to Transporter at least twelve months before the end of the immediately preceding Extended Term. All of the terms and provisions of the Firm Transportation Service Agreement shall apply throughout any or all Extended Terms, except the provisions of Article 6 - Rates. Within the first 180 Days following the date Shipper gives Transporter written notice of Shipper's exercise of its option for an Extended Term, Transporter and Shipper shall make every reasonable effort to mutually agree on the rates to be applied during such Extended Term, and unless Transporter and Shipper have reached agreement on rates before the one hundred eightieth (180th) Day following Shipper's notice to Transporter, the Firm Transportation Service Agreement shall terminate effective at the end of the Primary Term or the then effective Extended Term, if any.

If a Shipper elects to extend the primary term of its service agreement for only a portion of its firm contract rights, Shipper's MDQ, aggregate Maximum Receipt Volume entitlements and aggregate Maximum Delivery Volume entitlements for the extended term must be retained by the same percentage.

3.2 Right of First Refusal.

- a) At the end of the Primary and/or Extended Term as determined above, Shipper may exercise a right of first refusal to continue such service, provided that Shipper is receiving service (1) at the maximum rate for a term of twelve consecutive months or longer (or for more than one year for service which is not available for twelve consecutive months); or (2) at any rate for a term of one year or longer when such service is provided under a service agreement executed prior to March 27, 2000.

To exercise such right of first refusal, Shipper must agree to match the rate or rates, up to the maximum rate or rates then applicable, and the agreement term which a competing prospective shipper is willing to

Effective Date: 10/01/2002 Status: Effective

FERC Docket: RP02-482-000

Second Revised Sheet No. 813 Second Revised Sheet No. 813 : Effective
Superseding: Sub First Sheet No. 813

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 3 - TERM (Continued)

3.2 Right of First Refusal. (Continued)

irrevocably agree to with Transporter, for all or any portion of the transportation rights then held by Shipper. If the highest bid submitted by a competing prospective Shipper is a Negotiated Rate that meets or exceeds the lowest rate Transporter is willing to accept for such service, the existing Shipper may retain its capacity by matching the bid on either a Negotiated Rate basis or a Recourse Rate basis as provided in Section 23.2(c) of the General Terms and Conditions; provided, however, that nothing herein shall obligate Transporter to render service to Shipper or to any competing prospective shipper if such persons do not agree to pay Transporter's applicable maximum transportation rates. To exercise its right of first refusal, Shipper must agree to all other terms and conditions of service to which the competing prospective shipper is prepared to agree, or to such other terms and conditions which are acceptable to Transporter.

- (b) If Shipper chooses to exercise the foregoing right of first refusal, Shipper shall give written notice to that effect to Transporter at least one hundred twenty (120) days prior to the termination date of its Firm Transportation Service Agreement. Transporter shall post such notice on its Designated Site for a minimum period of sixty (60) days and shall receive any competing offers for such transportation service only during such period.
- (c) If Shipper chooses to exercise the foregoing right of first refusal, but wishes to retain only a portion of its capacity, Shipper's MDQ, aggregate Maximum Receipt Volume entitlements and aggregate Maximum Delivery Volume entitlements all must be retained by the same percentage.

3.3 Pregranted Authorization. Reduction, cessation, termination, re-initiation, or resumption of service to Shipper, as provided for and permitted by the Firm Transportation Service Agreement, and any amendments thereto, shall be permitted without necessity for any further authorization or approval under the Natural Gas Act or any other statute or regulation by the Federal Energy Regulatory Commission.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 814 Original Sheet No. 814 : Effective

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 4 - TERMINATION

- 4.1 Conditions precedent to the Firm Transportation Service Agreement, if any, and the rights of the Shipper and Transporter, if any, to terminate the Firm Transportation Service Agreement shall be as provided in the Firm Transportation Service Agreement or any associated agreements.

Effective Date: 07/01/2003 Status: Effective

FERC Docket: RP03-374-000

Third Revised Sheet No. 815 Third Revised Sheet No. 815 : Effective
Superseding: Second Revised Sheet No. 815

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - (RESERVED)

Third Revised Sheet No. 815 supersedes the following sheets, which are reserved for future use.

Second Revised Sheet No. 816
Third Revised Sheet No. 817
Second Revised Sheet Nos. 818 and 819
First Revised Sheet No. 820
Second Revised Sheet No. 821
Fourth Revised Sheet No. 822 and 823
First Revised Sheet No. 824
Third Revised Sheet Nos. 825 and 826
First Revised Sheet No. 827
Second Revised Sheet No. 828
Third Revised Sheet No. 829
First Revised Sheet No. 830
Second Revised Sheet No. 831
Third Revised Sheet No. 832 and 833
Second Revised Sheet No. 833-A and 834
First Revised Sheet No. 835, 836, 837 and 838
Fourth Revised Sheet No. 839
First Revised Sheet No. 840
Second Revised Sheet No. 841 and 842

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 816 First Revised Sheet No. 816 : Effective
Superseding: Original Sheet No. 816

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.2 Releasing Shipper's Release Request. (Continued)

- (a) Releasing Shipper's: legal name, address, Service Agreement number, Dunn and Bradstreet number, as well as the name, telephone number, and fax number of the person to contact concerning the Release Request;
- (b) the DMDQ and associated TMDQ to be released (or any minimum and maximum acceptable DMDQ);
- (c) the commencement date (or earliest acceptable commencement date) and expiration date (or latest acceptable expiration date), and any minimum and maximum acceptable term of the Release (the "Release Term"), as well as the applicable posting and bidding periods for any Release under Section 5.3 which the Releasing Shipper desires Transporter to post for bidding pursuant to Section 5.4, and any other applicable posting and bidding periods which the Releasing Shipper desires Transporter to utilize instead of the applicable minimum periods set forth in Section 5.8; provided, however, that all specified bidding and posting periods shall be stated in terms of the number of Business Days in the relevant period;
- (d) with respect to Receipt Points and Delivery Points for the Release:
 - (i) whether the Replacement Shipper will be permitted to utilize Primary Receipt Points and Primary Delivery Points in connection with the Release, and, if so, specific Primary Receipt Points and Primary Delivery Points, and the respective associated Receipt and Delivery Point Entitlements at each such point, at which the Releasing Shipper is willing to release its Transportation rights and at which the Replacement Shipper must acquire such rights.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

Second Revised Sheet No. 817 Second Revised Sheet No. 817 : Superseded
Superseding: First Revised Sheet No. 817

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.2 Releasing Shipper's Release Request. (Continued)

- (ii) If the Releasing Shipper permits the Replacement Shipper to utilize Primary Receipt Points and Primary Delivery Points in connection with the Release, then the Release Request must also specify whether the Releasing Shipper will permit the Replacement Shipper change the Primary Receipt Points and Primary Delivery Points or the respective associated Receipt Point and Delivery Point Entitlements at such points. To the extent expressly permitted by the Releasing Shipper and subject to any restrictions imposed by the Releasing Shipper, the Replacement Shipper shall be entitled to utilize any Primary Receipt Points or Primary Delivery Points on Transporter's System in connection with the Release, subject also to capacity availability and all applicable terms and conditions of Transporter's Tariff.
- (iii) To the extent that the Release Request expressly permits the Replacement Shipper to utilize Primary Receipt Points and Primary Delivery Points, then the Releasing Shipper and the Replacement Shipper must comply with the requirements of Section 11.1 and Section 11.2 of this Rate Schedule regarding any required relinquishment of Receipt Point or Delivery Point Entitlements.
- (iv) The Replacement Shipper shall be entitled to utilize any Secondary Receipt Point or Secondary Delivery Point on Transporter's System in connection with any release, subject to all applicable terms and conditions contained in Transporter's Tariff.
- (e) the monthly or daily reservation rate in dollars and cents or percent of maximum tariff rate for the service to be released ("Release Reservation Rate"), and any and all other applicable reservation charges and surcharges for the service to be released

Effective Date: 05/01/2001 Status: Effective

FERC Docket: RP01-299-000

First Revised Sheet No. 818 First Revised Sheet No. 818 : Superseded
Superseding: Original Sheet No. 818

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.2 Releasing Shipper's Release Request. (Continued)

(collectively, the "Release Reservation Surcharges), including any minimum acceptable Release Reservation Rate and Release Reservation Surcharges. The Release Reservation Rate and the Release Reservation Surcharges shall be collectively referred to at times in this Article 5 as the "Total Release Reservation Charge." (If the term of the Total Release Reservation Rate begins or ends outside of a calendar month, a daily rate must be utilized.) The Release Request must also specify whether the Releasing Shipper will accept bids designed on a one-part volumetric basis for all or any portion of the Total Release Reservation Charge and, if so, the corresponding objective, nondiscriminatory economic standard which the Releasing Shipper desires Transporter to utilize to determine the award of the Release if any or all bids are submitted on a one-part volumetric basis;

- (f) whether the Release will occur on a firm recallable or nonrecallable basis and, if on a recallable basis, the specific terms and conditions under which recall may occur, including whether and to what extent prior notice of the recall will be provided by the Releasing Shipper to the Replacement Shipper;
- (g) "Reput method and rights should be specified at the time of the deal; reput method and rights are individually negotiated between the Releasing Shipper and the Replacement Shipper." GISB 5.3.8;
- (h) whether bids may be submitted on a contingency basis and, if so, the objective, nondiscriminatory terms and conditions governing acceptance of such bids, and all related requirements concerning any bids submitted on a non-contingency basis; provided, however, that any and all such contingencies must be resolved during the evaluation period;

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 819 First Revised Sheet No. 819 : Superseded
Superseding: Original Sheet No. 819

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.2 Releasing Shipper's Release Request. (Continued)

- (i) whether Releasing Shipper desires the: 1) highest rate, 2) net revenue or 3) present value methodology for Transporter to utilize in determining the award of the Release rights;
- (j) whether the Releasing Shipper desires to have the proposed Release marketed by Transporter in accordance with Section 5.12;
- (k) an irrevocable statement that, subject only to the provisions of Section 5.4(d), the Releasing Shipper shall release its Transportation rights on the terms and conditions set forth in its Release Request if all such terms and conditions are accepted by a Bidder, including any and all terms and conditions governing bids which may be submitted on a contingency basis;
- (l) whether the Releasing Shipper has entered into a binding agreement to release such Transportation rights to a party who has executed a Released Transportation Service Agreement with Transporter ("Prearranged Bidder"). In such event, the Releasing Shipper additionally shall submit:
 - (i) Prearranged Bidder's: legal name, Released Transportation Service Agreement number, Dunn and Bradstreet number, as well as the name, telephone number, and fax number of the person to contact concerning the Pre-Arranged Release;
 - (ii) the Release Term, DMDQ and associated TMDQ, Release Reservation Rate, Release Reservation Surcharges, and all other terms and conditions to which the Prearranged Bidder has agreed, including without limitation whether either the Release Reservation Rate or Release Reservation Surcharges will be paid on a one-part volumetric basis; and

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 820 Original Sheet No. 820 : Superseded

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.2 Releasing Shipper's Release Request. (Continued)

- (iii) a statement which represents and warrants that the Prearranged Bidder has entered into a binding agreement with the Releasing Shipper to accept the Transportation rights on the terms and conditions prescribed in the Release Request. Upon Transporter's request, the Releasing Shipper shall provide Transporter with a true and complete copy of a fully executed written agreement between the Releasing Shipper and the Prearranged Bidder concerning the proposed Release.
- (m) whether there are any restrictions upon the Replacement Shipper's right to release subsequently any or all of the transportation rights received from the Releasing Shipper under the Release; and
- (n) any other terms and conditions of the Release, including whether Releasing Shipper will require Replacement Shipper to execute a contract with the Releasing Shipper with respect to the Release, a copy of which shall be provided by Releasing Shipper to any Bidder upon request. In the event of a conflict, the terms and conditions of Transporter's Tariff, the Base Firm Transportation Service Agreement, and the Released Transportation Service Agreement shall take precedence over the terms and conditions contained in any such contract between the Releasing Shipper and the Replacement Shipper.

5.3 Releases Permitted Without Prior Posting and Bidding. A Releasing Shipper may, at its option, elect to release some or all of its Transportation rights without following the prior posting and bidding procedures set forth in this Article 5, if its proposed Release qualifies under this Section 5.3.

- (a) Less than 31 Day Release Election. Prior posting and bidding pursuant to the procedures set forth in this Article 5 will not be required if:

Effective Date: 10/01/2002 Status: Effective

FERC Docket: RP02-482-000

First Revised Sheet No. 821 First Revised Sheet No. 821 : Superseded
Superseding: Original Sheet No. 821

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.3 Releases Permitted Without Prior Posting and Bidding. (Continued)

- (i) the Release commences and terminates within the same calendar Month;
- (ii) the Releasing Shipper has submitted to Transporter a Release Request with respect to the Release;
- (iii) the proposed Replacement Shipper has entered into an effective Released Transportation Service Agreement with Transporter incorporating the information, terms and conditions contained in the Releasing Shipper's Release Request;
- (iv) the Release is not rolled-over, renewed or otherwise extended beyond the term described in Section 15.3(a)(I), unless the Releasing Shipper either follows the prior posting and bidding procedures set forth in this Article 5, or the new or extended Release is exempt from the prior posting and bidding procedures pursuant to the provisions of Section 5.3(b); and
- (v) the commencement date of the term of any Release under this Section 5.3(a) is at least 28 Days after the termination date of any previous Release under this Section 5.3(a) by Releasing Shipper to the same Replacement Shipper, or if the previous Release to the same Replacement Shipper occurred either pursuant to the prior posting and bidding procedures set forth in this Article 5 or pursuant to Section 5.3(b).

In the event the Releasing Shipper elects to release its Transportation rights under this Section 5.3(a) without prior posting and bidding, then Transporter shall post the terms and conditions of the Release and the identity of the Replacement Shipper on its Designated Site no later than 9:00 a.m. Central Clock Time.

Effective Date: 10/01/2002 Status: Effective

FERC Docket: RP03- 34-000

Third Revised Sheet No. 822 Third Revised Sheet No. 822 : Superseded
Superseding: Second Revised Sheet 822

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.3 Releases Permitted Without Prior Posting and Bidding. (Continued)

- (b) Maximum Rate Prearranged Bidder. Additionally, prior posting and bidding pursuant to the procedures set forth in this Article 5 will not be required if the Releasing Shipper has provided to Transporter the information required by Section 5.2(1) regarding a Prearranged Bidder which has agreed to pay a Total Release Reservation Charge which is equal to Transporter's combined respective maximum Monthly Reservation Rate and any and all other maximum reservation charges and surcharges applicable to this Governing Rate Schedule, or the one-part volumetric equivalent thereof, as may be revised from time to time (individually, the "Tariff Reservation Rate" and the "Tariff Reservation Surcharges," and collectively, the "Total Tariff Reservation Charge"). In the event the Releasing Shipper elects to release its Transportation rights under this Section 5.3(b) without prior posting and bidding, then Transporter shall post the terms and conditions of any Release under this Section 5.3(b) and the identity of Prearranged Bidder on its EBB no later than 9:00 a.m. Central Clock Time.

5.4 Transporter's Posting of Release Requests

- (a) GISB 5.3.24: "Capacity release facilitator should post offers and bids, including prearranged deals, upon receipt, unless releasing shipper requests otherwise. If a releasing shipper requests a posting time, the capacity release service facilitator should support such request insofar as it comports with the standard timeline set forth in standard 5.3.2." Notwithstanding the foregoing, Transporter shall not post the identity of any Prearranged Bidder pursuant to this Section 5.4(a). The period of time for Transporter's posting of the information related to the Release ("Posting Period"), and the period of time during which bids will be received on such Release ("Bidding Period"), shall be in accordance with the relevant periods of time set forth in Section 5.8.

Effective Date: 10/01/2002 Status: Effective

FERC Docket: RP03- 34-000

Third Revised Sheet No. 823 Third Revised Sheet No. 823 : Superseded
Superseding: Second Revised Sheet No. 823

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.4 Transporter's Posting of Release Requests. (Continued)

- (b) In the event the Release Request indicates that bids for the Release will be accepted on a one-part volumetric basis for the Release Reservation Rate or the Release Reservation Surcharges, Transporter shall determine the applicable respective maximum one-part volumetric Release Reservation Rate and Release Reservation Surcharges and shall post this information pursuant to Section 5.4(a). The applicable maximum one-part volumetric Release Reservation Rate shall be the applicable Daily Reservation Rate set forth in Transporter's Tariff, which is the 100% load factor equivalent of the maximum Tariff Reservation Rate on an annualized basis divided by 365. The applicable maximum one-part volumetric Release Reservation Surcharges shall be the 100% load factor equivalent of the maximum Tariff Reservation Surcharges on an annualized basis divided by 365.
- (c) Transporter makes no express or implied representation or warranty to any party concerning the willingness or ability either of any Releasing Shipper to release Transportation rights hereunder or of any Bidder to accept Transportation rights hereunder.
- (d) NAESB 5.3.25: "A releasing shipper should not be able to specify an extension of the original bid period or the pre-arranged deal match period, without posting a new release."
- (e) NAESB 5.3.14: "Offers should be binding until written or electronic notice of withdrawal is received by the capacity release service provider." NAESB 5.3.16: "The releasing party has the right to withdraw its offer during the bid period, where unanticipated circumstances justify and no minimum bid has been made." Transporter shall post notice of withdrawal on its Designated Site as soon as possible, but in no event more than one Business Day, following receipt of such notice.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 824 Original Sheet No. 824 : Superseded

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.5 Bidding for Transportation Rights.

