

Operating Agreement between Pacific Gas and Electric Company (PG&E) and Kern River Gas Transmission Company (Kern River) dated April 27, 1993 and amended August 1, 2011.

5. GAS QUALITY

5.1 The Gas delivered by Kern River to, and received by, PG&E at the Interconnect Point, shall:

- a. Be commercially free from objectionable odors, solid matter, dust, gums, and gum forming constituents, or any other substance which interferes with the intended purpose or merchantability of the gas, or which interferes with the proper and safe operation of the lines, meters, regulators, or other appliances through which it may flow.
- b. Contain no more than seven (7) pounds of water vapor per million standard Cubic Foot of Gas at the temperature and pressure at which the Gas is delivered to PG&E at the Interconnection Point (for gas delivered in excess of 1,000 psig, the Gas water dew point is not to exceed thirty-two degrees (32°) Fahrenheit).
- c. Contain no hydrocarbons in liquid form at the temperature and pressure at which the Gas is delivered to PG&E at the Interconnect Point.
- d. Have a hydrocarbon dew point which shall not exceed forty-five degrees (45°) Fahrenheit measured as follows:
 - i. for Gas delivered at a pressure above four hundred (400) psig, the pressure shall be regulated to four hundred (400) psig to determine the hydrocarbon dew point; and
 - ii. for Gas delivered at a pressure below four hundred (400) psig, the hydrocarbon dew point shall be determined at the actual delivery pressure.
- e. Contain no more than 0.2% by volume of oxygen.
- f. Contain no more than 2.0% by volume of carbon dioxide.

- g. Contain no more than a combined total of 4.0% by volume of carbon dioxide, nitrogen, oxygen and any other inert compound.
- h. Contain no more than one quarter (1/4) grain of hydrogen sulfide per one hundred (100) Cubic Feet of gas, nor shall Gas contain any entrained hydrogen sulfide treatment chemical (solvent) or its byproducts.
- i. Contain no more than 0.5 grains of mercaptan sulfur per one hundred (100) standard Cubic Feet of Gas.
- j. Contain no more than one (1) grain of total sulfur per one hundred (100) standard Cubic Feet of Gas.
- k. Contain no toxic or hazardous substance, in concentrations which, in the normal use or transportation of the Gas, results in an unacceptable risk to health, is injurious to pipeline facilities, is a limit to merchantability, or violates applicable governmental standards.
- l. Shall contain no detectable amount of poly-chlorinated-biphenyls (PCBs) in the Gas or liquid associated with or condensing from the Gas delivered by Kern River. A detectable amount of PCBs is defined as the lower of, one part per million (one ppm) in liquids or condensate collected from the Gas, pursuant to sampling, or the level which would cause PCB concentrations to be reached in liquids or condensate collected from the Gas, such that the sale or use of these liquids or condensate is restricted, as defined by any applicable state, federal or local statute, regulation or jurisdiction, or such that the liquids or condensate would be classified as hazardous waste, as defined by any applicable state, federal or local statute, regulation or jurisdiction ("PCB Threshold"). The Parties shall agree upon a sample point(s) and procedures to be utilized in obtaining the samples and sample results.

Sample tests shall be performed pursuant to Paragraph 6, Measurement and Tests, where applicable. PG&E and Kern River retain the right to refuse to accept or deliver (as the case may be) Gas at the Interconnect Point(s) which contains PCBs such that said samples will exceed the PCB Threshold.

- m. Have a minimum total heating value of not less than Nine Hundred Ninety-Five (995) Btu's per Cubic Foot on a dry basis.

- n. Have a temperature of not less than fifty degrees Fahrenheit (50°F), and not more than one hundred five degrees Fahrenheit (105°F)
- o. Will be interchangeable with the Gas in the receiving pipeline. Interchangeability shall be determined in accordance with the methods and limits presented in Bulletin 36 of the American Gas Association.

5.2 Tests to determine the conformance of the Gas with the specifications set forth in Subparagraph 5.1 may be performed by PG&E at any time in its discretion, provided that Kern River shall be given written and/or facsimile notice at least 5 working days in advance of such tests in order to accord Kern River the opportunity to have a representative present when such tests are made. Duplicate samples of any Gas taken at the Interconnect Point for off-site analysis shall be required with one sample for PG&E, the other for Kern River.

5.3 Notwithstanding- the provisions of Subparagraph 11.1, if the Gas offered for delivery by Kern River shall fail at any time to conform to any of the quality specifications set forth above, PG&E shall notify Kern River of such deficiency and PG&E may, at its option, refuse to accept further delivery of Gas pending correction by Kern River. PG&E's acceptance hereunder of future deliveries shall not constitute a waiver of any breach of the Gas quality specifications set forth above.