Welcome to Kern River's 2025 Customer Meeting

October 8-10, 2025

Scottsdale, Arizona

Kern River
GAS TRANSMISSION COMPANY

Welcome

Mac McGuire

Vice President, Customer Service
& Business Development

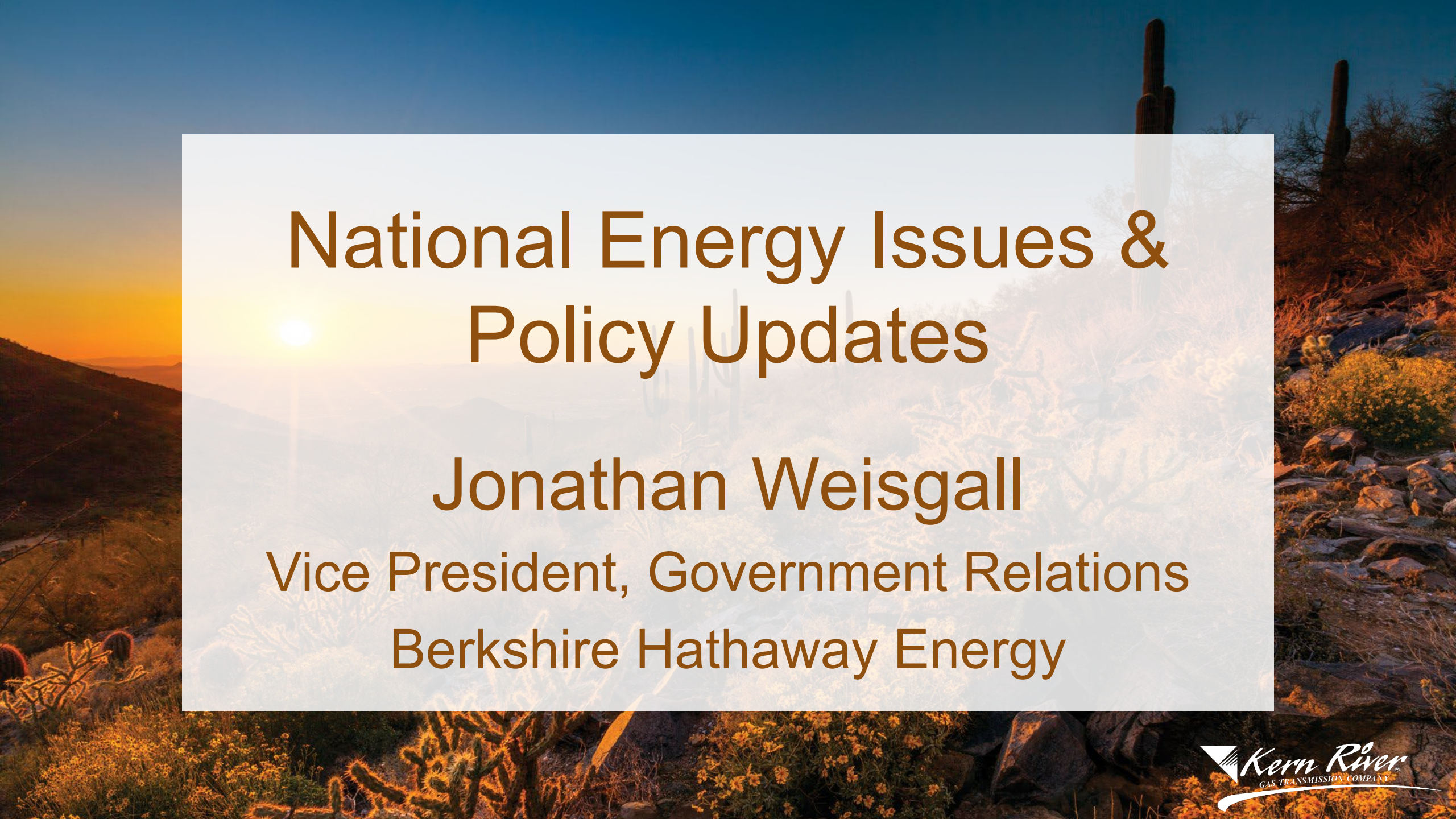
Kern River Gas Transmission Company

President's Message

Brian Mundt

Incoming President

Kern River Gas Transmission Company



National Energy Issues & Policy Updates

Jonathan Weisgall

Vice President, Government Relations

Berkshire Hathaway Energy

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Topics

- Trade and tariffs
- Trump II scorecard
- Economic trends
- Energy trends
- Politics 2026-2028
- Trivia question