- (a) Any party that desires to become a Prearranged Bidder or Bidder, or to otherwise acquire a Release pursuant to this Article 5, must pre-qualify with Transporter by entering into a Released Transportation Service Agreement with Transporter, after first satisfactorily demonstrating sufficient creditworthiness in the same manner and subject to the same terms and conditions as required for firm Shippers under Section 7 of Rate Schedule KRF-1. The creditworthiness requirement shall be continuing in nature with respect to the Release in the same manner and to the same extent as prescribed for firm Shippers under Section 7 of Rate Schedule KRF-1, and shall apply with respect to any and all Releases desired by a potential Replacement Shipper. No potential Replacement Shipper shall be entitled to receive any released firm transportation service rights pursuant to this Article 5 for which it has not first satisfactorily demonstrated sufficient creditworthiness with Transporter. Any satisfactory guarantee provided by the Releasing Shipper or by any third party on behalf of a potential Replacement Shipper in accordance with this Article 5 and Section 7 of Rate Schedule KRF-1 must provide, without limitation, that the Guarantor will guarantee all financial obligations of the Replacement Shipper under its Released Transportation Service Agreement with respect to the Release.
- (b) Bidders may submit bids only during the Bidding Period applicable to a Release Request. A Bidder may not simultaneously submit multiple bids for the same Release. All bids shall be submitted via Transporter's Designated Site on the Internet, and shall comply with and otherwise be subject to all terms and conditions set forth in the Release Request. All bids shall contain the following information for each Release Request:
 - (i) the Bidder's legal name, address, Released Transportation Service Agreement number, Dunn and Bradstreet number, as well as the name, telephone number, and fax number of the person to contact concerning the bid;

Effective Date: 01/01/2003 Status: Effective

FERC Docket: RP00-337-003

Second Revised Sheet No. 825 Second Revised Sheet No. 825 : Superseded
Superseding: First Revised Sheet No. 825

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.5 Bidding for Transportation Rights. (Continued)

- (ii) the Releasing Shipper's Service Agreement number and the Release Request number to which the bid relates;
- (iii) the Total Release Reservation Charge, including the Release Reservation Rate and the Release Reservation Surcharges, that the Bidder is willing to pay for the released Transportation rights, which must be no less than any respective minimum Total Release Reservation Charge, Release Reservation Rate, or Release Reservation Surcharges specified in the Release Request, and no less than any respective minimum Tariff Reservation Rate or Tariff Reservation Surcharges. The Bidder must also specify whether the Total Release Reservation Charge will be paid in whole or in part on a one-part volumetric basis, to the extent permitted by the Releasing Shipper;
- (iv) the DMDQ for the bid, which must be no less than any minimum DMDQ and no more than any maximum DMDQ specified in the Release Request;
- (v) the proposed date of commencement and date of expiration of the Release Term, which must be consistent with the Release Term specified in the Release Request;
- (vi) the primary Receipt Point and primary Delivery Point Entitlements that it wishes to acquire, subject to Section 26.2(b) of the General Terms and Conditions of this tariff;

Effective Date: 10/01/2002 Status: Effective

FERC Docket: RP02-482-000

Second Revised Sheet No. 826 Second Revised Sheet No. 826 : Superseded
Superseding: First Revised Sheet No. 826

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.5 Bidding for Transportation Rights. (Continued)

- (vii) the objective terms and conditions of any and all contingencies upon which the bid is submitted, if the Release Request specifically provides for the submission of such contingent bids, including the date by which Bidder will notify Transporter either in writing or electronically on Transporter's Designated Site if any and all such contingencies have not been satisfied;
- (viii) an irrevocable statement that, subject only to the provisions of Section 5.5(d), the Bidder agrees to accept the Release in accordance with all other terms and conditions of the Release Request, including any and all terms and conditions governing bids which are submitted on a contingency basis.
- (c) Upon electronic receipt by Transporter from Bidder of all applicable information required by this Section 5.5, Transporter shall post such information on its Designated Site, except for the identity of the Bidder, unless Releasing Shipper requests an alternate posting period which comports with the standard timeline as set forth in Section 5.8 of this Rate Schedule.
- (d) NAESB 5.3.13: "Bids should be binding until written or electronic notice of withdrawal is received by the capacity release service provider." NAESB 5.3.15: "Bids cannot be withdrawn after the bid period ends." Transporter shall post notice of such withdrawal on its Designated Site, to the extent that the bid has already been posted pursuant to Section 5.5(c), as soon as possible but in no event more than one Business Day following Transporter's receipt of Bidder's notice of withdrawal. Any Bidder which withdraws a bid

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.5 Bidding for Transportation Rights. (Continued)

pursuant to this Section 5.5(d) may, at any time during the Bidding Period, submit one or more subsequent bids in accordance with this Section 5.5 for the same Release Request; provided, however, that Bidder may not submit a subsequent bid without first withdrawing an existing bid, and provided further that any subsequent bid submitted must contain a higher Total Release Reservation Charge than contained in any previous bid which Bidder has submitted for the same Release Request.

5.6 Determination of Successful Bidder.

- (a) GISB 5.3.3: "For the capacity release business process timing model, only the following methodologies are required to be supported by capacity release service providers and provided to releasing shippers as choices from which they may select and, once chosen, should be used in determining the awards from the bid(s) submitted. They are: 1) highest rate, 2) net revenue and 3) present value. Other choices of bid evaluation methodology (including other releasing shipper defined evaluation methodologies) can be accorded similar timeline evaluation treatment at the discretion of the capacity release service provider. However, the capacity release service provider is not required to offer other choices or similar timeline treatment for other choices, nor, is the capacity release service provider held to the timeline should the releasing shipper elect another method of evaluation."

The Release Request must specify one of the following three methodologies for determining the award from the bids submitted: 1) highest rate, 2) net revenue, or 3) present value. GISB 5.3.4: "When the capacity release service provider makes awards of capacity for which there have been multiple bids meeting minimum conditions, the capacity release facilitator should award the bids, best bid first, until all offered capacity is awarded." If

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 828 First Revised Sheet No. 828 : Superseded
Superseding: Original Sheet No. 828

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.6 Determination of Successful Bidder. (Continued)

applied methodology, for any reason, cannot be effectively applied to permit Transporter to determine the successful Bidder, then Transporter will use a lottery to choose between bids of equal value.

(i) Highest Rate methodology: the highest rate bid that meets the minimum terms and conditions of the release

(ii) Net Revenue methodology: $R \times N \times V = \text{Net Revenue}$

where: R = the reservation charge and reservation surcharge
N = term of the agreement, in Days
V = Quantity, stated in Dth

(iii) Present Value methodology:

$$R \times \sum_i \frac{1 - (1 + i)^{-n}}{i} \times V = \text{Present Value}$$

where: R = the reservation charge(s) and reservation surcharge(s)
n = term of agreement, in Days
i = the annual rate of interest prescribed by FERC as computed in accordance with the formula set forth in 18 C.F.R. Section 154.501(d)
V = Quantity stated in Dth

(b) If a Release Request includes a Prearranged Bidder, then the Release shall be awarded to the Prearranged Bidder if its bid has a value which is equal to or higher than the highest value of each of the bids submitted by all other Bidders, or if it matches any bid having a higher value within the time period provided by Section 5.8 of this Rate Schedule.

Effective Date: 10/01/2002 Status: Effective

FERC Docket: RP02-482-000

Second Revised Sheet No. 829 Second Revised Sheet No. 829 : Superseded
Superseding: First Revised Sheet No. 829

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.6 Determination of Successful Bidder. (Continued)

- (c) If only one Bidder has submitted a bid which reflects the highest value, then the Release shall be awarded to that Bidder, subject to any Prearranged Bidder's exercise of its right of first refusal as set forth above.
- (d) If two or more Bidders have submitted bids which each reflect the highest value, then, subject to any Prearranged Bidder's exercise of its right of first refusal, the Release will be awarded on the basis of a lottery which is limited to such Bidders. The winner of the lottery shall be awarded the Release to the extent of the DMDQ for which it has submitted a bid. Transporter will conduct the lottery in an objective, nondiscriminatory manner. Transporter's calculation of the applied methodology and lottery shall result in only one successful Bidder per Release Request.
- (e) Transporter shall post on its Designated Site for a period of ten Business Days the terms of the successful bid and the identity of the successful Bidder in accordance with the relevant periods of time set forth in Article 5.8 of this Rate Schedule.

5.7 Exhibit "RP" and Exhibit "RS".

- (a) Prior to the date of commencement of the Release Term as specified by the successful Bidder, Transporter shall prepare and transmit to the successful Bidder an initial Exhibit "RP" to its Released Transportation Service Agreement in the form set forth in this Tariff stating all applicable terms and conditions of the Release, including without limitation the DMDQ and associated TMDQ, Release Reservation Rate, Release Reservation Surcharges, Total Release Reservation Charge, usage rate, volumetric surcharges, any and all other applicable rates, charges and surcharges, Release Term, Receipt Point Entitlements at any and all of the Replacement Shipper's specified Primary Receipt Points and Delivery Point Entitlements at any and all of the Replacement Shipper's specified Primary Delivery Points. An initial Exhibit "RS" in the form set forth in this

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 830 Original Sheet No. 830 : Superseded

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.7 Exhibit "RP" and Exhibit "RS". (Continued)

Tariff shall likewise be prepared by Transporter and transmitted to the Releasing Shipper to reflect that the Releasing Shipper has released all or a portion of its Transportation rights, and which contains all applicable terms and conditions of the Release.

- (b) A Replacement Shipper that subsequently obtains a separate Release from either the same or a different Releasing Shipper by successfully bidding on a subsequent Release Request shall not execute an additional Released Transportation Service Agreement; rather, the terms and conditions of each such additional Release shall be the subject of an appropriate additional Exhibit "RP" (designated sequentially as "Exhibit RP-1", "Exhibit RP-2", etc.) to be added to such Replacement Shipper's Released Transportation Service Agreement. The Releasing Shipper shall likewise receive an appropriate additional Exhibit "RS" (designated sequentially as "Exhibit RS-1", "Exhibit RS-2", etc.) to the Releasing Shipper's Service Agreement reflecting the terms and conditions of any subsequent Release of the Releasing Shipper's Transportation rights.
- (c) Transporter shall prepare all initial and additional exhibits for Releasing Shippers and Replacement Shippers based on the applicable information and terms and conditions set forth in the applicable Release Request and the successful bid. Each such exhibit shall be deemed incorporated in the Transportation service agreement to which it relates, and shall thereby be deemed to amend both such agreements effective upon the date of the commencement of the term of the relevant Release without execution by Transporter, the Releasing Shipper, or the Replacement Shipper; provided, however, that any such exhibit shall be deemed ineffective and otherwise null and void if the relevant Release was acquired subject to any contingencies and the Replacement Shipper notifies Transporter either in writing or electronically

Effective Date: 10/01/2002 Status: Effective

FERC Docket: RP02-482-000

First Revised Sheet No. 831 First Revised Sheet No. 831 : Superseded
Superseding: Original Sheet No. 831

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.7 Exhibit "RP" and Exhibit "RS". (Continued)

on Transporter's Designated Site prior to the applicable deadline that all such contingencies have not been satisfied. Upon receipt, the Replacement Shipper shall verify the accuracy of the relevant Exhibit "RP", and shall return the verified exhibit to Transporter within five Business Days of receipt. Failure by the Replacement Shipper to return the relevant verified exhibit to Transporter in a timely manner shall entitle Transporter to suspend or terminate service to the Replacement Shipper provided in connection with the Release. Transporter shall notify both the Releasing Shipper and the Replacement Shipper: (i) if the relevant Exhibit "RP" has not been timely verified, and (ii) prior to suspension or termination of service to the Replacement Shipper for failure to verify timely the relevant Exhibit "RP". Service to the Replacement Shipper shall commence and continue in accordance with the terms and conditions of the Released Transportation Service Agreement and the relevant Exhibit "RP", and service to the Releasing Shipper shall commence in accordance with the terms and conditions of the Releasing Shipper's Service Agreement and the relevant Exhibit "RS", regardless of whether Transporter has first posted the terms and conditions of the successful bid pursuant to Section 5.6(c).

5.8 Applicable Deadlines.

- (a) NAESB 5.3.1: "The Capacity Release timeline is applicable to all parties involved in the Capacity Release process; however, it is only applicable if 1) all information provided by the parties to the transaction is valid and the Replacement Shipper has been determined to be credit worthy before the bid is tendered and 2) there are no special terms or conditions of the release." Pursuant to NAESB Standard 5.3.2, the capacity release timeline set forth below in Central Clock Time will apply.

Effective Date: 10/01/2002 Status: Effective

FERC Docket: RP02-482-001

1st Rev First Revised Sheet No. 832 1st Rev First Revised Sheet No. 832 : Superseded
Superseding: First Revised Sheet No. 832

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.8 Applicable Deadlines. (Continued)

For biddable releases (less than 1 year):

- (1) offers should be tendered by 12:00 p.m. on a Business Day;
- (2) open season ends no later than 1:00 p.m. on a Business Day (evaluation period begins at 1:00 p.m. during which contingency is eliminated, determination of best bid is made, and ties are broken);
- (3) evaluation period ends and award posting if no match required at 2:00 p.m.;
- (4) match or award is communicated by 2:00 p.m.;
- (5) match response by 2:30 p.m.;
- (6) where match required, award posting by 3:00 p.m.;
- (7) contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

For biddable releases (1 year or more):

- (1) Offers should be tendered by 12:00 p.m. four Business Days before award;
- (2) open season ends no later than 1:00 p.m. on the Business Day before timely nominations are due (open season is three Business Days);
- (3) evaluation period begins at 1:00 p.m. during which contingency is eliminated, determination of best bid is made, and ties are broken;
- (4) evaluation period ends and award posting if no match required at 2:00 p.m.;
- (5) match or award is communicated by 2:00 p.m.;

Effective Date: 10/01/2002 Status: Effective

FERC Docket: RP02-482-001

1st Rev First Revised Sheet No. 833 1st Rev First Revised Sheet No. 833 : Superseded
Superseding: First Revised Sheet No. 833

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.8 Applicable Deadlines. (Continued)

- (6) match response by 2:30 p.m.;
- (7) where match required, award posting by 3:00 p.m.;
- (8) contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

For non-biddable releases:

- (1) Timely Cycle
 - (i) posting of prearranged deals not subject to bid are due by 10:30 a.m. on a Business Day;
 - (ii) contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)
- (2) Evening Cycle
 - (i) posting of prearranged deals not subject to bid are due by 5:00 p.m. on a Business Day;
 - (ii) contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)
- (3) Intraday 1 Cycle
 - (i) posting of prearranged deals not subject to bid are due by 9:00 a.m. on a Business Day;
 - (ii) contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

Effective Date: 10/01/2002 Status: Effective

FERC Docket: RP02-482-000

First Revised Sheet No. 833-A First Revised Sheet No. 833-A : Superseded
Superseding: Original Sheet No. 833-A

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.8 Applicable Deadlines. (Continued)

(4) Intraday 2 Cycle

- (i) posting of prearranged deals not subject to bid are due by 4:00 p.m. on a Business Day;
- (ii) contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract.
(Central Clock Time)

5.9 Submission of Release Requests and Bids.

- (a) All parties shall electronically submit all necessary information, Release Requests and bids to Transporter.
- (b) Any party designated as a pre-arranged bidder on a Release Request shall confirm acceptance of the Releasing Shipper's offer through electronic execution of Replacement Shipper's contract prior to 10:00 a.m. Central Clock Time one Business Day prior to gas flow.
- (c) Any Releasing Shipper, Replacement Shipper, or Bidder which transmits to Transporter on Transporter's Designated Site any information, Release Request, or bid permitted or required by this Article 5, expressly represents and warrants that such transmittal

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 834 First Revised Sheet No. 834 : Superseded
Superseding: Original Sheet No. 834

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.9 Submission of Release Requests and Bids. (Continued)

shall be performed only by a person who has been duly authorized by the Releasing Shipper, the Replacement Shipper, or the Bidder, as applicable, to perform such transmittal, and to duly bind the Releasing Shipper, the Replacement Shipper, or the Bidder, as applicable, to any and all obligations which may result from such transmittal pursuant to the provisions of this Article 5.

