

# Recent Achievements and Action Items



## Customer Service

- No scheduling or invoicing prior period adjustments since April 2018
- 74%-77% reduction in total rate since 1992 for Original System customers
- 54%-63% reduction in total rate since 2003 for 2003 Expansion customers
- Daily transportation is priced to enhance flexibility for customers
- No scheduling or imbalance penalties since 1996
- Upgrading Rapids software to newer Microsoft technology
- Upgraded four interconnects to NAESB 3.0
- Upgraded pool balancing and reinstatement processes in scheduling model to enhance performance and eliminate rounding errors



## Operational Excellence

- No unplanned interruptions to primary firm customers since May 2012
- No loss of critical systems due to physical or cyber vulnerabilities
- System integrity
  - Entire mainline pipelines have been internally inspected four times since 2004.
  - Four scheduled gas turbine engine exchanges in 2021 due to operating hours
  - Three compressor station controls upgrade projects completed in 2021
  - Ability to receive supply during emergency events from points located in California



## Regulatory Integrity

- Pipeline and Hazardous Materials Safety Administration (PHMSA) Gas Pipeline Regulatory Reform
  - Minimal impact to Kern River – only minor procedural edits required
- 100% compliance with FERC and NAESB regulations and Kern River's FERC Gas Tariff and customer transportation service agreements



## Employee Commitment

- Zero OSHA-recordable employee injuries for three and a half years
- Zero preventable vehicle accidents for one and a half years
- Zero lost time employee injuries for over ten years



## Financial Strength

- Rate stability – no rate case since 2004 and two rate reductions since 2014
- 100% capitalization structure since debt was retired in 2017
- Diversified customer portfolio that is dominated by long-term contracts with highly rated customers (average: S&P A- and Moody's A3)
- Predictable and stable cash flow
- No dividend requirement to Berkshire Hathaway Energy
- Access to Berkshire Hathaway Energy capital to fund expansions and major projects



## Environmental Respect

- Actively managing avoidance of methane emissions far below the 0.26% industry average
  - 0.005% in 2020
- Actively managing avoidance of spills
  - 1.93 gallons in 2020
- Member of the U.S. Environmental Protection Agency's (EPA) Natural Gas Star and Methane Challenge voluntary programs
- Member of the ONE Future Coalition
- Purchased portable flare emission reduction technology, significantly reducing greenhouse gas emissions

## Action Items to Improve Customer Satisfaction

- Solicit feedback from customers and improve communication
- Promote increased connectivity of third-party storage providers near Kern River
- Improve and strengthen customer service representative skills
- Manage line pack and daily imbalances to ensure reliability and minimal impact to customers
- Work with customers to address action items and concerns
- Implement meter-specific multi-level confirmation matching in 2021
  - Level to be chosen by the meter operator
  - Default will be at current match level



## Recent Achievements, Action Items and Drivers

	Customer Satisfaction Drivers and Targets	Unit	+ =	2021 Target	2020 Performance
1	Mastio Score measuring external customer satisfaction to be in top two of all interstate pipelines	Ranking	=	Top 2	#1
2	Business-critical application reliability	Percentage	+	≥ 99.97%	99.975%
3	Implement all business-critical system changes to production as planned	Percentage	+	98.25%	98.30%
4	Incur no cybersecurity incidents that impact Kern River's customers	# of Events	=	0	0
5	Operations personnel engage in shipper and operator meetings to identify continuous improvement opportunities	# of Events	=	12	27
6	Unplanned interruption to primary firm customer	# of Events	=	0	0
7	Customer requested projects managed to meet requested in-service dates and within approved capital expenditures	Percentage	=	100%	100%
8	Develop and submit project initiation requests formally submitted by business development on or before established deadline	Percentage	=	100%	100%
9	Measurement prior-period adjustments	Percentage	=	≤ 3	0
10	Avoidable non-measurement prior-period adjustments	# of Adj	=	≤ 8	0
11	Complete system development projects on time, within budget and consistent with customer commitments	Percentage	=	100%	100%
12	Answer all customer calls with a live person	Percentage	+	>90%	97.4%
13	Satisfy customer requests during the first contact	Percentage	+	>95%	98.3%
14	Respond to customer phone calls with 3 minutes or less	Percentage	+	>90%	98.9%
15	Respond to customer emails within 8 hours or less	Percentage	+	>90%	100%
16	Reduce customers with repeat issues (reduce YoY by target %)	Percentage	+	>10%	N/A
17	Reduce number of invoice questions received (reduce YoY by target %)	Percentage	+	>10%	N/A