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Trade and Tariffs

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Tariff Uncertainty

DATE	DAYS SINCE LAST BIG NEWS	ANNOUNCED / THREATENED ACTIONS
Jan 21	1	Threatens 25% tariffs on Canada and Mexico
Jan 22	1	Threatens new tariffs on Russia
Jan 23	1	Threatens tariffs on Europe
Jan 27	4	Threatens tariffs on computer chips and pharma
Jan 27	4	Threatens 25% tariffs on Colombia for deportation flights
Jan 28	1	Threatens BRICS w/ 100% tariffs if they quit US$
Feb 1	4	Announces 10% tariffs on China
Feb 1	4	Announces 25% tariffs on Canada and Mexico
Feb 3	2	Threatens 25% tariffs on the EU
Feb 10	7	Announces 25% tariffs on steel and aluminum
Feb 13	3	Announces policy or reciprocal tariffs coming
Feb 14	1	Threatens 25% tariffs on autos

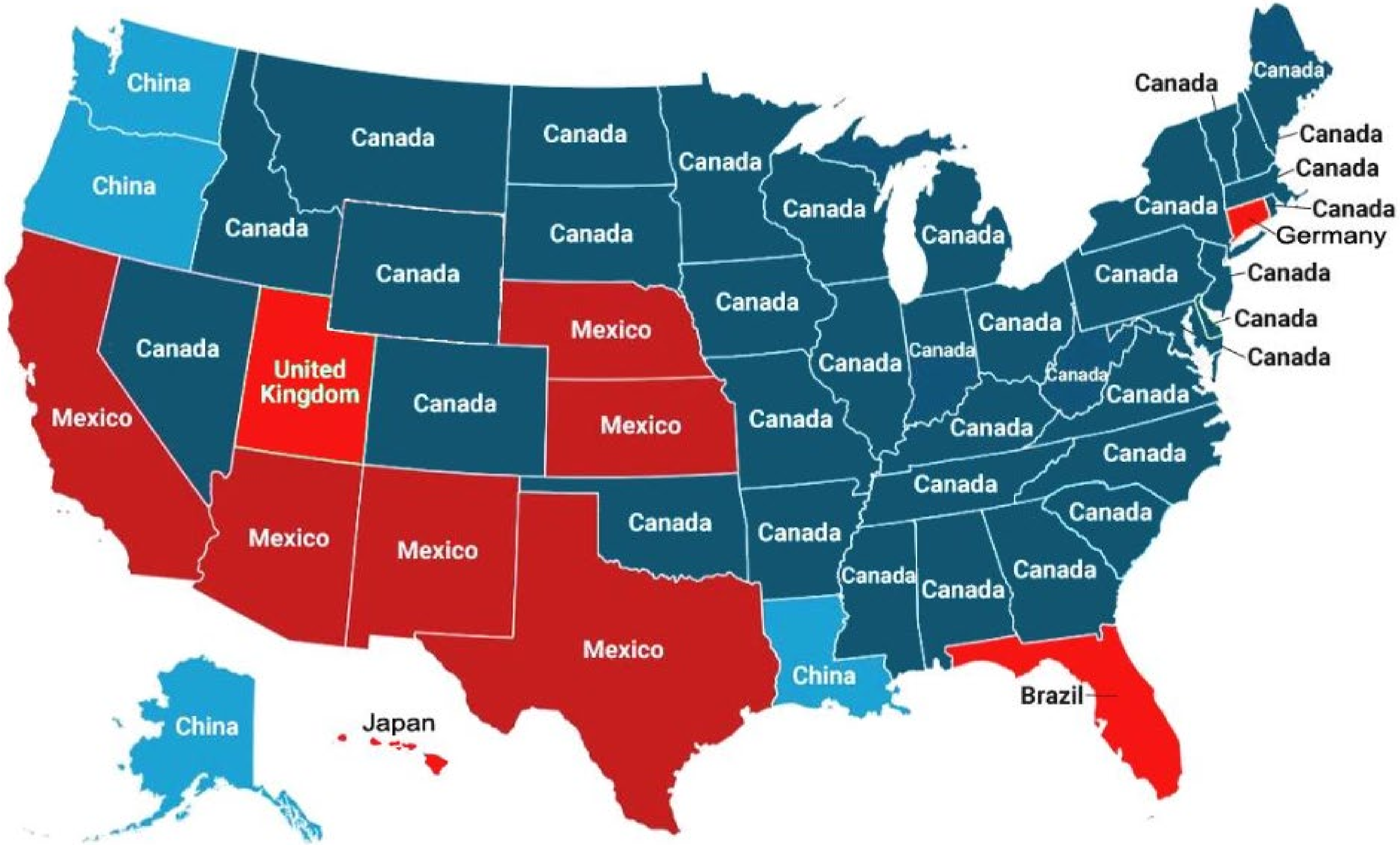
DATE	DAYS SINCE LAST BIG NEWS	ANNOUNCED / THREATENED ACTIONS
Feb 18	4	Threatens 25% tariffs on autos, semis and pharma
Feb 21	3	Threatens tariffs vs countries with digital service taxes
Feb 25	4	Orders new investigation on tariffs on copper
Feb 27	2	Announces additional 10% tariffs on China
March 1	2	Orders new investigation on tariffs on timber and lumber
March 4	3	Threatens 25% tariffs on copper and lumber
March 7	3	Threatens Russia with tariffs absent ceasefire or peace deal
March 11	4	Threatens 50% tariffs on steel and aluminum
March 13	2	Threatens 200% tariffs on EU wine and spirits
March 24	11	Announces 25% tariffs on countries buying Venezuelan oil
March 26	2	Announces 25% tariffs on autos