5.10 Invoicing and Payment.

- (a) A Releasing Shipper who has executed an effective Base Transportation Service Agreement with Transporter ("Base Shipper") shall remain responsible for payment to Transporter of the reservation rate and any and all other applicable reservation charges and surcharges for firm Transportation service provided under its Base Transportation Service Agreement prior to any Release thereunder; provided, however, that Transporter shall not unreasonably refuse to relieve such Base Shipper from any future liability under its Base Transportation Service Agreement which may arise after the Base Shipper has unconditionally released to a Replacement Shipper all of the DMDQ stated in the Base Transportation Service Agreement for the entire remaining term of the Base Transportation Service Agreement. Releasing Shipper also is responsible for payment obligations, payment procedures and crediting mechanisms that vary from or are in addition to those set forth herein when those provisions are part of a Negotiated Rate service agreement. A Releasing Shipper who is not a Base Shipper shall likewise remain responsible for payment to Transporter of, without limitation, the Release Reservation Rate and the Release Reservation Surcharges for service provided under its Released Transportation Service Agreement prior to any subsequent Release thereunder.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 835 Original Sheet No. 835 : Superseded

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.10 Invoicing and Payment. (Continued)

- (b) The Releasing Shipper shall initially be invoiced only for the reservation and usage rates and any and all other applicable charges and surcharges which are related to the service provided by Transporter under the Releasing Shipper's Service Agreement subsequent to any and all Releases thereunder, and for any additional amount by which the Releasing Shipper's combined reservation rate and reservation surcharges for any Month may exceed the Total Release Reservation Charge for any corresponding Month during the term of any Release by the Releasing Shipper. Transporter shall invoice the Replacement Shipper and the Replacement Shipper shall pay Transporter in accordance with Article 5 of the General Terms and Conditions of this Tariff based upon the Total Release Reservation Charge, usage charge and any and all other applicable charges and surcharges incorporated in the Released Transportation Service Agreement. The usage rate and any and all volumetric charges and surcharges to be paid to Transporter by the Replacement Shipper (respectively, the "Release Usage Rate" and "Release Volumetric Surcharges") shall be the maximum usage rate and maximum volumetric charges and surcharges applicable to this Governing Rate Schedule, as such rates, charges, and surcharges may be revised from time to time (respectively, the "Tariff Volumetric Rate" and "Tariff Usage Surcharges"), unless otherwise agreed in writing by Transporter and the Replacement Shipper prior to the date of commencement of the Release Term.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 836 Original Sheet No. 836 : Superseded

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.10 Invoicing and Payment. (Continued)

Notwithstanding the above, if the Released Transportation Service Agreement was entered into prior to the effective date of the Stipulation and Agreement of Settlement filed March 31, 1999 (Settlement), then commencing on the effective date of the Settlement and continuing through the term of the Released Transportation Service Agreement, the Release Reservation Rate component of the Total Release Reservation Charge will be reduced. The new Release Reservation Rate for the post-Settlement period will be calculated as follows: If the existing Release Reservation Rate is equal to the currently effective maximum base reservation rate, the new Release Reservation Rate will be the Settlement maximum base reservation rate. If the existing Release Reservation Rate is less than the currently effective maximum base reservation rate, the daily equivalent Release Reservation Rate will be reduced by an amount equal to the difference between the Release Usage Rate in effect immediately prior to the Settlement and the usage rate under the terms of the Settlement to determine the applicable post-Settlement daily equivalent Release Reservation Rate; provided, however, that the new Release Reservation Rate component may not exceed the Settlement maximum base reservation rate and may not be less than the Settlement minimum base reservation rate. If the Release Reservation Rate is currently being determined on the basis of a percentage of the maximum base tariff rate, the current percentage will be applied to the Settlement maximum base reservation rate, which will then be reduced by an amount equal to the difference between the Release Usage Rate in effect immediately prior to the Settlement and the usage rate under the terms of the Settlement to determine the applicable post-Settlement daily equivalent Reservation Rate component.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 837 Original Sheet No. 837 : Superseded

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.10 Invoicing and Payment. (Continued)

- (c) If the Replacement Shipper fails to pay all or any portion of any invoice from Transporter by the date on which payment is due, Transporter shall send an invoice to the Releasing Shipper for all unpaid amounts related to the Release Reservation Rate and the Release Reservation Surcharges, up to the amount of the reservation rate and reservation surcharges for which the Releasing Shipper is responsible under the Releasing Shipper's Service Agreement prior to any Releases thereunder (the "Default Invoice"). The Default Invoice shall include the amount of any and all applicable interest charges and penalties related to nonpayment by the Replacement Shipper of all or any portion of the Release Reservation Rate and the Release Reservation Surcharges which have accrued from the date of receipt of Transporter's invoice by the Replacement Shipper. The Default Invoice shall also reflect a credit for any and all amounts paid to Transporter by the Replacement Shipper, including any amounts related to payment of the Release Usage Rate and Release Volumetric Surcharges to the extent that the Release Usage Rate and Release Volumetric Surcharges are less than or equal to the corresponding usage rates and volumetric charges and surcharges paid by the Releasing Shipper to Transporter for service under the Transportation Service Agreement or Released Transportation Service Agreement, as applicable. The Releasing Shipper shall pay the amount of the Default Invoice to Transporter within the applicable period of time prescribed in the Releasing Shipper's Service Agreement for payment of invoices. The Releasing Shipper shall be solely responsible for seeking and obtaining reimbursement for any such payment from the Replacement Shipper; provided, however, that Transporter shall credit the Releasing Shipper's next invoice following Transporter's receipt of any payment by the Replacement Shipper of any amounts reflected in any Default Invoice which were paid by the Releasing Shipper.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 838 Original Sheet No. 838 : Superseded

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.10 Invoicing and Payment. (Continued)

The foregoing credit shall include any interest on such amounts paid by the Replacement Shipper which may have accrued commencing ten (10) Days after the date on which the relevant payment from the Replacement Shipper was received by Transporter.

- (d) Failure by the Releasing Shipper or the Replacement Shipper to pay timely all or any portion of any invoice from Transporter, including any failure by the Releasing Shipper to pay timely the amount of any Default Invoice, shall entitle Transporter to exercise the remedies available under the Base Transportation Service Agreement and this Tariff, including suspension and termination of service to the Releasing Shipper and the Replacement Shipper, as warranted, as well as any other remedies available to Transporter. In the event of failure by the Replacement Shipper to pay timely all or any portion of any invoice from Transporter, the Releasing Shipper shall likewise be entitled to recall temporarily or permanently all of its Transportation rights which were released to the Replacement Shipper under the relevant Release, provided, however, that the Releasing Shipper must provide both Transporter and the Replacement Shipper with not less than thirty (30) Days prior written notice of its intent to exercise such recall.
- (e) Any and all increases in the applicable Tariff Reservation Rate or the applicable Tariff Reservation Surcharges shall remain the primary responsibility of the Releasing Shipper to the extent provided in the Releasing Shipper's Service Agreement; provided, however, that the Releasing Shipper may provide in its Release Request that the Release Reservation Rate and the Release Reservation Surcharges will increase in accordance with any corresponding increases in the applicable Tariff Reservation Rate or the applicable Tariff Reservation Surcharges. Any refunds or credits of any rates or charges ordered by the FERC shall be paid by Transporter solely to the Base Shipper, subject however to Transporter's right to seek relief at the FERC or in the courts from the obligation to make any such refunds or credits.

Effective Date: 10/01/2002 Status: Effective

FERC Docket: RP03- 34-000

Third Revised Sheet No. 839 Third Revised Sheet No. 839 : Superseded
Superseding: Second Revised Sheet No. 839

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.10 Invoicing and Payment. (Continued)

Any Base Shipper which receives such refunds or credits shall be solely responsible for determining what portion, if any, of such refunds or credits must be additionally refunded to any and all Releasing Shippers and Replacement Shippers who received directly or indirectly a release of Transportation rights under such Shipper's Base Transportation Service Agreement.

5.11 Further Conditions on Release of Transportation Rights.

- (a) Any party participating in the Release program set forth in this Article 5 agrees to be bound by and shall comply with the terms and conditions of this Tariff, and all applicable Commission rules, orders and regulations.
- (b) All terms and conditions in all Release Requests must be objectively stated, applicable to all potential Bidders and nondiscriminatory.
- (c) The minimum term for any Release shall be one Day and the maximum term shall be the remaining term of the relevant Firm Transportation Service Agreement, or the remaining term of firm transportation service provided under the relevant Released Transportation Service Agreement as determined in accordance with the Release Term of all effective Exhibits "RS" and Exhibits "RP" thereto, as may be revised from time to time. The minimum DMDQ for any Release shall be 500 Dth per Day and the maximum DMDQ shall be the maximum DMDQ set forth in the Releasing Shipper's Service Agreement, as revised from time to time in accordance with any and all effective Exhibits "RS" and Exhibits "RP" thereto.
- (d) The maximum rates paid by the Replacement Shipper for service under any Release shall be the maximum Tariff Reservation Rate and Tariff Reservation Surcharges, and maximum Tariff Usage Rate and Tariff Volumetric Surcharges, as well as all other applicable

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 840 Original Sheet No. 840 : Superseded

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.11 Further Conditions on Release of Transportation Rights. (Continued)

maximum rates, charges and surcharges set forth in this Tariff, all as may be revised from time to time, notwithstanding any discount to such rates, charges or surcharges then in effect for the Releasing Shipper. The Release Reservation Rate and Release Reservation Surcharges shall for all purposes of this Article 5 be stated in relation to and on the same basis as the Monthly Reservation Rate set forth in this Tariff for service under this Governing Rate Schedule, subject to the additional provisions of Section 5.4(b) concerning any Release Reservation Rate or Release Reservation Surcharges which may be paid on a one-part volumetric basis. The maximum rate that may be charged for a Release shall not be affected by the amount of any marketing fee paid by the Releasing Shipper to Transporter in accordance with Section 5.12.

- (e) All terms and conditions of service provided under any Release must be consistent with and shall be subject to all terms and conditions of the Releasing Shipper's Service Agreement, and with all applicable terms and conditions of this Tariff, including without limitation the provisions on nominations, scheduling and curtailment of Transportation service as set forth in Article 13 of this Rate Schedule. Any subsequent Release hereunder by a Replacement Shipper additionally must be consistent with the terms and conditions of such Replacement Shipper's Released Transportation Service Agreement and any and all effective Exhibits "RS" and Exhibits "RP" thereto.
- (f) Transporter may reject any Release Request or any bid which does not conform in all respects to the requirements of this Article 5, and such rejected Release Request or bid shall be deemed null and void from the time of such rejection.
- (g) Transporter shall accept nominations, schedule Transportation, afford priority of service and curtail service based on instructions and communications from the Releasing Shipper and

Effective Date: 07/01/2002 Status: Effective

FERC Docket: RP02-237-001

Sub First Revised Sheet No. 841 Sub First Revised Sheet No. 841 : Superseded
Superseding: Original Sheet No. 841

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.11 Further Conditions on Release of Transportation Rights. (Continued)

the Replacement Shipper which are consistent with one another and with the terms and conditions of their respective Transportation service agreements and this Tariff. In the event such instructions or communications from the Releasing Shipper and Replacement Shipper in Transporter's sole opinion are inconsistent or conflicting, Transporter shall comply with the instructions and communications of the Releasing Shipper; provided, however, that such instructions and communications must not be inconsistent with this Tariff, in Transporter's sole opinion.

Releasing Shippers may, to the extent permitted as a condition of the capacity release, recall released capacity (scheduled or unscheduled) at the Timely Nomination cycle and the Evening Nomination cycle, and recall unscheduled released capacity at the Intra-Day 1 and Intra-Day 2 Nomination cycles by providing notice to the Transporter by the following times for each cycle: 8 a.m. CCT for the Timely Nomination cycle; 5:00 p.m. CCT for the Evening Nomination Cycle; 8 a.m. CCT for the Intra-Day 1 Nomination cycle, and 3:00 p.m. for the Intra-Day 2 Nomination cycle. From July 1, 2002 through December 31, 2002, such notice to Transporter must be provided by calling Transporter's Marketing Services Hotline at (801) 584-7799. Notification to Replacement Shippers will be provided by Transporter electronically or via telephone within one hour of receipt of recall notification.

"Transportation service providers should support the function of reputting by releasing shippers." (GISB 5.3.7.) The Releasing Shipper must comply with the terms and conditions set forth in Article 13 of this Rate Schedule in connection with the utilization of any recalled rights to Transportation service.

Effective Date: 07/01/2002 Status: Effective

FERC Docket: RP02-237-001

Sub First Revised Sheet No. 842 Sub First Revised Sheet No. 842 : Superseded
Superseding: Original Sheet No. 842

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 5 - CAPACITY RELEASE PROGRAM (Continued)

5.11 Further Conditions on Release of Transportation Rights. (Continued)

- (h) All Transportation rights released hereunder shall be scheduled and curtailed as firm Transportation service under Article 10 of this Rate Schedule. Interruption or curtailment of such released service shall be in accordance with interruption or curtailment of firm service under this Tariff, and additionally as may be prescribed by the terms and conditions of the release.
- (i) Notwithstanding any other provision set forth in this Article 5, Transporter shall have no liability of any nature whatsoever to any party in connection with the performance or nonperformance of any of Transporter's obligations set forth in this Article 5, except to the extent that any such liabilities arise solely from Transporter's negligent performance of any obligations for which Transporter is solely and directly responsible.

5.12 Marketing Fee Agreement. Transporter shall be entitled to receive a marketing fee from the Releasing Shipper in the event Transporter and the Releasing Shipper agree that Transporter will actively market the Transportation rights to be released. All of the terms and conditions pertaining to the provision of such marketing services by Transporter shall be set forth in a written agreement executed by Transporter and the Releasing Shipper.

Effective Date: 08/01/2004 Status: Effective
FERC Docket: RP04-339-000

First Revised Sheet No. 843 First Revised Sheet No. 843 : Effective
Superseding: Original Sheet No. 843

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 6 - RATES

The provisions of Sections 6.1, 6.2, 6.3, 6.4, 6.5, 6.6 and 6.7 of this Article 6 shall apply only to the extent that they are agreed to by both Transporter and Shipper and included in the Transportation Service Agreement executed by Transporter and Shipper.

6.1 Shipper's Rate. For transportation service as described in Section 2.1 rendered by Transporter on behalf of Shipper pursuant to this Rate Schedule, Shipper shall pay each month a rate ("Shipper's Rate"), which shall be, at Shipper's option (and subject to the conditions provided herein), Shipper's Negotiated Rate pursuant to Section 6.2 below, a Negotiated Rate pursuant to Section 23 of the General Terms and Conditions, including ACA surcharges as well as fuel reimbursement pursuant to Section 12 of the General Terms and Conditions, or the Alternate Rate pursuant to Section 6.6 below. Shipper's Rate shall always be subject to any refunds that may be ordered by FERC and that may be applicable to Shipper's Rate. Shipper's Rate shall include the Annual Charge Adjustment (ACA), pursuant to this Rate Schedule and the Firm Transportation Service Agreement. Notwithstanding the foregoing, however, if Shipper's Rate is based upon an Alternate Rate or an Available Rate Schedule to which the ACA is applicable but as to which Transporter has waived its rights to reimbursement, then the ACA charges shall be waived hereunder in proportion to the degree to which Shipper's Rate is based on such Alternate Rate or Available Rate Schedule.

6.2 Shipper's Negotiated Rate

6.2.1 Initial Shipper's Negotiated Rate. Effective as of the In-Service Date, the initial Shipper's Negotiated Rate shall be a two-part rate, comprised of a Monthly Reservation Rate and a Commodity Rate, which may be established by Shipper and Transporter prior to the Construction Commitment Date, and which, if so established, shall not exceed the maximum demand or reservation rate and associated commodity or usage rate, respectively, under any of Transporter's two-part rate schedules for Firm Service which is, by its terms, generally available to

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 844 Original Sheet No. 844 : Effective

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 6 - RATES (Continued)

6.2 Shipper's Negotiated Rate. (Continued)

more than one customer or customer class ("Available Rate Schedule") as such maximum rates exist at the In Service Date. If the parties fail to otherwise establish the initial Shipper's Negotiated Rate prior to the Construction Commitment Date, then the initial Shipper's Negotiated Rate shall be equal to the maximum authorized rate or rates as of the In-Service Date in any Available Rate Schedule selected by Shipper. Nothing in this Section 6.2.1 shall constitute a limitation, restriction or modification of Shipper's right to select a different Available Rate Schedule to be Shipper's Negotiated Rate. The initial Shipper's Negotiated Rate established in accordance herewith shall be effective as of the In Service Date (subject to Shipper's right to select an Alternate Rate in accordance with other provisions of this rate schedule and the Firm Transportation Service Agreement), and shall continue in effect for at least 30 Days and thereafter until changed in accordance with Section 6.2.2. If the initial Shipper's Negotiated Rate is based on a rate in an Available Rate Schedule, then changes to, and refunds from, such initial Shipper's Negotiated Rate shall be in accordance with the FERC's valid orders respecting such Available Rate Schedule. If the rate contained in an Available Rate Schedule is a mileage-based or zone-based rate or is otherwise differentiated on the basis of distance of haul, and/or if such rate is a time-based rate as defined in Section 6.5.3, then the rate shall be adjusted in the same manner as provided in Sections 6.6.2, 6.6.3 and 6.6.4. Shipper need not be a customer to which any such rate schedule is generally available in order to select such rate schedule as Shipper's Negotiated Rate.

