

Kern River Gas Transmission Company  
Solicitation of Bids for Available Firm Transportation Service  
April 14, 2017

In accordance with Section 27 of the General Terms and Conditions of its FERC Gas Tariff, Kern River Gas Transmission Company (Kern River) is soliciting bids for firm transportation service described below.

**Available Rolled-In Capacity**

Table 1 describes the Demand Maximum Daily Quantity (DMDQ) and the receipt and delivery point entitlements included in this solicitation. For this bid process, the total requested delivery point quantity and the total requested receipt point quantity must each equal the DMDQ. Interested parties may bid on all or a portion of the capacity.

Table 1  
(Dth/day)

<b>DMDQ: 52,625</b>	
<b>Receipt Points</b>	<b>Receipt Point Entitlement</b>
Opal	38,813
Overthrust 121	13,812
<b>Delivery Points</b>	<b>Delivery Point Entitlement</b>
Wheeler Ridge	52,625

**Rate Schedule**

The service is offered under Rate Schedule KRF-1.

**Term**

The capacity is available beginning October 1, 2017.

**Daily Reservation/Demand Rate**

In addition to maximum recourse rate bids, Kern River will also consider discounted rate bids. Discounted rates bids must be in one-half cent increments.

**All Other Rates, Surcharges and Fuel**

The maximum commodity/usage rate and authorized overrun rate applicable to incremental rate service under Rate Schedule KRF-1 will apply.

Surcharges and fuel reimbursement factors applicable to rolled-in rate service will apply.

**Bid Evaluation and Award Process**

If awarded, capacity will be awarded to the bid or combination of bids that result in the highest total incremental reservation revenue to Kern River. Kern River shall have the right to aggregate bids, portions of bids, or combinations of bids to generate the highest incremental reservation revenue to Kern River.

If the total aggregate receipt or delivery point entitlement requested by winning bidders exceeds the available capacity at the receipt or delivery point, Kern River will allocate the capacity pro rata based on bidder's requested entitlement at the applicable point.

**Reservation of Rights**

Kern River reserves the right to reject any bid below the maximum recourse rate applicable to incremental rate service under Rate Schedule KRF-1 (currently \$0.5833 per Dth during non-leap years and \$0.5817 during leap years).

Kern River may withdraw or modify this posting at any time prior to the end of the bid period. Bidder may withdraw its bid at any time prior to the close of the bid period.

**Contingencies**

If Kern River accepts a discounted rate for the offered service, the transportation service agreement will contain the following language:

Shipper acknowledges that the Discounted Daily Reservation/Demand Rate will not apply and Shipper will pay the maximum recourse rate applicable to incremental rate service under Rate Schedule KRF-1 for the total DMDQ under this Agreement for the entire month when one or both of the events described below occur and for the next month if:

- a. The total quantity scheduled on any day under this Agreement and any related agreement(s), including capacity release and segmented agreement(s), exceeds the DMDQ under this Agreement for any reason other than authorized overrun service; and/or
- b. Shipper or a Replacement Shipper schedules any quantity to a direct-connected delivery point solely served by Transporter; and/or Shipper or a Replacement Shipper schedules any quantity to a Pool where any portion of that quantity is then delivered to a direct-connected delivery point solely served by Transporter, and such event was not the result of Shipper's oversight or scheduling error. Transporter will maintain a list of direct-connected delivery points solely served by Transporter on its Customer Services Web site.

**Bid Period**

The bid period opens at 11:00 a.m. MT on April 14, 2017, and closes at 11:00 a.m. MT on September 18, 2017. Bidder may submit a bid using the Attachment 1, Bid Form for Firm Transportation Service, which should be faxed to the attention of Mac McGuire, Manager, Business Development, at facsimile number (801) 937-6444. Parties bidding for the capacity will be informed if their bid has been accepted or rejected no later than close of business September 25, 2017.

Please contact Mac McGuire at (801) 937-6410 with any questions regarding this notice.

Attachment 1

Solicitation of Bids for Firm Transportation Service dated April 14, 2017

Bid Form for Firm Transportation Service  
Facsimile Number (801) 937-6444

**1. Bidder Information:**

Company Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City, State, Zip: \_\_\_\_\_  
 Contact Person: \_\_\_\_\_  
 Phone Numbers: Office: \_\_\_\_\_  
 Cell: \_\_\_\_\_  
 Email Address: \_\_\_\_\_

**2. Demand Maximum Daily Quantity (DMDQ):** \_\_\_\_\_ Dth/day  
**Minimum DMDQ bidder is willing to accept:** \_\_\_\_\_ Dth/day

**3. Receipt Point and Delivery Point Entitlement:** Indicate the desired receipt and delivery point entitlement in the table below. The total requested receipt point and delivery point entitlement must each equal the DMDQ and may not exceed the available receipt or delivery point entitlement at the applicable point. The DMDQ requested must be equal in every month of the requested term.

Receipt Point(s)	Delivery Point(s)	Receipt or Delivery Point Entitlement (Dth/day)	Minimum Quantity Bidder is Willing to Accept 1/	Receipt and Delivery Point Ranking 2/	DMDQ and Entitlement Awarded by Kern River

1/ If bidder is willing to accept quantities less than the entitlement requested, specify the minimum quantity bidder is willing to accept. If bidder is willing to accept any allocation of the available entitlement, do not specify a minimum quantity.

2/ Ranking will be used to allocate capacity, if needed. A ranking of “1” will be allocated first, a ranking of “2” will be allocated second, and so on. Two points with the same ranking will be allocated pro rata based on the entitlement requested.

4. **Term:** \_\_\_\_\_ through \_\_\_\_\_

5. **Daily Reservation/Demand Rate:** Indicate whether the bid is the maximum recourse rate or a discounted rate by initialing (a) or (b) below and adding the discounted rate, if applicable.

(a) The maximum recourse rate applicable to incremental rate service under Rate Schedule KRF-1, as such rate may change from time to time. (Bidder to initial here: \_\_\_\_\_)

OR

(b) A discounted rate of \$0.\_\_\_\_\_ per Dth. (Bidder to initial here: \_\_\_\_\_)

6. **Binding Agreement:** Bidder agrees that Kern River's acceptance of this bid will constitute a binding agreement between Kern River and bidder. Upon Kern River's acceptance of the bid, bidder agrees to execute Kern River's standard KRF-1 Firm Transportation Service Agreement (Agreement) that confirms the terms of the accepted bid. Kern River will not accept changes to any terms or conditions in the Agreement.

7. **Credit Requirement:** As a condition precedent to contract execution, bidder agrees to comply with Kern River's creditworthiness requirements as set forth in Section 29 of Kern River's FERC Gas Tariff and to maintain creditworthiness from that point through the end of the term of the Agreement.

**Submitted and Agreed to by:**

**Accepted/Rejected by:**

\_\_\_\_\_

**Kern River Gas Transmission Company**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

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

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