Tariff Uncertainty

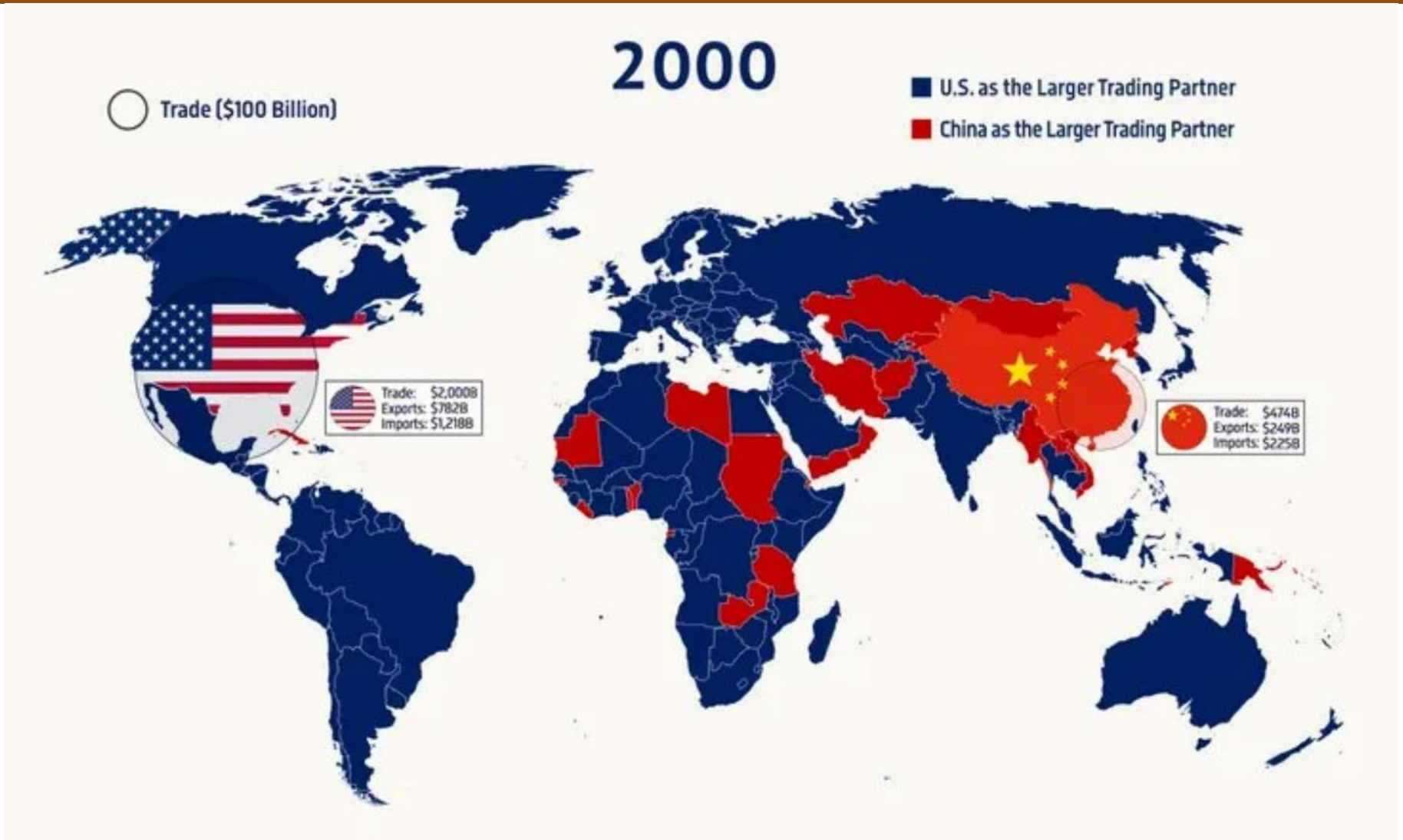
DATE	DAYS SINCE LAST BIG NEWS	ANNOUNCED / THREATENED ACTIONS
April 2	7	Liberation Day reciprocal tariffs 60 nations
April 7	5	Announces additional 50% tariff on China
April 8	1	Threatens tariffs on pharma
April 9	1	Announces 125% reciprocal tariffs on China
April 9	1	90 day pause on reciprocal tariffs for all, except China
April 11	2	Temporary International Emergency Economic Powers Act exemption for key electronics and semis
April 13	2	Threatens 232 tariffs on semiconductors
April 14	1	Announces 232 investigations for pharma and semis
April 15	1	Announces 232 investigations for critical minerals
April 17	5	Announces levies on Chinese vessels at U.S. ports
April 22	5	Announces big tariffs on Chinese solar imports from Asia
April 22	5	Announces likely cuts to high China tariffs, hope for deal
April 24	2	Announces potential cuts to stacked automaker tariffs