- 6.2.2 Changes to Shipper's Negotiated Rate. Transporter may file with FERC to change the level of the maximum rates in its Available Rate Schedules at any time, subject only to any limitations contained in such rate schedules. On the effective date of any

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 845 Original Sheet No. 845 : Effective

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 6 - RATES (Continued)

6.2 Shipper's Negotiated Rate. (Continued)

change in the level of the maximum rates of any Available Rate Schedules, or the effective date of any new Available Rate Schedule, Shipper's Negotiated Rate shall become equal to the maximum rate or rates contained in the Available Rate Schedule from which Shipper selects at the time; provided, however, that Transporter and Shipper may negotiate a mutually agreeable discount from such maximum rate or rates. Until such time as Shipper selects a different Available Rate Schedule, Shipper's Negotiated Rate shall be determined in accordance with any valid orders of the FERC respecting the effective dates and level of, and refunds from, the rates in the Available Rate Schedule selected by Shipper. If the rate contained in an Available Rate Schedule is a mileage-based or zone-based rate or is otherwise differentiated on the basis of distance of haul, and/or is a Time-Based Rate, then the rate shall be adjusted using the applicable adjustment(s) in Sections 6.6.2, 6.6.3 and/or 6.6.4.

6.3 Firm Service. As used in this Article 6, "Firm Service" shall include any and all varieties of transportation service offered by Transporter that include the receipt of gas into Transporter's System in the Overthrust Area and the delivery of gas within the geographical boundaries of the State of California, provided that such service is firm (i.e., is not subject to interruption), and is for a contract term of at least one year.

6.4 Alternate Rate. As used in this Rate Schedule and the Firm Transportation Service Agreement, an "Alternate Rate" shall be the Weighted Average Alternate Rate or Single Alternate Rate, (as hereinafter defined), for Firm Service provided or offered by Transporter to any shipper.

6.5 Selection of Shipper's Rate. Subject to the frequency limitations and procedures described below, Shipper shall have the right to select as Shipper's Rate, to be applicable to all quantities of gas transported hereunder, one of the following optional rates:

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 846 Original Sheet No. 846 : Effective

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 6 - RATES (Continued)

6.5 Selection of Shipper's Rate. (Continued)

- (i) Shipper's Negotiated Rate, as described in Section 6.2 herein;
- (ii) The Weighted Average Alternate Rate, as described in Section 6.6 herein;
- (iii) The Single Alternate Rate, as described in Section 6.6 herein.

6.5.1 Selections for First Three Contract Years. At the beginning of each of the first three Contract Years, Shipper shall have the right to select any one of the three optional rates described in Section 6.5 above to be Shipper's Rate. Such rate shall apply to all transportation service hereunder throughout such Contract Year; provided, however, that if the FERC permits or requires Transporter to place into effect any new Available Rate Schedule or any changes to the level of the maximum rate or rates in an existing Available Rate Schedule, then, effective as of the effective date of any such change or new Available Rate Schedule, Shipper may change Shipper's Rate from either Shipper's Negotiated Rate to an Alternate Rate, or from an Alternate Rate to Shipper's Negotiated Rate.

6.5.2 Selections for Subsequent Contract Years. At the beginning of the fourth Contract Year and each subsequent Contract Year, Shipper shall have the right to select any one of the three optional rates described in Section 6.5 above to be Shipper's Rate. The rate so selected by Shipper shall apply to all transportation service pursuant to this Rate Schedule and the Firm Transportation Service Agreement, beginning on the first Day of such Contract Year, and continuing through the earliest of the following events: (i) the last Day of such Contract Year, (ii) the last Day preceding the effective date of any rate change in any existing Available Rate Schedule or of any new Available Rate Schedule; (iii) the last Day of the month in which any rate discount from any Available Rate Schedule provided by Transporter, or any rate for Firm Service on Transporter's System, becomes effective, is modified, or ceases to

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 847 Original Sheet No. 847 : Effective

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 6 - RATES (Continued)

6.5 Selection of Shipper's Rate. (Continued)

be effective. Upon the occurrence of either of the events described in (ii) and (iii) herein, Shipper shall have the right (but not the obligation) to select a different value for Shipper's Rate, and the value so selected by Shipper shall continue in effect throughout the remainder of the Contract Year during which such selection is made, subject to Shipper's right to select a new value of Shipper's Rate upon the next occurrence of either of the events described in (ii) or (iii) herein.

- 6.5.3 Limitation on Selection. Notwithstanding the provisions of Sections 6.5.1 and 6.5.2, if any Available Rate Schedule or any agreement on which an Alternate Rate is based contains a "Time-Based Rate," i.e., expressly provides for two or more specified rate levels (i.e., stated dollar amounts per unit of Gas transported or per unit of reserved capacity), differentiated on the basis of time (e.g., seasonal rates or peak/off-peak rates), and if such specified rate levels are identified on Transporter's Rate List in accordance with Section 6.6.1 hereof, then the automatic transition from one such rate level to another, pursuant to the terms of such Available Rate Schedule or agreement, shall not provide Shipper with the right to select a different Shipper's Rate pursuant to Section 6.5.1 or Section 6.5.2 hereof.

6.6 Determination of Alternate Rates.

- 6.6.1 Transporter's Rate List. To enable Shipper to select a new Shipper's Rate at the beginning of each Contract Year and upon the occurrence of any of the events described in Sections 6.5.1 and 6.5.2 hereof, Transporter shall deliver to Shipper on or before the first Day of each Contract Year and within ten (10) Days of the occurrence of each such event, a written notice ("Transporter's Rate List") identifying: (i) each Available Rate

Effective Date: 08/01/2004 Status: Effective

FERC Docket: RP04-339-000

Third Revised Sheet No. 848 Third Revised Sheet No. 848 : Effective
Superseding: Second Revised Sheet No. 848

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 6 - RATES (Continued)

6.6 Determination of Alternate Rates. (Continued)

Schedule offered by Transporter; (ii) any rate discount from any Available Rate Schedule provided by Transporter, regardless of whether such discounted rate has been reported to or is on file with the FERC; and (iii) the rates and charges (including, without limitation by such inclusion, any ACA charges) applicable to Firm Service on Transporter's System in all agreements, oral or written or otherwise. Such rates and charges shall be separately stated, and any waivers of reimbursement of ACA charges shall be identified. All such rates and charges shall have been adjusted by Transporter (as appropriate) in accordance with Sections 6.6.2, 6.6.3, and 6.6.4 herein, and shall be expressed on the following basis:

- (i) The demand or reservation component(s), if any, of each such rate or charge shall be stated in terms of dollars per Day per Dth of DMDQ of Gas that Transporter is obligated to transport for a shipper;
- (ii) The commodity or usage component(s), if any, of each such rate or charge shall be stated in terms of dollars per Dth of Gas received by Transporter for transportation for a shipper.

As to any rates and charges that were adjusted by Transporter in accordance with Sections 6.6.2, 6.6.3 or 6.6.4, and/or that were converted by Transporter from their original form in order to be expressed as required above, Transporter shall attach to Transporter's Rate List workpapers that show the original form of such rates or charges and the calculations by which such adjustments and conversions were made.

Effective Date: 05/01/2002 Status: Effective
FERC Docket: RP01-190-002

First Revised Sheet No. 849 First Revised Sheet No. 849 : Effective
Superseding: Original Sheet No. 849

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 6 - RATES (Continued)

6.6 Determination of Alternate Rates. (Continued)

Transporter shall exclude from Transporter's Rate List any rates provided in any transportation agreements entered into by Transporter and any shipper solely or primarily in consideration of grants of right-of-way, unless such shipper is a utility company regulated by the Public Utilities Commission of the State of California or by any municipality or other subdivision of the State of California, or is an affiliate of such a utility company. Transporter shall also identify on Transporter's Rate List each rate payable for Firm Service by another shipper on Transporter's System that is the result of the operation of a most favored nation or other similar clause in that shipper's transportation agreement, which operation was solely caused by Shipper's selection of a value of Shipper's Rate, and the rate or rates that were in effect under such agreement immediately prior to the operation of the most favored nation or other similar clause. For each rate or charge identified on Transporter's Rate List, Transporter shall also state on such list the maximum Quantity of gas in Dth Transporter is obligated to transport at such rate or charge, and the zones and/or mileages associated with any mileage-based or zone-based rates. For rates identified on Transporter's Rate List from agreements which provide or allow for transportation of a quantity equivalent to 60,000 Dth per Day or greater, Transporter shall provide Shipper with copies of the Force Majeure provision applicable to such agreements and rates, including, without limitation by such inclusion, any provisions that would tend to reduce any amounts payable thereunder in the event of a Force Majeure occurrence. Transporter shall also provide to Shipper a second list specifically identifying all rates charged by Transporter that Transporter has excluded from Transporter's Rate List, and the agreements pursuant to which such rates are charged. Shipper shall have the right to audit Transporter's exclusion of any such rates, including (but not limited to) the right to inspect the agreements pursuant to which any such excluded rates are charged.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 850 Original Sheet No. 850 : Effective

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 6 - RATES (Continued)

6.6 Determination of Alternate Rates. (Continued)

6.6.2 Zone-Based Rates. Each "zone-based" rate identified on Transporter's Rate List (i.e., each rate which is charged on the basis of dollars per Dth or other unit of gas, or unit of reserved capacity, for transportation from a receipt point located in a specific area or "zone" and/or to a delivery point located in a specific area or "zone" of Transporter's System), shall be adjusted by Transporter in accordance with the following formula:

$$AR = A/B \times C$$

where,

AR = Adjusted Rate to be utilized to determine Shipper's Alternate Rate

A = Identified zone-based rate on Transporter's Rate List

B = the total pipeline miles contained in the zones associated with such identified zone-based rate

C = the total pipeline miles contained in the zones associated with each transportation service provided to Shipper.

6.6.3 Mileage-Based Rates. For purposes of this Rate Schedule and the Firm Transportation Service Agreement, a "mileage-based" rate is a rate that is stated in terms of, or is explicitly based upon, dollars per Dth or other unit of gas transported (or unit of reserved capacity) per actual pipeline mile or per established pipeline mileage unit (i.e., a unit consisting of a specified number of pipeline miles), between receipt and delivery point(s) on Transporter's System. Each mileage-based rate identified on Transporter's Rate List shall be adjusted by Transporter in accordance with the following formula:

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 851 First Revised Sheet No. 851 : Effective
Superseding: Original Sheet No. 851

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 6 - RATES (Continued)

6.6 Determination of Alternate Rates. (Continued)

$$AR = (A.B.) + C$$

where,

AR = Adjusted Rate to be utilized to determine Shipper's
Alternate Rate

A = Identified mileage component of the mileage-based rate on
Transporter's Rate List

B = Shipper's Mileage

C = Identified non-mileage components, if any, of the mileage-
based rate on Transporter's Rate List

The term "Shipper's Mileage" used in the above formula shall equal the difference between (i) the weighted average (with the weighting based on the proportion of the Delivery Point Entitlement at each Delivery Point to the sum of all Delivery Point Entitlements) of the distances in pipeline miles from the northernmost point on Transporter's System to each Delivery Point and (ii) the weighted average (with the weighting based on the proportion of the Receipt Point Entitlements at each Receipt Point to the sum of all Receipt Point Entitlements of the distances in pipeline miles from the northernmost point on Transporter's System to each Receipt Point. If a mileage-based rate on Transporter's Rate List employs pipeline mileage units then the distance calculated from (i) and (ii) above shall be stated in terms of such pipeline mileage units by dividing the number of pipeline miles in such distance by the number of pipeline miles in each pipeline mileage unit. The distance so calculated shall be adjusted, if necessary, to reflect the manner in which such pipeline mileage units are applied under such mileage-based rate.

Effective Date: 08/01/2004 Status: Effective

FERC Docket: RP04-339-000

Second Revised Sheet No. 852 Second Revised Sheet No. 852 : Effective
Superseding: First Revised Sheet No. 852

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 6 - RATES (Continued)

6.6 Determination of Alternate Rates. (Continued)

6.6.4 Time-Based Rates. Each Time-Based Rate (as defined in Section 6.5.3) identified on Transporter's Rate List shall be adjusted by Transporter to reflect its annualized equivalent ("AE") as follows:

$$AE = (t_1 r_1) + (t_2 r_2) + \dots + (t_n r_n) / (t_1 + t_2 + \dots + t_n)$$

Where

AE = Annualized equivalent of the Time-Based Rate

t = The number of Days in a relevant time period during a year (e.g., each season for a seasonal rate, each peak period and off-peak period for peak/off-peak rates, etc.)

r = The Time-Based Rate for a relevant time period during a year

6.6.5 Weighted Average Alternate Rate.

- (a) Shipper's Alternate Rate List. Within ten (10) Days after receipt of Transporter's Rate List, Shipper shall compile from items (ii) and (iii) of Transporter's Rate List and provide to Transporter a list ("Shipper's Alternate Rate List") of rates excluding any ACA charges, and the maximum Quantities of gas which Transporter is obligated to transport at such rates, which Quantities, in the aggregate, are equivalent to or greater than twice Shipper's DMDQ. Shipper shall rank such rates in any fashion it desires, numbering each rate successively in descending order of preference.
- (b) Computing a Weighted Average Alternate Rate. The demand/reservation component (if any) and the commodity/usage component (if any) of each rate on Shipper's Alternate Rate List, beginning with the first, shall separately be multiplied in succession by the maximum

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 853 First Revised Sheet No. 853 : Effective
Superseding: Original Sheet No. 853

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 6 - RATES (Continued)

6.6 Determination of Alternate Rates. (Continued)

Quantity of gas in Dth that Transporter is obligated to transport at that rate until the sum of such Quantities equals or first exceeds Shipper's DMDQ; provided, however, that, to the extent that the maximum Quantity of gas Transporter is obligated to transport at the last such rate to be multiplied exceeds Shipper's DMDQ when added to the sum of the Quantities theretofore multiplied, such last maximum Quantity shall be reduced to equal the difference between Shipper's DMDQ and the sum of the Quantities theretofore multiplied. The summation of the products that result from the multiplication of each such demand/reservation component of a rate on Shipper's Alternate Rate List by the maximum Quantity associated with that rate shall then be divided by Shipper's DMDQ to yield the reservation component (if any) of Shipper's Weighted Average Alternate Rate. The summation of the products that result from the multiplication of each such commodity/usage component of a rate on Shipper's Alternate Rate List by the maximum volume associated with that rate shall then be divided by Shipper's TMDQ to yield the commodity component (if any) of Shipper's Weighted Average Alternate Rate.

- (c) Recalculation of the Weighted Average Alternate Rate. If, during any Contract Year after the third Contract Year, any existing rate contained in Shipper's Alternate Rate List ceases to be effective or is changed, then such rate shall be deleted from Shipper's Alternate Rate List. If, during any Contract Year after the third Contract Year, any rate discount from any Available Rate Schedule provided by Transporter, or any rate for Firm Service on Transporter's System, becomes effective or is modified, then Shipper shall have the right to amend Shipper's Alternate Rate List by

Effective Date: 05/01/2002 Status: Effective
FERC Docket: RP01-190-002

First Revised Sheet No. 854 First Revised Sheet No. 854 : Effective
Superseding: Original Sheet No. 854

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 6 - RATES (Continued)

6.6 Determination of Alternate Rates. (Continued)

inserting any such new or changed rate at any point in such list. If any of the events described in this Section 6.6.5(c) occurs, then the Weighted Average Alternate Rate shall be recalculated to reflect the effect of the above described revisions to Shipper's Alternate Rate List.

- (d) Effect of the Operation of Most Favored Nations Clauses in Other Agreements. Notwithstanding the foregoing provisions of (c), if the value selected by Shipper as Shipper's Rate during any Contract Year solely causes the operation of a most favored nation or similar provision in another shipper's transportation agreement that reduces the rate for Firm Service being paid by such other shipper, such reduced rate applicable to such other shipper shall not be eligible for inclusion in Shipper's Alternate Rate List.

