

Kern River Gas Transmission Company
Solicitation of Bids for Firm Transportation Service
March 19, 2017

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

2003/2010 Expansion Project Capacity

Kern River has the following package of forward haul capacity available for bid. The capacity is available from receipt points in Wyoming to delivery points in California during the months shown in Table 1. To determine the available capacity after December 31, 2019, contact Mac McGuire at (801) 937-6410.

Table 1
Available Capacity (Dth/day)

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 2017 | - | - | - | - | - | - | - | - | - | 104,345 | 74,000 | 129,000 |
| 2018 | 129,000 | 129,000 | 129,000 | 74,000 | 182,345 | 204,345 | 204,345 | 204,345 | 204,345 | 169,345 | 139,000 | 194,000 |
| 2019 | 194,000 | 194,000 | 194,000 | 127,000 | 180,345 | 204,345 | 204,345 | 204,345 | 204,345 | 167,345 | 139,000 | 194,000 |

The primary receipt and delivery point entitlements available for bid are shown in Table 2. Bidders may also request available entitlement at receipt and delivery points not listed.

Table 2
Primary Receipt and Delivery Point Entitlements (Dth/day)

| | |
|------------------------|-----------------|
| Receipt Points | Quantity |
| Opal | 0 to 194,000 |
| Painter | 0 to 20,000 |
| | |
| Delivery Points | Quantity |
| Daggett - PG&E | 0 to 136,568 |
| Kramer Junction | 0 to 75,699 |
| Wheeler Ridge | 0 to 175,106 |
| South Midway | 0 to 89,951 |
| Kern Front | 0 to 91,853 |

Rate Schedule

The service is offered under Rate Schedule KRF-1 for incremental rate service related to the 2003/2010 Expansion Projects.

Daily Reservation/Demand Rate

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

All Other Rates, Surcharges and Fuel

The maximum commodity/usage rate, authorized overrun rate, surcharges and fuel reimbursement factor applicable to the service offered will apply.

Term

The capacity posted for bid is available beginning October 1, 2017. During the bid period, the capacity is available on a short-term basis. For short-term capacity, contact Mac McGuire at (801) 937-6410.

Bid Evaluation and Award Process

If awarded, capacity will be awarded to the best 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 the service offered.

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

1. If a party desires to contract for capacity prior to the close of the open season, Kern River may enter into a pre-arranged Transportation Service Agreement for a portion or all of the available capacity offered. Kern River will post the pre-arranged transaction for competitive bid pursuant to Section 27.2(c) of Kern River's FERC Gas Tariff.
2. 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 under Rate Schedule KRF-1 for incremental rate

service related to the 2003/2010 Expansion Projects 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. (MDT) on March 19, 2017, and closes at 11:00 a.m. (MDT) on September 19, 2017. Interested parties may submit a bid using the Bid Form in Attachment 1 to this notice, which should be faxed to the attention of Mac McGuire at facsimile (801) 937-6444.

If you have questions regarding this solicitation, contact Mac McGuire at (801) 937-6410.

Attachment 1
 Solicitation of Bids for Firm Transportation Service dated March 19, 2017
 Bid Form for Firm Transportation Service
 Facsimile Number - (801) 937-6444

1. Bidder Information:

Company Name: _____

Address: _____

City, State, Zip Code: _____

Contact Person: _____

Phone Numbers: Office: _____

Cell: _____ Fax: _____

Email Address: _____

2. Demand Maximum Daily Quantity (DMDQ): _____ Dth/day (If bidder is requesting a variable monthly DMDQ, bidder may attach and submit a detailed schedule with this bid form)

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 may not exceed the available receipt or delivery point entitlement at the applicable point.

| Receipt Point(s) | Receipt Point Entitlement | Minimum Quantity Bidder is Willing to Accept 1/ | Receipt Point Ranking /2 | DMDQ and Entitlement Awarded |
|------------------|---------------------------|---|--------------------------|------------------------------|
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| Delivery Point(s) | Delivery Point Entitlement | Minimum Quantity Bidder is Willing to Accept 1/ | Delivery Point Ranking /2 | DMDQ and Entitlement Awarded |
|-------------------|----------------------------|---|---------------------------|------------------------------|
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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 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 for incremental rate service related to the 2003/2010 Expansion Projects, 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:

Company: _____

Kern River Gas Transmission Company

Name: _____

Name: _____

Title: _____

Title: _____