DATE	DAYS SINCE LAST BIG NEWS	ANNOUNCED / THREATENED ACTIONS
May 1	7	Orders Section 232 investigation into imports of commercial aircraft and jet engines
May 12	11	Cuts tariffs on Chinese goods to 30%
May 23	11	Proposes 50% tariffs on all goods from EU to begin on June 1, 2025
May 26	3	Delays 50% EU tariffs until July 9, 2025
May 28	2	U.S. Court of International Trade rules that President Trump's use of the International Emergency Economic Powers Act to impose tariffs exceeded his authority; blocks 10% "Liberation Day" tariffs and those related to fentanyl enforcement
May 29	1	U.S. Court of Appeals for the Federal Circuit grants a temporary stay on May 29, allowing the tariffs to remain in place pending further litigation
May 31	2	Announces doubling of steel and aluminum tariffs to 50%
June 4	4	50% steel and aluminum tariffs becomes effective

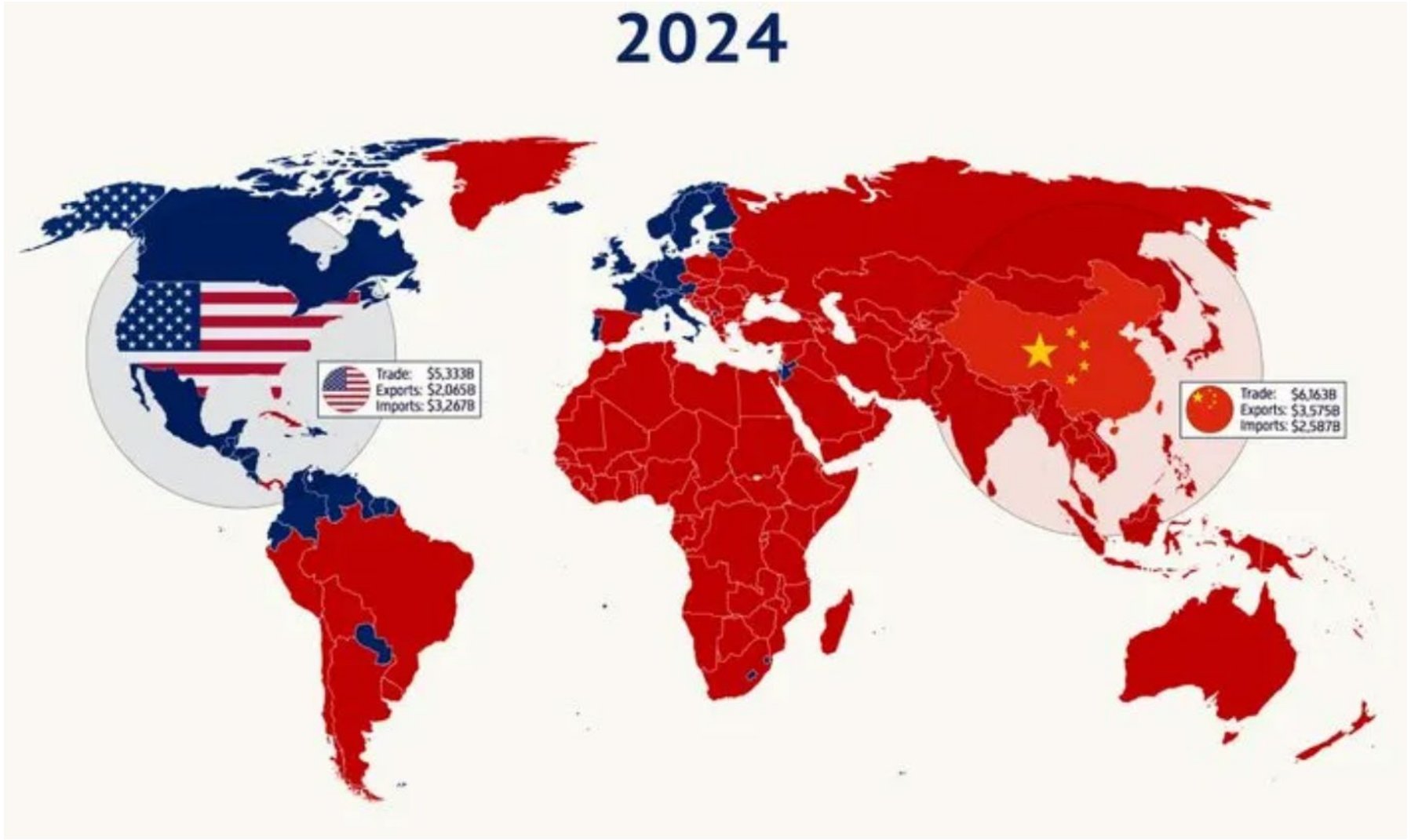
Top Export Trading Partner for Each U.S. State



Global Trade Dominance: U.S. v. China



Global Trade Dominance: U.S. v. China (cont'd)



Tariff Challenge – Courts

- May: Two courts (U.S. Court of International Trade and U.S. District Court for DC) ruled that tariffs exceeded President Trump's authority under International Emergency Economic Powers Act (IEEPA)
- August 29: U.S. Court of Appeals for the Federal Circuit affirmed (7-4 vote):
  - IEEPA contains no tariff language
  - Absence of tariff language violates "major questions" doctrine: court may reject claims of administrative authority where (a) the claim of authority concerns an issue of "vast economic and political significance" and (b) Congress has not clearly empowered the agency with authority over the issue
  - Rejected administration's emergency justification, finding that longstanding trade deficits are not "unusual and extraordinary threats"
- U.S. Supreme Court will hear the case November 5