6.6.6 Single Alternate Rate. At the beginning of each Contract Year and whenever the Weighted Average Alternate Rate is recalculated in accordance with Section 6.6.5(c), Shipper shall specify from Transporter's Rate List as the "Single Alternate Rate" any rate provided under any contract entered into by Transporter which has a DMDQ that is equivalent to at least 60,000 Dth of gas per Day; provided, however, that the Force Majeure provisions of such contract shall be substituted in place of those Force Majeure provisions otherwise provided for in this Rate Schedule and the Firm Transportation Service Agreement for the period of time in which a Single Alternate Rate constitutes Shipper's Rate for services provided hereunder.

6.7 Authorized Overrun Rate.

6.7.1 Prior to In-Service Date. If Transporter transports any Gas for Shipper prior to the In-service Date, Shipper shall compensate Transporter therefor at a rate equivalent to the Authorized Overrun Rate.

Effective Date: 01/01/2004 Status: Effective

FERC Docket: RP04- 68-000

First Revised Sheet No. 855 First Revised Sheet No. 855 : Effective

Superseding: Original Sheet No. 855

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 6 - RATES (Continued)

6.7 Authorized Overrun Rate. (Continued)

6.7.2 Overrun Gas. Upon Shipper's request, Transporter, at its option, may accept Overrun Gas for transportation hereunder, on a fully interruptible basis, for which Shipper shall pay Transporter the Authorized Overrun Rate. Interruption of Overrun Gas shall be consistent with Section 10.1 of this Rate Schedule.

6.7.3 Calculation of Authorized Overrun Rate. Shipper's Authorized Overrun Rate in effect at any time shall be the rate as shown on Sheet No. 5.

6.8 Rights to Seek Modifications. Transporter's rates, charges, classifications and services as set forth in the Firm Transportation Service Agreement and this Rate Schedule are subject to regulation by the FERC under the Natural Gas Act. Transporter shall have the right to file from time to time with the FERC under Section 4 of the Natural Gas Act and to place into effect such changes in this Rate Schedule, the Firm Transportation Service Agreement, and other applicable terms of Transporter's Tariff as Transporter may find necessary from time to time to assure Transporter just and reasonable rates and charges and terms and conditions of service and Shipper shall have the right to oppose such changes. Shipper shall have the rights available to it under Section 5 of the Natural Gas Act to assure Shipper just and reasonable rates and charges and terms and conditions. Waivers of these statutory rights, if any, shall be as provided in the Firm Transportation Service Agreement between Transporter and Shipper.

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

First Revised Sheet No. 856 First Revised Sheet No. 856

Superseding: Original Sheet No. 856

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 7 - INVOICING

- 7.1 Volume Statements. Transporter and Shipper shall provide the following information concerning Gas volumes received by Transporter and delivered to Shipper during the preceding month.
- 7.1.1 Shipper's Statements. For those Receipt Points where Gas is being received by Transporter for the account of Shipper and other shippers, Shipper or its agent shall submit to Transporter and to all shippers whose Gas is being received by Transporter at the specific Receipt Points, on or before the fifth (5th) Business Day of the Month a statement indicating the allocation of the total volume of Gas received by Transporter among all pertinent shippers ("Allocation Statement").
- 7.1.2 Transporter's Statements. When information necessary for invoicing by Transporter is in the control of Shipper, Shipper shall furnish the actual information to Transporter on or before the fifth (5th) Business Day of the Month following the Billing Month. NAESB WGQ 2.3.7: "The cutoff for closing of measurement is 5 business days after business month." If such information is not available for Shipper to furnish to Transporter on or before such fifth (5th) Business Day then Transporter may furnish an estimated invoice to Shipper, subject to appropriate adjustments after Shipper has obtained such actual information and furnished same to Transporter. NAESB WGQ 3.3.14: "The imbalance statement should be rendered prior to or with the invoice, and the transportation invoice should be prepared on or before the 9th business day after the end of the production month. Rendered is defined as postmarked, time-stamped, and delivered to the designated site." Such statement will include, in reasonable detail, the volumes and thermal content of Shipper's Gas, indicating separately regular volumes and Overrun Gas volumes received by Transporter at each Receipt Point and the volumes and thermal content of Shipper's Gas separately designated as above, delivered by Transporter at each Delivery Point pursuant to the Firm Transportation Service Agreement during the preceding month.

Effective Date: 01/01/2004 Status: Effective

FERC Docket: RP04- 68-000

Second Revised Sheet No. 857 Second Revised Sheet No. 857 : Effective
Superseding: First Revised Sheet No. 857

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 7 - INVOICING (Continued)

7.1 Volume Statements. (Continued)

7.1.3 Time Requirement. When information necessary for billing by Transporter is in control of Shipper, Shipper or its agent will furnish such information to Transporter on or before the fifth (5th) Business Day of the month.

7.2 Transporter's Invoice. On or before the ninth (9th) Business Day of each Month Transporter shall prepare an invoice for service rendered during the preceding Month. Imbalance statements should be generated at the same time or prior to the transportation invoice. Such invoices shall contain the following information:

7.2.1 Monthly Reservation Charge. The applicable Daily Reservation/Demand Rate provided hereunder, multiplied by Shipper's then applicable Demand Maximum Daily Quantity, and the result multiplied by the number of days in the month ("Monthly Reservation Charge").

7.2.2 Monthly Commodity Charge. If applicable, a transportation, usage, or commodity rate provided hereunder multiplied by the total quantity of Gas received by Transporter from Shipper for Transportation (i.e., excluding Shipper's Fuel Gas Volumes and Shipper's L&U Volumes) at all Receipt Points during the month ("Monthly Commodity Charge").

7.2.3 Authorized Overrun Charge. If applicable, an Authorized Overrun Charge equal to the Authorized Overrun Rate provided hereunder, multiplied by the total Quantity of Gas in excess of Shipper's Transportation Maximum Daily Quantity received by Transporter from Shipper for Transportation at all Receipt Points each Day during the month.

Effective Date: 02/03/2002 Status: Effective

FERC Docket: RP02-137-000

First Revised Sheet No. 858 First Revised Sheet No. 858 : Effective
Superseding: Original Sheet No. 858

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 8 - PAYMENT

- 8.1 Shipper's Payment. Shipper shall pay Transporter the total charges indicated on Transporter's invoice by wire transfer or immediately available funds to a depository designated by Transporter within ten (10) Days of receipt of Transporter's invoice or the twenty-fifth (25th) Day of the Month, whichever is later. Such payment shall identify the invoice number. Subject to the provisions of Section 9.3 hereof, pertaining to Monthly Reservation Charge Adjustments, Shipper shall make payment of the Monthly Reservation Charge pursuant hereto in full irrespective of any dispute relative to the amount invoiced, and Shipper shall not be entitled to any abatement of such payment or any set-off against it, including but not limited to, abatement or set-off due or alleged to be due by reason of any past, present or future claims or other rights of Shipper against Transporter or any other person or entity, whether in connection herewith or any unrelated transaction. Notwithstanding the foregoing, however, nothing herein shall prejudice in any way Shipper's right to dispute any such amount invoiced, including (without limitation by such inclusion) any Monthly Reservation Charge; and Shipper retains all rights and causes of action that may pertain hereto, including (without limitation) any claims for refund of all or part of any Monthly Reservation Charge paid hereunder.
- 8.2 Late Payment. Should Shipper fail to pay the amount of any invoice rendered by Transporter when such amount is due, unless such failure to pay is the result of Transporter's error, interest shall accrue on the amount not paid commencing on the date payment is due and ending on the date the invoice is paid, at a rate of interest equal to the then effective rate computed in the manner set forth in Section 154.501(d) (1) of the FERC's regulations under the Natural Gas Act. If such regulations become inapplicable to such amounts, the rate shall be computed on the basis of the prime rate of the Chase Manhattan Bank, NA or the maximum interest rate otherwise permitted by law or regulation, whichever is less.
- 8.3 Overcollections. Should Transporter overcollect by receipt of any payment by Shipper, interest will accrue on the amount of the overcollections, commencing on the date of receipt by Transporter of overcollected funds and ending on the date of repayment of such funds to Shipper, at a rate of interest equal to the then effective rate computed in the manner set forth in Section 154.501(d) (1) of the FERC's

Effective Date: 08/01/2009 Status: Effective

FERC Docket: RP09-723-000

First Revised Sheet No. 859 First Revised Sheet No. 859

Superseding: Original Sheet no. 859

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 8 - PAYMENT (Continued)

8.3 Overcollections. (Continued)

regulations under the Natural Gas Act. If such regulations become inapplicable to such amounts, the rate will be based on the prime rate of the Chase Manhattan Bank, NA or the maximum interest rate otherwise permitted by law or regulation, whichever is less.

8.4 Disputed Invoices. NAESB WGQ 3.3.19: "If invoice is in dispute, pay portion not in dispute and provide documentation identifying basis for dispute."

8.5 Overcharges/Undercharges. In the event an error is discovered in any invoice rendered by Transporter, Shipper must contest such amount in writing within six (6) months from the date that the invoice was rendered, otherwise the invoice will be deemed correct. Transporter will correct any invoicing errors (after a rebuttal period of not more than three months) within thirty (30) days after the Shipper and Transporter agree or the date that the invoicing error occurred.

8.6 Financial Requirements. Upon request by Transporter, Shipper will render to Transporter within thirty (30) Days after receipt of Transporter's request complete audited financial statements prepared in accordance with generally accepted accounting principles.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 860 Original Sheet No. 860 : Effective

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 9 - FORCE MAJEURE

- 9.1 Definition of Force Majeure. Neither Transporter nor Shipper shall be deemed to have breached any of its obligations under the Firm Transportation Service Agreement as a result of any act, omission or circumstance occasioned by or in consequence of any blockades, insurrections, riots, epidemics, floods, washouts, landslides, mudslides, earthquakes, extreme cold or freezing weather, lightning, restraint of rulers and peoples, civil disturbances, explosions, breakage or freezing of or accident to machinery or line of pipe, the order of any court or governmental authority having jurisdiction, and any other cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome ("Force Majeure"). Failure to prevent or settle any strike or strikes shall not be considered a matter within the control of the party claiming suspension.

Such causes or contingencies affecting the performance under the Firm Transportation Service Agreement by either Transporter or Shipper, however, shall not relieve either party of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve either party from its obligations to make payments of amounts then due in respect of Gas theretofore delivered. Provided, however, that except as otherwise provided in Section 9.3 hereof, nothing in this Article 9 shall relieve Shipper of its obligation to pay the demand rate or reservation rate component of Shipper's Rate.

- 9.2 Due Diligence. Subject to the provisions of Section 9.3 following, no such cause affecting the performance of either party shall continue to relieve such party from its obligation after the expiration of a reasonable period of time within which by the use of due diligence such party could have remedied the situation preventing its performance, nor shall any cause relieve either party from any obligation unless such party shall give notice thereof in writing to the other party pursuant to Section 9.4 with reasonable promptness; and like notice shall be given upon termination of such cause, pursuant to Section 9.5.

Effective Date: 01/01/2004 Status: Effective

FERC Docket: RP04- 68-000

First Revised Sheet No. 861 First Revised Sheet No. 861 : Effective
Superseding: Original Sheet No. 861

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 9 - FORCE MAJEURE (Continued)

9.3 Monthly Reservation Charge Adjustments. Notwithstanding any of the foregoing or any other provision to the contrary in this Rate Schedule or the Firm Transportation Service Agreement, during the time period of an incident of Force Majeure claimed by Transporter, Shipper's Monthly Reservation Charge shall be adjusted according to the following:

9.3.1 Initial Force Majeure Periods. During any period of time commencing with the first Day that Transporter, because of an incident of Force Majeure, is unable to receive at the Primary Receipt Points and/or deliver to the Primary Delivery Points all Gas requested by Shipper to be transported in accordance herewith, and ending on the earlier of the thirtieth (30th) consecutive Day of such inability or the last consecutive Day of such inability, Shipper's Monthly Reservation Charge shall be reduced from what it would have been in the absence of such Force Majeure for such period of time as follows:

- (a) For any such period of time (or portion thereof) in which Shipper's rate for service hereunder is a "one-part rate" (i.e., one which is not based, in whole or in part, on the actual quantity of Gas transported), Shipper's Monthly Reservation Charge shall be reduced as follows:

$$MR = RC \times FD \times PR$$

Where,

MR = amount of money by which Shipper's Monthly Reservation Charge is reduced because of Force Majeure

RC = Shipper's Daily Reservation/Demand Rate (if any),
absent Force Majeure

FD = number of Days in the month on which Transporter's performance is affected by Force Majeure

PR = the lesser of

Effective Date: 01/01/2004 Status: Effective

FERC Docket: RP04- 68-000

Second Revised Sheet No. 862 Second Revised Sheet No. 862 : Effective
Superseding: First Revised Sheet No. 862

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 9 - FORCE MAJEURE (Continued)

9.3 Monthly Reservation Charge Adjustments. (Continued)

- (i) the Quantity of gas tendered for Transportation by Shipper at all Primary Receipt Points, that Transporter was unable to receive at such points and/or to deliver at a Primary Delivery Point requested by Shipper, divided by Shipper's DMDQ, expressed as a percentage; or
- (ii) 7% in Contract Years 1-5
11% in Contract Years 6-10
15% in Contract Years 11-15
- (b) For any such period of time (or portion thereof) in which Shipper's rate for service hereunder is a "multiple-part rate" (i.e., one which is partly based on the actual quantity of Gas transported), Shipper's Monthly Reservation Charge shall be reduced as follows:

$$MR = RC \times FD \times PR$$

Where,

MR = amount of money by which Shipper's Monthly Reservation Charge is reduced because of Force Majeure

RC = Shipper's Daily Reservation/Demand Rate (if any),
absent Force Majeure

FD = number of Days in the month on which Transporter's performance is affected by Force Majeure

PR = the lesser of

Effective Date: 01/01/2004 Status: Effective

FERC Docket: RP04- 68-000

Second Revised Sheet No. 863 Second Revised Sheet No. 863 : Effective
Superseding: First Revised Sheet No. 863

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 9 - FORCE MAJEURE (Continued)

9.3 Monthly Reservation Charge Adjustments. (Continued)

- (i) the Quantity of gas tendered for Transportation by Shipper at all Primary Receipt Points, that Transporter was unable to receive at such points and/or to deliver at a Primary Delivery Point requested by Shipper, divided by Shipper's TMDQ, expressed as a percentage; or
- (ii) 5% in Contract Years 1-5; 7.5% in Contract Years 6-10; 10% in Contract Years 11-15

9.3.2 Subsequent Force Majeure Periods. During any subsequent period of time that an incident of Force Majeure continues, Shipper's Monthly Reservation Charge (if any) for each specific Day of such continued incident of Force Majeure shall be credited by an amount equal to (i) the applicable daily Demand or Reservation component (if any) of Shipper's rate for service hereunder multiplied by (ii) the Quantity of Gas tendered for Transportation by Shipper at all Primary Receipt Points, up to Shipper's TMDQ, that Transporter was unable to receive for Transportation. However, in no event will Transporter be obligated to credit Reservation Charges greater than the total Reservation Charges paid by Shipper during the month.

9.4 Notice of Force Majeure. Notice of all claims of an incident of Force Majeure by either Shipper or Transporter shall be given within twenty-four (24) hours by the party so claiming an incident of Force Majeure to the other party by telephone or other electronic transfer of information to be further communicated in writing within five (5) Days with such further notice containing at least the following information relative to the claim of an incident of Force Majeure:

- (i) date and time of the start of the specific incident of Force Majeure
- (ii) the specific cause of the incident of Force Majeure

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 864 First Revised Sheet No. 864 : Effective
Superseding: Original Sheet No. 864

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 9 - FORCE MAJEURE (Continued)

9.4 Notice of Force Majeure. (Continued)

(iii) the maximum daily Quantity of Gas Shipper will be able to accept from Transporter at the Delivery Points or tender to Transporter at the Receipt Points, or, the maximum daily Quantity of Gas Transporter will be able to receive from Shipper at the Receipt Points or deliver to Shipper at the Delivery Points,

(iv) the projected duration of the incident of Force Majeure.

9.5 Termination of Force Majeure. Either Transporter or Shipper shall provide written notice to the other that a claimed incident of Force Majeure has terminated as of a specific date. For purposes of this Rate Schedule and the Firm Transportation Service Agreement, an incident of Force Majeure on Transporter's System invoked by Transporter is retroactively deemed to be terminated on the first Day of the five (5) consecutive Day period subsequent to Shipper's receipt of Transporter's above notice during which time Transporter receives Shipper's total Quantity of Gas tendered for Transportation at all Receipt Points limited only by Shipper's Transportation Maximum Daily Quantity and delivers Thermally Equivalent Quantities to Shipper at the Delivery Points pursuant to the provisions of this Rate Schedule and the Firm Transportation Service Agreement.

9.6 Continuation of Force Majeure. If an incident of Force Majeure continues past the projected duration contained in a party's notice under Section 9.4, that party shall give notice in writing to the other party within twenty-four (24) hours of such continuation and include in such notice the revised projected duration of the specific incident of Force Majeure and the cause of the continuation.

Effective Date: 01/01/2004 Status: Effective

FERC Docket: RP04- 68-000

Second Revised Sheet No. 865 Second Revised Sheet No. 865 : Effective
Superseding: First Revised Sheet No. 865

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 10 - INTERRUPTIONS OF SERVICE

- 10.1 Curtailment. If Transporter determines on any Day that for any reason whatsoever, including reasons of Force Majeure, the capacity of its system or any portion thereof is insufficient to satisfy the requirements for transportation service as set forth in executed transportation agreements, Transporter shall curtail or interrupt receipts and deliveries. Subject to the balancing provisions of Article 16 - OPERATING TOLERANCES AND BALANCING herein, such curtailment shall be limited to the portion of Transporter's System on which capacity is reduced and shall be in accordance with the priorities set forth in Section 13.3 of the General Terms and Conditions of this tariff.
- 10.2 Monthly Reservation Charge Credit. Except for an incident of Force Majeure or curtailment pursuant to Section 10.1 and subject to the balancing provisions in Article 16 hereof, and excluding any curtailment of service at Secondary Receipt Points or Secondary Delivery Points, if Transporter is unable on any Day to deliver to Shipper at all Delivery Points nominated pursuant to Section 13.2, a Quantity of Gas Thermally Equivalent to the Quantity of Gas tendered by Shipper for Transportation at all Receipt Points up to Shipper's Transportation Maximum Daily Quantity, then for such Day Shipper's Monthly Reservation Charge (if any) shall be credited for such Quantities of Gas in the applicable billing month by an amount equal to the following:

$CR = ((A \times B) \times ((E - D) / E))$ where

CR = credit applied to shippers' Monthly Reservation Charge, expressed in dollars

A = Shipper's Demand Maximum Daily Quantity

B = the daily demand rate or reservation rate component (if any) of Shipper's rate for service hereunder

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 866 First Revised Sheet No. 866 : Effective
Superseding: Original Sheet No. 866

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 10 - INTERRUPTIONS OF SERVICE (Continued)

10.2 Monthly Reservation Charge Credit. (Continued)

D = Quantities of Gas (Dth) actually delivered by Transporter to Shipper at all Delivery Point(s)

E = total quantity of Gas (Dth) tendered for Transportation by Shipper to Transporter at all Receipt Point(s), up to Shipper's TMDQ.

However, in no event will Transporter be obligated to credit Reservation Charges greater than the total Reservation Charges paid by Shipper during the month.

10.3 Inability to Deliver. Pursuant to this Rate Schedule, if, for reasons other than Force Majeure, Transporter is unable on any Day to deliver to Shipper at the Delivery Point(s), a Quantity of Gas Thermally Equivalent to the Quantity of Gas tendered for Transportation by Shipper at the Receipt Point(s), up to Shipper's Transportation Maximum Daily Quantity, and such inability is a result of Transporter testing, altering, modifying, enlarging, or repairing any facility or property comprising a part of, or appurtenant to, Transporter's System, then, except as provided in Section 10.4, the provisions of Section 10.2 shall apply.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 867 First Revised Sheet No. 867 : Effective
Superseding: Original Sheet No. 867

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 10 - INTERRUPTIONS OF SERVICE (Continued)

- 10.4 Maintenance Allotment. The above provisions notwithstanding, Transporter may curtail Shipper up to a maximum of ten percent (10%) of Shipper's TMDQ during up to any eleven calendar Days in any Contract Year upon thirty Days prior written notice (unless such maintenance is deemed to be emergency maintenance) for the expressed purpose of conducting maintenance on Transporter's System without the provisions of Section 10.2 being applied. If during any such eleven Days, Transporter curtails Shipper greater than ten percent (10%) of Shipper's TMDQ, than the provisions of Section 10.2 apply with D increased by 10% of Shipper's TMDQ. For those events deemed by Transporter as emergency maintenance, Transporter must provide the above notice to Shipper within twenty-four hours of Transporter's undertaking of such emergency maintenance for such curtailment being included under this Section 10.4.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

Second Revised Sheet No. 868 Second Revised Sheet No. 868 : Effective
Superseding: Sub First Revised Sheet No. 868

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 11 - RECEIPT AND DELIVERY POINTS

11.1 Receipt Points.

- (a) Shipper shall tender Gas to Transporter and Transporter shall receive Gas from Shipper at the Primary Receipt Point(s) and for the Receipt Point Entitlements both designated in Exhibit "A" to the Firm Transportation Service Agreement. The aggregate of Shipper's Receipt Point Entitlements for all Primary Receipt Point(s) shall not exceed one hundred fifty (150) percent of Shipper's Demand Maximum Daily Quantity and the Receipt Point Entitlements for any individual Primary Receipt Point shall not exceed Shipper's Demand Maximum Daily Quantity. Shipper may add Primary Receipt Points to its Transportation Service Agreement, or increase or decrease the amount of Shipper's Receipt Point Entitlements at any particular Primary Receipt Point, subject to the availability of capacity; provided, however, that in the event of any such increase Shipper must concurrently relinquish an equivalent amount of its Receipt Point Entitlement at any one or more of the Primary Receipt Points contained in its Transportation Service Agreement. Exhibit "A" shall be amended as necessary to reflect any changes in Shipper's utilization of its Primary Receipt Points which may be agreed upon by the parties in writing. In addition, Shipper may, subject to Article 10 of this Rate Schedule, nominate and schedule Gas for Transportation from Secondary Receipt Points.
- (b) In the event Shipper temporarily releases any or all of its Transportation rights to a Replacement Shipper under Article 5 of this Rate Schedule and permits the Replacement Shipper to utilize Primary Receipt Points in connection with the Release, Shipper shall be required to relinquish, for the entire term of the relevant Release, some portion or all of its Receipt Point Entitlement at any one or more of its Primary Receipt Points in an aggregate amount no less than the amount of the DMDQ released. Following expiration of the term of any Release which is not a permanent Release, Shipper shall be entitled to utilize the Primary Receipt Points which the Replacement Shipper was entitled to utilize at the time of expiration of the Release Term, up to the amount of the Replacement Shipper's respective Receipt Point Entitlement at each such point.
- (c) In the event Shipper permanently releases only a portion of its Transportation rights to a Replacement Shipper under Article 5 of this Rate Schedule, Shipper's aggregate Receipt Point Entitlements must be released by the same percentage as Shipper's DMDQ and aggregate Delivery Point Entitlements are released.

Effective Date: 05/01/2002 Status: Effective
FERC Docket: RP01-190-002

Second Revised Sheet No. 869 Second Revised Sheet No. 869 : Effective
Superseding: First Revised Sheet No. 869

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 11 - RECEIPT AND DELIVERY POINTS (Continued)

11.2 Delivery Points.

- (a) Transporter shall deliver Gas to Shipper and Shipper shall receive Gas from Transporter at the Primary Delivery Point(s) and for the Delivery Point Entitlements both designated in Exhibit "A" to the Firm Transportation Service Agreement. The aggregate of Shipper's Delivery Point Entitlements for all Primary Delivery Point(s) shall not exceed one hundred fifty (150) percent of Shipper's Demand Maximum Daily Quantity and the Delivery Point Entitlement for any individual Primary Delivery Point shall not exceed Shipper's Demand Maximum Daily Quantity. Shipper may add Primary Delivery Points to its Firm Transportation Service Agreement, or increase or decrease the amount of Shipper's Delivery Point Entitlement at any particular Primary Delivery Point, subject to the availability of capacity; provided, however, that in the event of any such increase Shipper must concurrently relinquish an equivalent amount of its Delivery Point Entitlement at any one or more of the Primary Delivery Points contained in its Firm Transportation Service Agreement. In addition, Shipper may, subject to Article 10 of this Rate Schedule, nominate and schedule Gas for Transportation from Secondary Delivery Points. Exhibit "A" shall be amended as necessary to reflect any changes in Shipper's utilization of its Primary Delivery Points which may be agreed upon by the parties in writing.
- (b) In the event Shipper temporarily releases any or all of its Transportation rights to a Replacement Shipper under Article 5 of this Rate Schedule and permits the Replacement Shipper to utilize Primary Delivery Points in connection with the Release, Shipper shall be required to relinquish, for the entire term of the relevant Release, some portion or all of its Delivery Point Entitlement at any one or more of its Primary Delivery Points in an aggregate amount no less than the amount of the DMDQ released. Following expiration of the term of any Release which is not a permanent Release, Shipper shall be entitled to utilize the Primary Delivery Points which the Replacement Shipper was

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

Second Revised Sheet No. 870 Second Revised Sheet No. 870 : Effective
Superseding: Sub First Revised Sheet No. 870

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 11 - RECEIPT AND DELIVERY POINTS (Continued)

11.2 Delivery Points. (Continued)

entitled to utilize at the time of expiration of the Release Term, up to the amount of the Replacement Shipper's respective Delivery Point Entitlement at each such point.

- (c) In the event Shipper permanently releases only a portion of its Transportation rights to a Replacement Shipper under Article 5 of this Rate Schedule, Shipper's aggregate Delivery Point Entitlements must be released by the same percentage as Shipper's DMDQ and aggregate Receipt Point Entitlements are released.

11.3 Barometric Pressure. For each Primary Receipt Point and Primary Delivery Point, the deemed barometric pressure, to be used for measurement, engineering and operational purposes under this Rate Schedule and the Firm Transportation Service Agreement, shall be designated on Exhibit "A" to the Firm Transportation Service Agreement.

11.4 Measurement Facilities. Transporter shall be obligated to furnish, install, own, maintain and operate such measuring equipment, devices, materials and associated facilities as are necessary to add any additional Primary Receipt or Delivery Points pursuant to Sections 11.1 and 11.2 and in accordance with Article 17 of this Rate Schedule. The cost of furnishing and installing such measuring stations for each additional Primary Receipt Point(s) and Primary Delivery Point(s) will be borne by Transporter. Transporter may require, at its option, that Shipper bear the full costs of furnishing and installing such measuring stations.

11.5 Common Facilities. Receipt Points and Delivery Points shall include the points on or adjacent to the Common Facilities at which Transporter has the right to receive or to deliver gas, to the extent of Transporter's rights to utilize such points.

Effective Date: 01/01/2004 Status: Effective

FERC Docket: RP04- 68-000

Second Revised Sheet No. 871 Second Revised Sheet No. 871 : Effective
Superseding: First Revised Sheet No. 871

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 12 - FUEL GAS, UNACCOUNTED-FOR GAS, TESTING AND LINE PACK

- 12.1 Fuel Gas. Each Day, Shipper shall reimburse Transporter in-kind for compressor fuel used pursuant to Section 12 of the General Terms and Conditions of this tariff.
- 12.2 Lost or Unaccounted-for Gas. Each month, Shipper shall reimburse Transporter in-kind for lost or unaccounted-for gas pursuant to Section 12 of the General Terms and Conditions of this tariff.
- 12.3 Maximum Fuel Reimbursement Factor. For each month, the fuel reimbursement factor applicable to Shipper's receipt point nominations as described in Section 12 of the General Terms and Conditions of this tariff shall not exceed the percentage shown below:

Transporter's System Certificated Capacity (Dth per Day)			Maximum Fuel Reimbursement Factor
0	-	700,000	0.0230
701,000	-	750,000	0.0240
751,000	-	800,000	0.0250
801,000	-	850,000	0.0263
851,000	-	900,000	0.0300
901,000	-	950,000	0.0330
951,000	-	1,000,000	0.0343
1,001,000	-	1,050,000	0.0391
1,051,000	-	1,100,000	0.0441
1,101,000	-	1,150,000	0.0553
1,151,000	-	1,200,000	0.0688

Prior to any expansion of Transporter's System which would result in a certificated capacity in excess of 1,200,000 Mcf per Day, Shipper and Transporter shall attempt in good faith to mutually agree on a maximum fuel reimbursement factor. Neither party, however, shall be obligated to so agree. If no such agreement is reached, then the fuel and lost and unaccounted-for gas provisions contained in Section 12 of the General Terms and Conditions of Transporter's FERC Gas Tariff shall apply.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 872 Original Sheet No. 872 : Effective

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 12 - FUEL GAS, UNACCOUNTED-FOR GAS, TESTING AND LINE PACK (Continued)

- 12.4 Testing. Shipper shall have no obligation to provide any substances, whether gaseous or liquid, used by Transporter in any testing or purging of Transporter's System. Transporter shall provide all such substances at no cost or expense to Shipper except to the extent, if any, that the cost of such substances are recovered by Transporter from Shipper through Shipper's rate for service hereunder.
- 12.5 Line Pack. Shipper shall have no obligation to provide Transporter any volumes of Gas used by Transporter for line pack prior to or during the term of the Firm Transportation Service Agreement for Transporter's System and any and all expansions of Transporter's System. Transporter shall provide all such Gas volumes at no cost or expense to Shipper except to the extent that the cost of such Gas volumes is recovered by Transporter from Shipper through Shipper's rate for service hereunder.

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 873 First Revised Sheet No. 873 : Effective
Superseding: Original Sheet No. 873

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 13 - OPERATING PROCEDURES

- 13.1 Notice. Transporter shall give Shipper a minimum of ten (10) Days prior written notice of the projected In-Service Date to enable Shipper to provide Transporter its initial nominations pursuant to this Article 13.
- 13.2 Initial Nominations. Within ten (10) Days after Shipper's receipt of Transporter's notice pursuant to Section 13.1 herein, and at least five (5) Days prior to the first Day of each month thereafter during the term of the Firm Transportation Service Agreement, Shipper shall provide Transporter with a written or other mutually agreed upon transmitted schedule indicating its best estimate of Shipper's volumes of Gas to be tendered to Transporter each Day during the succeeding month and the corresponding allocation of those Gas volumes at each Receipt Point and Delivery Point.
- 13.3 Delivery Requirements. Subject to the provisions of this Rate Schedule as to scheduling and balancing, Transporter shall not be obligated to deliver to Shipper on any Day a greater quantity of Gas, on a Thermally Equivalent basis, up to Shipper's TMDQ, than it has received from Shipper on such Day reduced by any requisite reimbursement for Fuel Gas Volumes and L&U Volumes, as provided in Article 12 hereof.
- 13.4 Shipper's Obligations. It shall be Shipper's obligation to make any necessary arrangement with other parties for tender of Shipper's Gas to Transporter at the Receipt Point(s) and for receipt of Shipper's Gas after transportation at the Delivery Point(s). Shipper shall be obligated in such arrangements to require dispatching and operating coordination with Transporter and to provide Transporter, at Transporter's request, access to appropriate records.
- 13.5 Shipper's Estimates. Upon request of Transporter, Shipper shall, no more frequently than once per calendar quarter, submit its best estimate of the subsequent year's annual volume of Gas to be transported hereunder, stated on a monthly basis. Any such best estimates provided under this Section 13.5 shall not supplant the scheduling and dispatching of volumes as provided in Sections 13.1 and 13.2 above, and Section 13.1 of the General Terms and Conditions of Transporter's Tariff.

Effective Date: 03/01/2008 Status: Effective
FERC Docket: RP08-177-000

First Revised Sheet No. 874 First Revised Sheet No. 874 : Effective
Superseding: Original Sheet No. 874

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 14 - QUALITY OF GAS

14.1 Transporter and Shipper are subject to Section 4, Quality, of the General Terms and Conditions in Transporter's FERC Gas Tariff, as revised from time to time, and the following additional provisions shown below:

- (a) Reservation Charge Credit. In the event that Gas tendered to Shipper by Transporter at any Delivery Point hereunder fails to meet the specification of Section 4.1 of the General Terms and Conditions in Transporter's Gas Tariff, Shipper may refuse to accept such Gas. Refusal to accept such Gas by Shipper shall entitle Shipper to a credit to Shipper's Reservation Charge pursuant to Section 10.2 of the Agreement; provided however, that if Transporter accepts Gas from Shipper pursuant to Section 4.3 of the General Terms and Conditions in Transporter's Gas Tariff, or Shipper fails to comply with its obligations under Section 4.5 of the General Terms and Conditions in Transporter's Gas Tariff, then Shipper may not refuse to accept such Gas at the Delivery Points and shall not receive a credit to Shipper's Monthly Reservation Charge for such Gas.
- (b) Notice of Total Heating Value Testing. The testing party shall give the non-testing party notice of the time of any test or Total Heating Value determination sufficiently in advance of test or determination so that the non-testing party may conveniently have its representative present. The non-testing party shall respond in writing or by telecopy to the testing party if the non-testing party intends to witness any test or Total Heating Value determination, to inspect any equipment used, to obtain all relevant results, and to request a retest or redetermination. In the event a retest or redetermination is requested and the results, for the questioned portion thereof, vary less than two (2) percent from the previous test, the retesting Party may recover from the requesting Party the actual costs of performing such retest or redetermination.
- (c) Shipper Indemnification. If Transporter receives Gas from Shipper which fails to conform to the specifications of Section 4.2 (or Section 4.3 if applicable) of the General Terms and Conditions in Transporter's Gas Tariff, as revised from time to time, Shipper shall indemnify Transporter for any injury, damage, loss, or liability caused by the receipt of such Gas, except to the extent Transporter knowingly and willingly receives such Gas.