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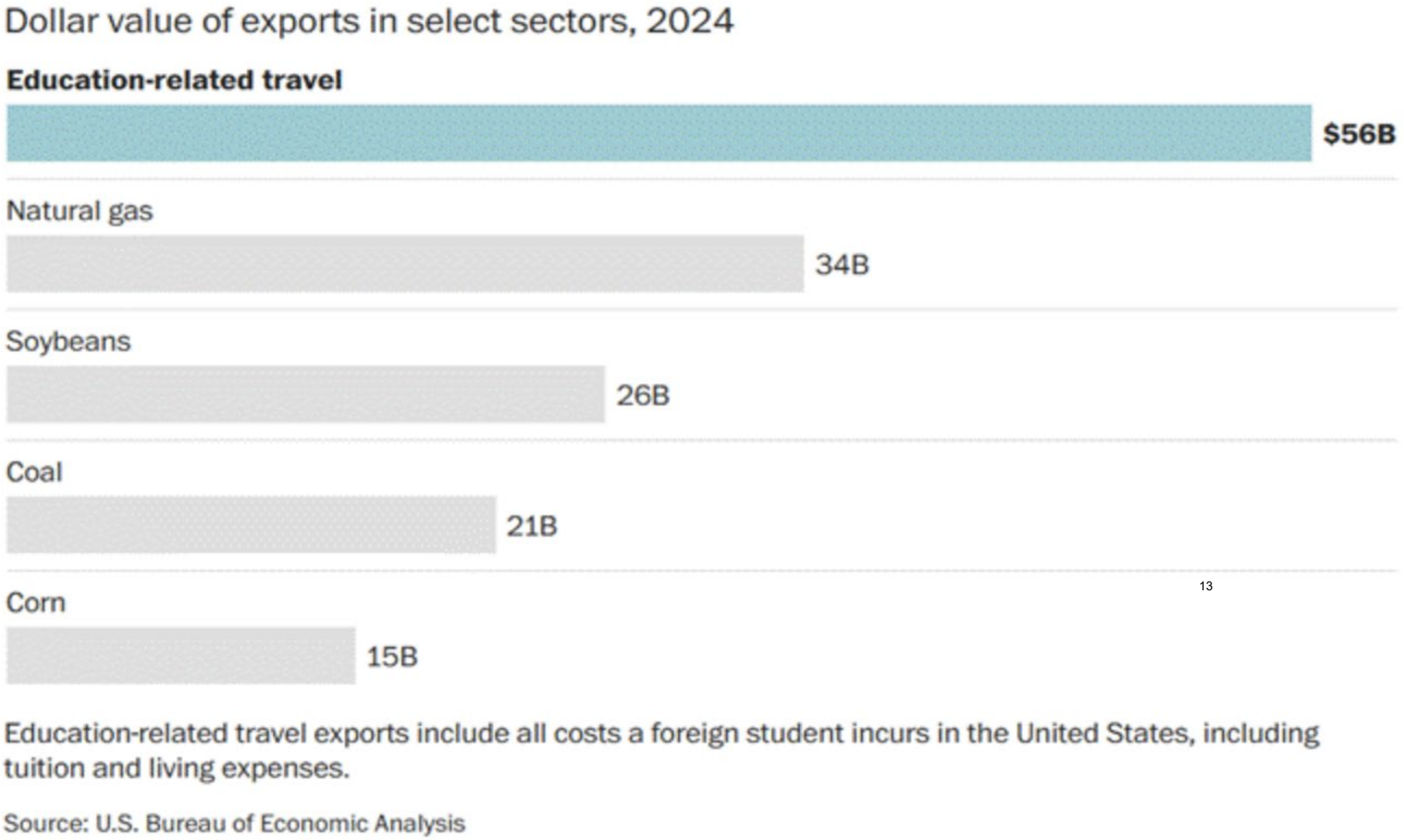
What are America's most competitive exports?