Effective Date: 03/01/2008 Status: Effective
FERC Docket: RP08-177-000

First Revised Sheet No. 875 First Revised Sheet No. 875 : Effective
Superseding: Original Sheet No. 875

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 14 - QUALITY OF GAS (Continued)

- (d) Transporter Indemnification. If Transporter delivers Gas to Shipper which fails to conform to the specifications of Section 4.1 of the General Terms and Conditions in Transporter's Gas Tariff, as revised from time to time, Transporter shall indemnify Shipper for any injury, damage, loss, or liability caused by the delivery of such Gas, except to the extent Shipper knowingly and willingly accepts such Gas.

Effective Date: 03/01/2008 Status: Effective

FERC Docket: RP08-177-000

First Revised Sheet No. 876 First Revised Sheet No. 876 : Effective
Superseding: Sheet Nos. 876-880

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

First Revised Sheet No. 876 supersedes the following sheets:

Original Sheet No. 876
Original Sheet No. 877
Original Sheet No. 878
Original Sheet No. 879
Original Sheet No. 880

Sheet Nos. 876 through 880 are reserved for future use.

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 14 - QUALITY OF GAS (Continued)

14.4 Quality Tests. (Continued)

- (b) Specification for Tests. Transporter shall determine the Total Heating Value of Gas and its component analysis at least once each Month in accordance with the Gas Measurement Committee Report No. 3 prepared by the Gas Measurement Committee of the American Gas Association, dated September 1985 or any subsequent revisions (AGA 3). Such determination shall be made using either an on-line chromatograph or by chromatographic analysis of a representative sample of Gas taken with a continuous flow proportional sampler. Chromatography shall be performed in accordance with Gas Processors Association (GPA) publications 2261-86 and 2286-86 or any subsequent revisions. The values of the physical constants for the Gas components shall be determined by the use of the physical constants listed in Table 5 of AGA-3. For components of the Gas not listed in said Table 5, GPA publication 2145-88 or any subsequent revision shall be used.
- (c) Non-Hydrocarbon Tests. Tests shall be made to determine the total sulfur, hydrogen sulfide, mercaptans, carbon dioxide, nitrogen and oxygen content of the Gas, and the hydrocarbon dew point and water vapor content of such Gas by approved standard methods in general use in the gas industry. Tests shall be made frequently enough to assure that the Gas continuously conforms to the quality requirements.

14.5 Failure to Conform.

- (a) If the Gas offered for Transportation by Shipper shall fail at any time to conform to any of the specifications set forth in Section 14.2, then Transporter shall have the right, upon written (including by telecopy) or oral notice to Shipper, to immediately refuse to accept all or any portion of such Gas.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 878 Original Sheet No. 878 : Effective

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 14 - QUALITY OF GAS (Continued)

14.5 Failure to Conform. (Continued)

- (b) Notwithstanding the foregoing, however, in the event the provisions of Section 14.3 are in effect, the following procedures shall apply:
 - (i) When the calculated quality of the Composite Gas Stream approaches 90% of the allowable maximums for those Gas components whose specifications are subject to blending, then Transporter shall notify all shippers whose Gas does not conform with Section 14.2.
 - (ii) When the calculated quality of the Composite Gas Stream equals or exceeds 95% of the allowable maximums for those Gas components subject to blending, Transporter shall immediately notify all shippers whose Gas does not conform, that Transporter will commence curtailing receipt of their Gas in the following manner:
 - (1) Transporter shall determine which Gas nominations or receipts do not conform with Section 14.2. For each shipper, whose Gas nominations or deliveries to Transporter do not conform with Section 14.2, Transporter shall identify the quantity of the Gas component that is in excess of the limits set forth in Section 14.2, compute a total there of for all such shippers, and calculate the percentage of said total for each such shipper.
 - (2) The calculated percentage shall be used to determine the quantity of non-conforming component that each of the non-conforming shippers must eliminate from its Gas nominations and/or receipts, in order to bring said Composite Gas Stream back to within 93% of the quality specification described in Section 14.2. The required reduction of the non-conforming component, as well as the newly calculated maximum allowable

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 879 Original Sheet No. 879 : Effective

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 14 - QUALITY OF GAS (Continued)

14.5 Failure to Conform. (Continued)

concentration of the non-conforming component in shipper's Gas deliveries to Transporter, shall be communicated to each of the non-conforming shippers.

- (3) Shipper shall reduce the non-conforming component to the maximum allowable concentration in 14.5(b)(ii)(2) above by either replacing nominated or existing Gas deliveries to Transporter with Gas containing less of the non-conforming component or by reducing nominations or deliveries of non-conforming Gas until, inclusive of the reductions of non-conforming components similarly required of any other non-conforming shippers, the Composite Gas Stream is again calculated not to exceed 93% of the requirements of Section 14.2 herein.
- (4) Should Shipper fail to take adequate corrective action to comply with Transporter's requirements, Transporter shall have the right to curtail receipts from Shipper as described in Section 14.5(a) above.
- (c) Continuation of Obligation to Pay. In the event Transporter refuses to accept Gas tendered by Shipper because such Gas does not conform to the specifications set forth herein, Shipper shall not be relieved of its obligation to pay any Monthly Reservation Charge provided for in this Agreement.
- (d) Reservation Charge Credit. In the event that Gas tendered to Shipper by Transporter at any Delivery Point hereunder fails to meet the specification of Section 14.1 above, Shipper may refuse to accept such Gas. Refusal to accept such Gas by Shipper shall entitle Shipper to a credit to Shipper's Monthly Reservation Charge pursuant to Section 10.2; provided however, that if Transporter accepts Gas from Shipper pursuant to Section 14.3

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 880 Original Sheet No. 880 : Effective

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 14 - QUALITY OF GAS (Continued)

14.5 Failure to Conform. (Continued)

above, or Shipper fails to comply with its obligations under Section 14.5 above, then Shipper may not refuse to accept such Gas at the Delivery Points and shall not receive a credit to Shipper's Monthly Reservation Charge for such Gas.

14.6 Notice of Total Heating Value Testing. The testing party shall give the non-testing party notice of the time of any test or Total Heating Value determination sufficiently in advance of test or determination so that the non-testing party may conveniently have its representative present. The non-testing party shall respond in writing or by telecopy to the testing party if the non-testing party intends to witness any test or Total Heating Value determination, to inspect any equipment used, to obtain all relevant results, and to request a retest or redetermination. In the event a retest or redetermination is requested and the results, for the questioned portion thereof, vary less than two (2) percent from the previous test, the retesting Party may recover from the requesting Party the actual costs of performing such retest or redetermination.

14.7 Shipper Indemnification. If Transporter receives Gas from Shipper which fails to conform to the specifications of Section 14.2 above, (or Section 14.3 if applicable) above, Shipper shall indemnify Transporter for any injury, damage, loss, or liability caused by the receipt of such Gas, except to the extent Transporter knowingly and willingly receives such Gas.

14.8 Transporter Indemnification. If Transporter delivers Gas to Shipper which fails to conform to the specifications of Section 14.1 above, Transporter shall indemnify Shipper for any injury, damage, loss, or liability caused by the delivery of such Gas, except to the extent Shipper knowingly and willingly accepts such Gas.

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 15 - PRESSURE

15.1 Receipt Point Pressure.

- 15.1.1 Maximum Receipt Pressure. Shipper shall cause the Gas to be tendered at each Receipt Point at a pressure sufficient to enter Transporter's System against the pressure prevailing from time to time at each Receipt Point. Provided, however, that Shipper shall not be obligated to deliver, or cause to be delivered, Gas to Transporter at a pressure at any Receipt Point which is in excess of the Maximum Receipt Pressure specified for such Receipt Point as set forth in Exhibit "A". Transporter shall design, construct and make such modifications to Transporter's System as may be necessary from time to time during the term hereof, to enable Shipper's Gas delivered to Transporter at such Maximum Receipt Pressure to enter Transporter's System against the pressure prevailing at such Receipt Point from time to time. If additional compression facilities are required for such purpose, then the maximum fuel reimbursement factor established in Section 12.3 hereof shall be adjusted to reflect Shipper's pro rata share of the fuel associated with any such additional compression.
- 15.1.2 Reservation Charge Reduction. In the event that Transporter is unable to receive a portion of the Gas tendered by Shipper at the Maximum Receipt Pressure at one or more Receipt Points (up to Shipper's TMDQ) because the pressure in Transporter's System exceeds such Maximum Receipt Pressure, then Shipper's Monthly Reservation Charge (if any) for any given Month shall be reduced in proportion to the volume of Gas tendered by Shipper in such Month that Transporter is unable to transport for the above-described reason; provided, however, that such reduction shall not apply if Transporter is performing maintenance on Transporter's System, subject to the limitations and alternative credit provisions in Section 10.4.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 882 Original Sheet No. 882 : Effective

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 15 - PRESSURE (Continued)

- 15.2 Delivery Point Pressure. Transporter shall cause the Gas to be delivered at the Delivery Point(s) hereunder at such pressure sufficient to effect delivery into the receiving pipeline facilities against the pressure prevailing from time to time. Transporter, however, shall not be obligated to deliver to Shipper, or cause to be delivered, Gas at a pressure at each Delivery Point which is in excess of the Maximum Delivery Pressure specified for such Point as set forth in Exhibit "A" to the Firm Transportation Service Agreement.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 883 Original Sheet No. 883 : Effective

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 16 - OPERATING TOLERANCES AND BALANCING

- 16.1 Receipt and Delivery Tolerances. It is recognized that receipts from Shipper and deliveries by Transporter may vary above or below the quantities scheduled on any Day. Such variations shall be kept to the minimum permitted by operating conditions and shall be balanced as soon as practicable but in no event shall exceed an allowable daily variation of ten (10) percent of the scheduled quantities, and provided further that the cumulative net variations during any month above or below the quantities scheduled shall not exceed five (5) percent of the sum of the scheduled quantities for each Day of such month.
- 16.2 Uniform Receipts and Deliveries. Transporter and Shipper shall undertake to maintain receipts and deliveries on a uniform daily basis to the maximum extent practicable, subject to the provisions of this Rate Schedule.
- 16.3 Imbalance Correction. Transporter and Shipper agree to correct any cumulative imbalances in receipts and deliveries as soon as practicable, and shall seek to eliminate any imbalances within sixty (60) Days of the date Transporter notifies Shipper in writing that such imbalances have occurred. If such imbalances are not corrected within such sixty (60) Day period, Transporter shall have the right upon twenty-four (24) hours prior written notice to Shipper to suspend or reduce service to Shipper to correct such imbalances which threaten the operation or integrity of its system, including maintenance thereof and service to others.
- 16.3.1 Post Term Imbalance Correction. In the event that, at the end of the Primary Term or any Extended Term of the Firm Transportation Service Agreement as provided in Article 3 hereof, there are cumulative imbalances in receipt and deliveries, Transporter and Shipper have an obligation, which shall survive the termination of the Firm Transportation Service Agreement, to correct such cumulative imbalances in receipts and deliveries as soon as practicable after the end of the term of the Firm Transportation Service Agreement.
- 16.3.2 Thermally Equivalent Basis. All calculations of balances and imbalances and corrections under this Section shall be made on a Thermally Equivalent Basis.

Effective Date: 03/01/2008 Status: Effective

FERC Docket: RP08-177-000

Second Revised Sheet No. 884 Second Revised Sheet No. 884 : Effective
Superseding: First Revised Sheet No. 884

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 17 - MEASUREMENT

- 17.1 Transporter and Shipper are subject to Section 2, Measurement, and Section 3, Measuring Equipment, of the General Terms and Conditions in Transporter's FERC Gas Tariff, as revised from time to time, with the exception of Section 3.7, which is replaced in its entirety with the following:

If for any reason measuring equipment is out of service and/or out of repair so that the amount of Gas received or delivered cannot be measured or computed from the reading thereof, the Gas received or delivered during the period such measuring equipment is out of service and/or out of repair shall be estimated and agreed upon by the Parties hereto upon the basis of the best data available, using the first of the following methods which is feasible:

- (a) by using the registration of any check measuring equipment if installed and accurately registering.
- (b) by correcting the error, if the percentage of error is ascertainable by calibration, tests, or mathematical calculation.
- (c) by estimating the quantities received or delivered based on deliveries during periods of similar operating conditions when the measuring equipment was registering accurately.

Effective Date: 03/01/2008 Status: Effective

FERC Docket: RP08-177-000

First Revised Sheet No. 885 First Revised Sheet No. 885 : Effective
Superseding: Sheet Nos. 885-888

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

First Revised Sheet No. 885 supersedes the following sheets:

Original Sheet No. 885
First Revised Sheet No. 886
Original Sheet No. 887
Original Sheet No. 888

Sheet Nos. 885 through 888 are reserved for future use.

Effective Date: 05/01/2002 Status: Effective
FERC Docket: RP01-190-002

First Revised Sheet No. 886 First Revised Sheet No. 886 : Effective
Superseding: Original Sheet No. 886

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 17 - MEASUREMENT (Continued)

- 17.2 Delivery and Receipt Point Heating Value. The total MMBtu at each Receipt and Delivery Point shall be determined as follows:

$$\text{Total MMBtu} = (\text{Vx}(\text{THVx1000})) / 1,000,000,$$

Where

V = the Quantity of Gas, in Dth, at the specific Receipt or Delivery Point

THV = the Total Heating Value of the Gas expressed as Btu per cubic foot of the Gas.

- 17.3 Measuring Equipment Calibration. At least once each month all measuring equipment, including temperature recorders, is to be calibrated, and adjusted if necessary, by Transporter in the presence of a representative of Shipper, if Shipper chooses to be represented. If Shipper at any time desires a special test of any measuring equipment, it will promptly notify Transporter, and the Parties will then cooperate to promptly secure a calibration test and a joint observation of any adjustments.
- 17.4 Testing and Accuracy. Transporter shall give to Shipper notice of the time of all regular tests of measuring equipment and other tests called for herein sufficiently in advance of the holding of tests so that Shipper may conveniently have its representative present. If, upon any test, the volume measured by any measuring equipment is found to be inaccurate by 1.0 percent or more, registrations thereof shall be corrected at the rate of inaccuracy for any period which is definitely known and agreed upon, but in case the period is not definitely known and agreed upon, then for a period extending back one-half of the time elapsed since the last date of calibration. Following any test, measuring equipment found inaccurate by any percentage shall be promptly adjusted to record as accurately as possible. If for any reason measuring equipment is out of service and/or out of repair so that the amount of Gas received or delivered cannot be measured or computed from the reading thereof, the Gas received or delivered during the period such measuring equipment is out of service and/or out of repair shall be estimated and agreed upon by the Parties hereto upon the basis of the best data available, using the first of the following methods which is feasible:

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 887 Original Sheet No. 887 : Effective

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 17 - MEASUREMENT (Continued)

17.4 Testing and Accuracy. (Continued)

- (i) by using the registration of any check measuring equipment if installed and accurately registering.
- (ii) by correcting the error, if the percentage of error is ascertainable by calibration, test, or mathematical calculation.
- (iii) by estimating the quantities received or delivered based on deliveries during periods of similar operating conditions when the measuring equipment was registering accurately.

17.5 Correction of Stated Metered Volumes. GISB 2.3.14: "Measurement data corrections shall be processed within 6 months of the production month with a 3 month rebuttal period. This standard will not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard."

17.6 Shipper Monitoring Equipment. Shipper may install, maintain and operate at its own expense monitoring equipment, including check measuring equipment and electronic measuring and metering devices, provided such equipment does not interfere with the operation and use of Transporter's equipment. Transporter shall not acquire title to any such equipment installed by Shipper and shall permit Shipper to install and remove such equipment without interference upon reasonable notice to Transporter by Shipper. However, except as provided in Section 17.4(i), measurement of Gas for purposes of this Rate Schedule and the Firm Transportation Service Agreement shall be done by means of the measuring equipment installed pursuant to Section 17.1 herein.

17.7 Transporter Measurement Records. Transporter shall, upon Shipper's request, furnish to Shipper at the earliest practicable time true copies of all records upon which it has based any statements of Gas received or delivered.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 888 Original Sheet No. 888 : Effective

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 17 - MEASUREMENT (Continued)

- 17.8 Substitution of New Measurement Techniques. If, at any time during the term of the Firm Transportation Service Agreement, a new method or technique is developed with respect to Gas measurement or the determination of the factors used in such Gas measurement, such new method or technique may be substituted by Transporter upon mutual agreement of Shipper, not to be unreasonably withheld.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 889 Original Sheet No. 889 : Effective

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 18 - INSPECTION OF EQUIPMENT AND RECORDS

- 18.1 Inspection and Record Retention. Upon five Days prior written notice, Shipper and Transporter shall have the right to inspect all measurement equipment installed or furnished by the other party, and the records and other measurement or test data of the other party, at all times during normal business hours; but the reading, calibration and adjustment of such equipment shall be done only by the party installing or furnishing same. Unless the parties otherwise agree, each party shall preserve all original test data and other similar records in such party's possession, for a period of at least three (3) years.
- 18.2 Records Inspection. Shipper and Transporter shall have the right to examine at reasonable times the books and records of the other to the extent necessary to verify the accuracy of any statement, charge or computation made pursuant to this Rate Schedule.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 890 Original Sheet No. 890 : Effective

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 19 - WARRANTY OF TITLE, LIENS, ADVERSE CLAIMS, AND ENCUMBRANCES

- 19.1 Shipper's Warranty. Shipper warrants: (i) that it has title to all Gas tendered to Transporter at each Receipt Point for transportation hereunder, (ii) that it has the right to tender the same for transportation, and (iii) that Transporter shall not be liable for any claims, liens, encumbrances, or taxes of any kind whatsoever that have been asserted or levied against Shipper's Gas prior to the time it was tendered to Transporter.
- 19.2 Transporter's Warranty. Transporter warrants: (i) to preserve the title of Shipper to all of Shipper's Gas received by Transporter at each Receipt Point during transportation and until delivered to Shipper at each Delivery Point, (ii) to keep Shipper's Gas, while in Transporter's possession, free and clear of any claims, liens, encumbrances, or taxes, of any kind whatsoever to which it was not otherwise subject at the time it was tendered to Transporter; and (iii) to deliver such Gas to Shipper at each Delivery Point free and clear of any impairment of title or such claims, liens, encumbrances, or taxes, of any kind whatsoever.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 891 Original Sheet No. 891 : Effective

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 20 - LIABILITY OF PARTIES AND INDEMNIFICATION

- 20.1 Liability Determined by Possession and Control. As between Shipper and Transporter, Shipper shall be deemed to be in control and possession of, and responsible for, all Gas tendered to Transporter at the Receipt Point(s) prior to Transporter's receipt from Shipper, after which Transporter shall be deemed to be in control and possession of, and responsible for, such Gas until it is delivered to Shipper at the Delivery Point(s) after which Shipper shall be deemed to be in control and possession of, and responsible for, all such Gas delivered to Shipper.
- 20.2 Transporter's Facilities Indemnification. Transporter shall assume responsibility and liability for the installation, maintenance and operation of its properties and equipment and shall indemnify and save harmless Shipper from all liability and expense on account of any and all losses, damages, claims or actions, including injury to or death of persons, arising from any act or accident resulting from the installation, presence, maintenance and operation of the property and equipment of Transporter, except to the extent, if any, that such liability or expense is caused by, or arises out of, the negligence or willful misconduct of Shipper or its agents or employees. Transporter shall have no obligation to odorize Gas delivered to Shipper, nor to maintain any odorant level.
- 20.3 Shipper's Facilities Indemnification. Shipper shall assume responsibility and liability for the installation, maintenance and operation of its properties and equipment and shall indemnify and save harmless Transporter from all liability and expense on account of any and all losses, damages, claims or actions, including injury to or death of persons, arising from any act or accident resulting from the installation, presence, maintenance and operation of the property and equipment of Shipper, except to the extent, if any, that such liability or expense is caused by, or arises out of, the negligence or willful misconduct of Transporter or its agents or employees. Shipper shall have no obligation to odorize Gas delivered to Transporter, nor to maintain any odorant level.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 892 Original Sheet No. 892 : Effective

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 20 - LIABILITY OF PARTIES AND INDEMNIFICATION (Continued)

- 20.4 Transporter's Liability. Transporter agrees to indemnify and hold harmless Shipper, its officers, agents, and employees from any claim, demand, or expense for loss, damage, or injury arising out of or in any way connected with the transportation of Shipper's Gas after receipt from Shipper at the Receipt Points through and including delivery to Shipper at the Delivery Points, except in the case of willful misconduct or gross negligence on the part of Shipper, its officers, agents, or employees.
- 20.5 Shipper's Gas Indemnification. Shipper agrees to indemnify and hold harmless Transporter, its officers, agents, and employees from any claim, demand, or expense for loss, damage, or injury arising out of or in any way connected with the quality, use, or condition of Gas after delivery from Transporter's system for the account of Shipper at the Delivery Points, except in the case of willful misconduct or gross negligence on the part of the Transporter, its officer, agents, or employees.

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP04- 4-000

Third Revised Sheet No. 893 Third Revised Sheet No. 893 : Effective
Superseding: Second Revised Sheet No. 893

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 21 - NOTICES

- 21.1 Addressee. Any notice, statement, or invoice provided for in this Rate Schedule or the Firm Transportation Service Agreement shall be in writing and shall be considered as having been given if delivered personally or if mailed by United States mail, postage prepaid, to the following addresses, respectively:

To Shipper:

To Transporter: Wire Payments for Transportation:

Union Bank of California
ABA 122000496
Credit: Kern River Gas Transmission Co.
Account 4430000719

Check Payments for Transportation:

Kern River Gas Transmission Company
Attn: Treasury Department
2755 E. Cottonwood Parkway, Suite 300
P.O. Box 71400
Salt Lake City, UT 84171-0400

All Notices:

Kern River Gas Transmission Company
2755 E. Cottonwood Parkway, Suite 300
P.O. Box 71400
Salt Lake City, UT 84171-0400
Attention: Marketing and Customer Services
Fax No. (801) 937-6444

- 21.2 Operating Notices. Either Party may notify the other in writing of the address of the person or persons who shall have authority to act for such Party in connection with the operation of pipelines, facilities, and wells in connection with this Rate Schedule and the Firm Transportation Service Agreement, and operating notices shall thereafter be served upon such person or persons.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 894 Original Sheet No. 894 : Effective

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 22 - MISCELLANEOUS

- 22.1 Binding Effect on Transporter's Successors. The Firm Transportation Service Agreement shall extend to and be binding upon any company, corporation, partnership, joint venture, or other business entity in which Transporter holds an ownership or equity interest, in the event the interstate pipeline and related facilities Transporter intends to construct and operate between the Overthrust Area and the vicinity of the California border and within California, are ultimately constructed and operated by such other entity in which Transporter holds an ownership interest.
- 22.2 Amendment and Modifications. The Firm Transportation Service Agreement may not be amended, modified or supplemented except by a written instrument executed by the duly authorized representatives of the parties hereto.
- 22.3 Headings. The headings used in this Rate Schedule and the Firm Transportation Service Agreement are for convenience of reference only and do not constitute a part of the Firm Transportation Service Agreement.
- 22.4 Legality of Contract. Nothing herein shall be construed as requiring, or purporting to require, Transporter, Shipper or any other person to violate any valid law, regulation, rule or order of any court or governmental agency properly exercising jurisdiction. Notwithstanding the foregoing, however, this Section 22.4 shall not be construed to excuse the performance hereunder of either Transporter or Shipper, except to the extent, if any, that such performance would contravene any such law, regulation, rule or order.
- 22.5 Waiver of Conditions. Transporter and Shipper hereby agree that all Gas tendered to Transporter by Shipper shall be eligible for transportation without any offer of credit or other condition pursuant to Part 284 of the Commission's regulations, 18 C.F.R. 284.1, et. seq., as those regulations may be hereafter superseded or amended.
- 22.6 Assignment. Notwithstanding any other provision in the Firm Transportation Service Agreement, Shipper shall have the right to assign the Firm Transportation Service Agreement in whole or in part to a pre-approved affiliate as established by mutual agreement in the Firm Transportation Service Agreement.

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 895 Original Sheet No. 895 : Effective

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 22 - MISCELLANEOUS (Continued)

22.7 Successor and Assigns. The Firm Transportation Service Agreement shall be binding upon and inure to the benefit of the parties thereto and their respective successors and assigns. Except as otherwise provided in Section 22.6 of this Rate Schedule, no assignment or transfer of the Firm Transportation Service Agreement by either party thereunder shall be made without written approval of the other party. Such approval shall not be unreasonably withheld. No such consent of Transporter or Shipper shall be required when an assignment by Shipper or Transporter is the result of, and part of, a corporate acquisition, merger or reorganization. Nothing contained in this Rate Schedule shall prevent either party from pledging, mortgaging or assigning its rights as security for its indebtedness and either party may assign to the pledgee or mortgagee (or to a trustee for the holder of such indebtedness) any money due or to become due under the Firm Transportation Service Agreement. As between the parties thereto, such assignment shall become effective on the first Day of the Month following written notice that such assignment has been effectuated. Upon request of either party, the other party shall acknowledge in writing any assignment permitted by this Rate Schedule and the Firm Transportation Service Agreement and the right of any assignee thereunder (and any assignee upon enforcement of any assignment made as security for indebtedness) to enforce the Firm Transportation Service Agreement against such other party. With respect to an assignment of the Firm Transportation Service Agreement by Transporter for security of indebtedness, Shipper shall deliver such certificates and other documents as may be reasonably requested by Transporter's lenders, including but not limited to officer's and secretary's certificates, certificates of incorporation and good standing, copies of by-laws and opinions of counsel to evidence the due incorporation of Shipper; the validity, enforceability and binding effect of the Agreement; and other similar matters. Any assignment permitted by this Rate Schedule and the Firm Transportation Service Agreement may include any right given or reserved to the assignor thereunder to consent to any assignment or transfer by the other party thereto of its rights and obligations under the Firm Transportation Service Agreement. If Shipper assigns its interest thereunder to a third party (Assignee) pursuant to the terms thereof, and Shipper receives, within a reasonable period of time, written notice from Transporter, alleging that such Assignee has, with respect to the payment provisions of this Rate Schedule and the Firm Transportation

Effective Date: 05/01/2002 Status: Effective

FERC Docket: RP01-190-002

First Revised Sheet No. 896 First Revised Sheet No. 896 : Effective
Superseding: Original Sheet No. 896

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 22 - MISCELLANEOUS (Continued)

22.7 Successor and Assigns. (Continued)

Service Agreement, defaulted, describing in reasonable detail such alleged default, then Shipper shall, prospectively and effective as of the date of receipt of Transporter's written notice, either (i) act as a guarantor of such Assignee's financial obligations thereunder, or (ii) reassume the obligations so assigned.

22.8 Nonexclusivity. Shipper hereby expressly reserves the right to continue to negotiate agreements with other pipeline companies, including, but not limited to, Wyoming-California Pipeline Company and Mojave Pipeline Company, for transmission of Shipper's Gas to Kern County, California. Transporter expressly acknowledges that Shipper may execute any transportation agreement (including but not limited to, a letter of intent, a memorandum of understanding, and an agreement subject to a condition precedent) that is limited to become effective on the date the Firm Transportation Service Agreement is terminated pursuant to the provisions thereof, or limited to become effective only in the event it becomes impossible for Transporter to fulfill its obligations under the terms of the Firm Transportation Service Agreement. Transporter also acknowledges that Shipper may execute any agreement that provides for the transportation of Quantities of Shipper's Gas in addition to the Transportation Maximum Daily Quantity.

22.9 Waiver of Defaults. No waiver by any party of any one or more defaults by the other in the performance of any provisions of this Rate Schedule or the Firm Transportation Service Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.

22.10 Exhibits. The exhibits to the Firm Transportation Service Agreement are incorporated by reference as if set forth in full therein.

22.11 Reservation of Processing Rights. Shipper shall retain title to the entire Gas stream Shipper delivers to Transporter, provided, however, that oil or liquid hydrocarbons recovered from Shipper's Gas by Transporter using conventional gravity separation facilities during transportation shall become and remain the exclusive property

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 897 Original Sheet No. 897 : Effective

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 22 - MISCELLANEOUS (Continued)

22.11 Reservation of Processing Rights. (Continued)

of Transporter. Shipper hereby reserves the right at any time and from time to time to process the Gas delivered to Transporter hereunder for the extraction of substances contained therein, including but not limited to, retrograde liquid hydrocarbons, liquefiable hydrocarbons and concomitant materials (i.e., sulfur, carbon dioxide, nitrogen, helium, etc.), herein called "Plant Products", and Transporter specifically agrees not to have Shipper's Gas processed without Shipper's express written consent. Shipper may process Gas hereunder individually, jointly with others, or by assignment of such right to one or more parties. Shipper reserves the right to process Gas hereunder: (i) in the field prior to delivery to Transporter, (ii) at any point off of Transporter's System, or (iii) at any mutually agreeable point on Transporter's System downstream of a Receipt Point at a processing plant, if any, located, or to be located on Transporter's System; provided, however, any costs associated with such processing shall not be borne by Transporter, unless Transporter otherwise agrees.

22.12 Choice of Law. The Firm Transportation Service Agreement shall be construed in accordance with the laws of Utah, except to the extent that such laws would refer any construction thereof or dispute arising thereunder to the laws of another jurisdiction.

22.13 Singular and Plural. Unless otherwise provided herein, the singular form of any noun shall include the plural form and the plural form shall include the singular.

Effective Date: 02/03/2002 Status: Effective

FERC Docket: RP02-137-000

First Revised Sheet No. 898 First Revised Sheet No. 898 : Effective
Superseding: Original Sheet No. 898

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 23 - (RESERVED)

Effective Date: 02/03/2002 Status: Effective

FERC Docket: RP02-137-000

First Revised Sheet No. 899 First Revised Sheet No. 899 : Effective
Superseding: Original Sheet No. 899

RESERVED FOR FUTURE USE

Effective Date: 08/01/2004 Status: Effective

FERC Docket: RP04-339-000

First Revised Sheet No. 900 First Revised Sheet No. 900 : Effective
Superseding: Original Sheet No. 900

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 24 - REVENUE SHARING

- 24.1 Revenue Sharing. Transporter agrees to a revenue sharing arrangement as described in Section 18 of the General Terms and Conditions of this tariff.

ARTICLE 25

(Reserved)

ARTICLE 26 - DELIVERY FACILITIES

- 26.1 In the event Transporter agrees to construct, modify, or rearrange facilities for delivery of a Shipper's gas, Transporter will do so in the manner stated in Section 20 of the General Terms and Conditions of its tariff.

Effective Date: 12/19/2009 Status: Effective

FERC Docket: RP10-160-000

Twelfth Revised Sheet No. 901 Twelfth Revised Sheet No. 901

Superseding: Eleventh Revised Sheet 901

RATE SCHEDULE SH-1
Kern River Firm Transportation Services
(Continued)

ARTICLE 27 - PROVISIONS GOVERNED BY THE GENERAL TERMS AND CONDITIONS

- 27.1 Notwithstanding anything to the contrary in this Rate Schedule SH-1, the following Sections of the General Terms and Conditions of this Tariff shall govern service under this Rate Schedule SH-1:

Section Number	Section Title
1.1	Backhaul
1.8	Demand Maximum Daily Quantity
1.10	Elapsed Prorata Capacity
1.11	Elapsed-Prorated-Scheduled Quantity
1.12	Entitlements
1.22	Negotiated Rate
1.27	Recourse Rate
2.1	NAESB WGQ Flowing Gas Standards
5.1	NAESB WGQ Invoicing Standards
10.7	Shipper Imbalance Netting
10.8	Shipper Imbalance Trading
10.11	Penalty Revenue Crediting
11.4	Receipt and Delivery Point Entitlements
12	Reimbursement of Fuel Used and Lost and Unaccounted-for Gas
13.1	Nomination Process
13.2	Scheduling Process
13.3	Interruption/Curtailment Procedures
15	Capacity Release Program
16.2	Service Complaints
20	Delivery Facilities
21	NAESB WGQ Definitions, Standards and Models
22	Pooling
23	Negotiated Rates
25	Mcf to Dth Conversion Methodology
26	Segmentation
27	Available Capacity
28	Gas Sales

Effective Date: 07/01/2000 Status: Effective

FERC Docket: RP00-288-000

Original Sheet No. 902-910 Original Sheet No. 902-910 : Effective

RESERVED FOR FUTURE USE

Effective Date: 08/20/2000 Status: Effective

FERC Docket: RP00-415-000

First Revised Sheet No. 911 First Revised Sheet No. 911 : Effective
Superseding: Original Sheet No. 911

RESERVED FOR FUTURE USE

Effective Date: 11/01/2001 Status: Effective

FERC Docket: RP00-157-005

Second Revised Sheet No. 912 Second Revised Sheet No. 912 : Effective
Superseding: First Revised Sheet No. 912

RESERVED FOR FUTURE USE