Trump II Scorecard

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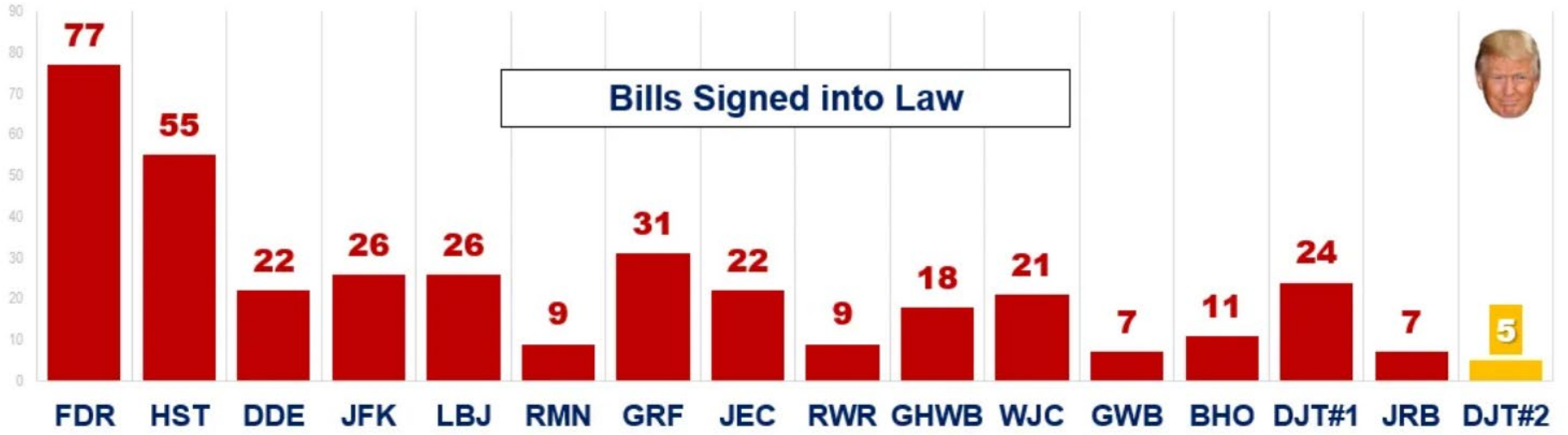
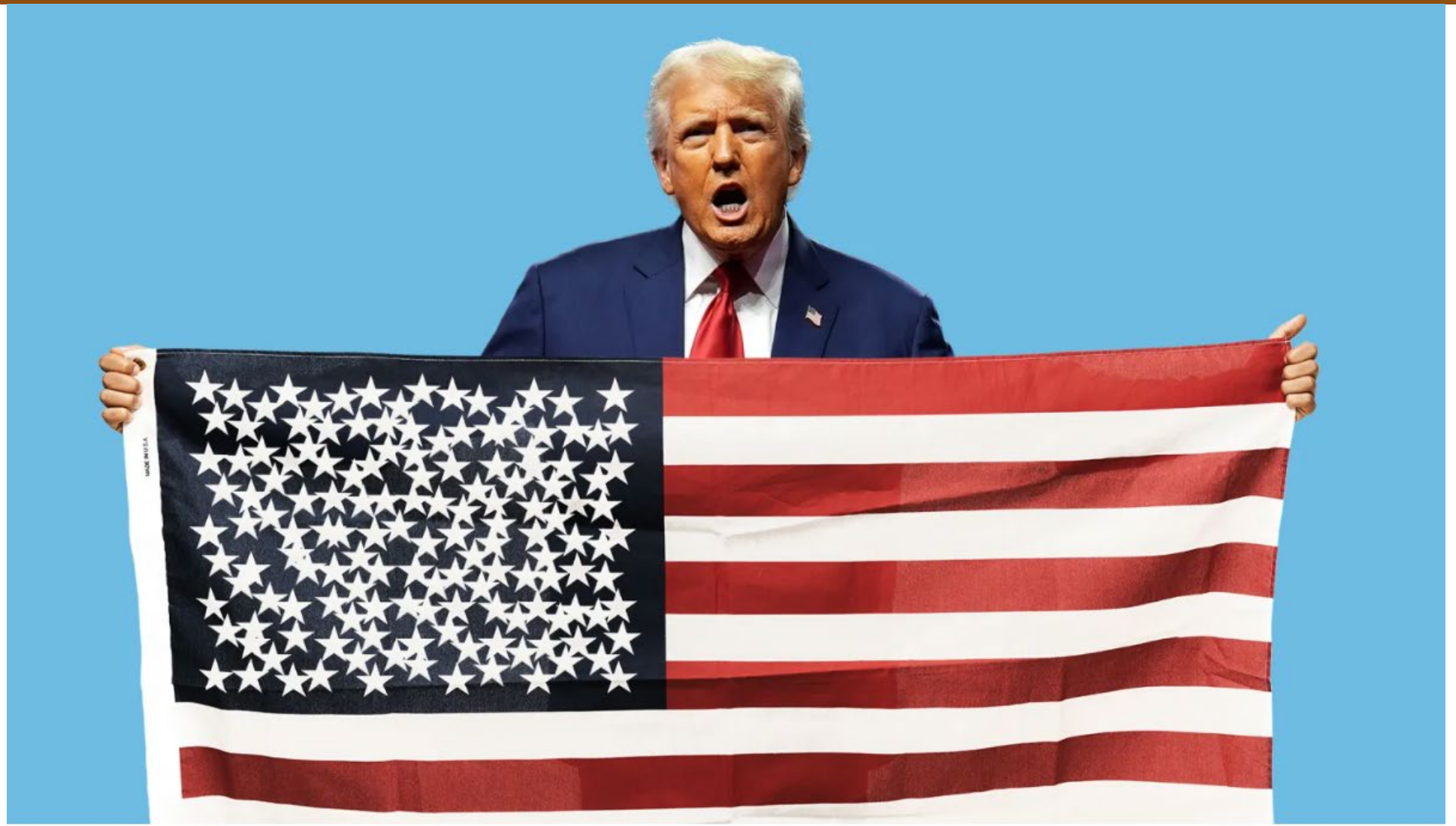
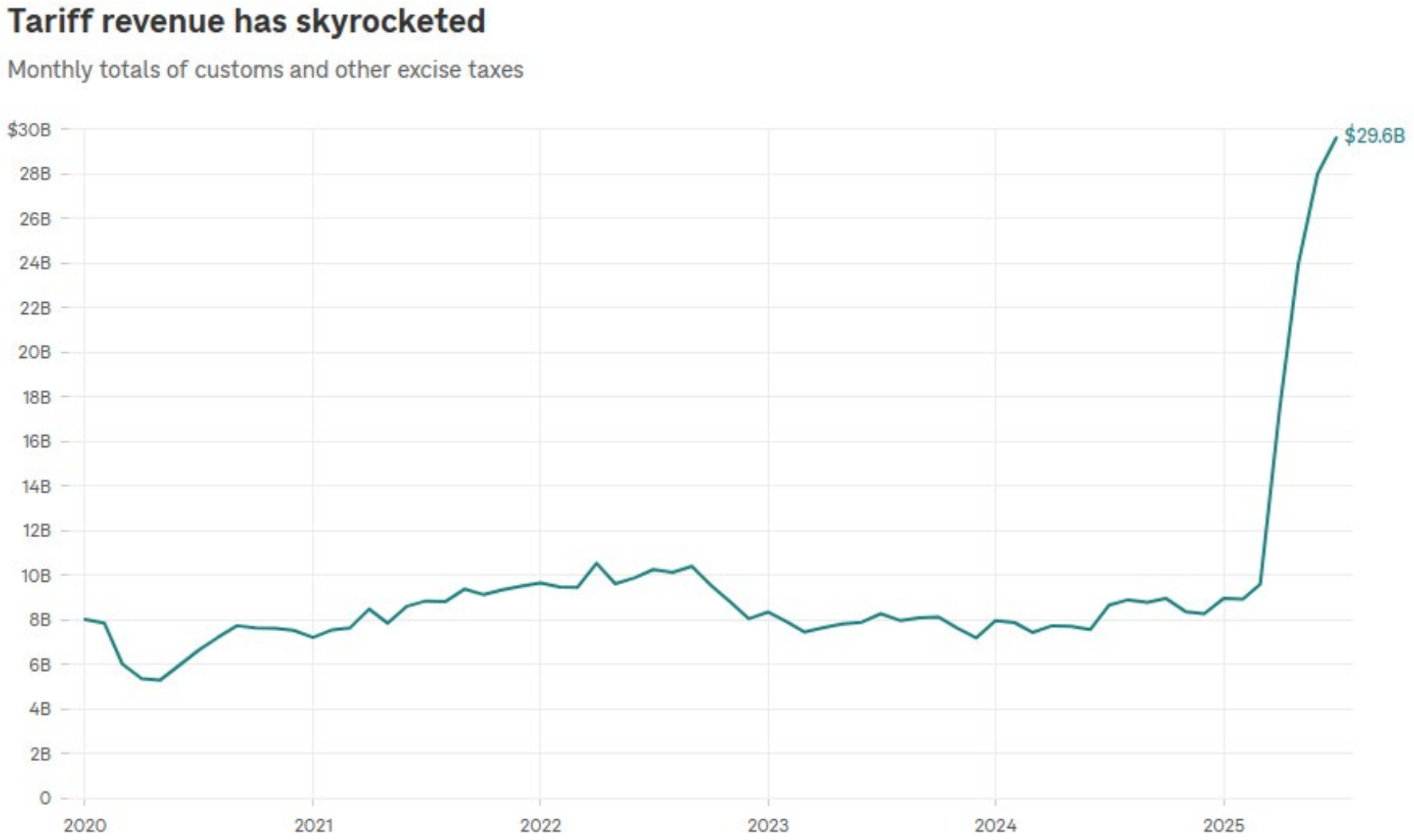
First 100 Days: EOs and Bills Signed into Law



Trump foreign policy?

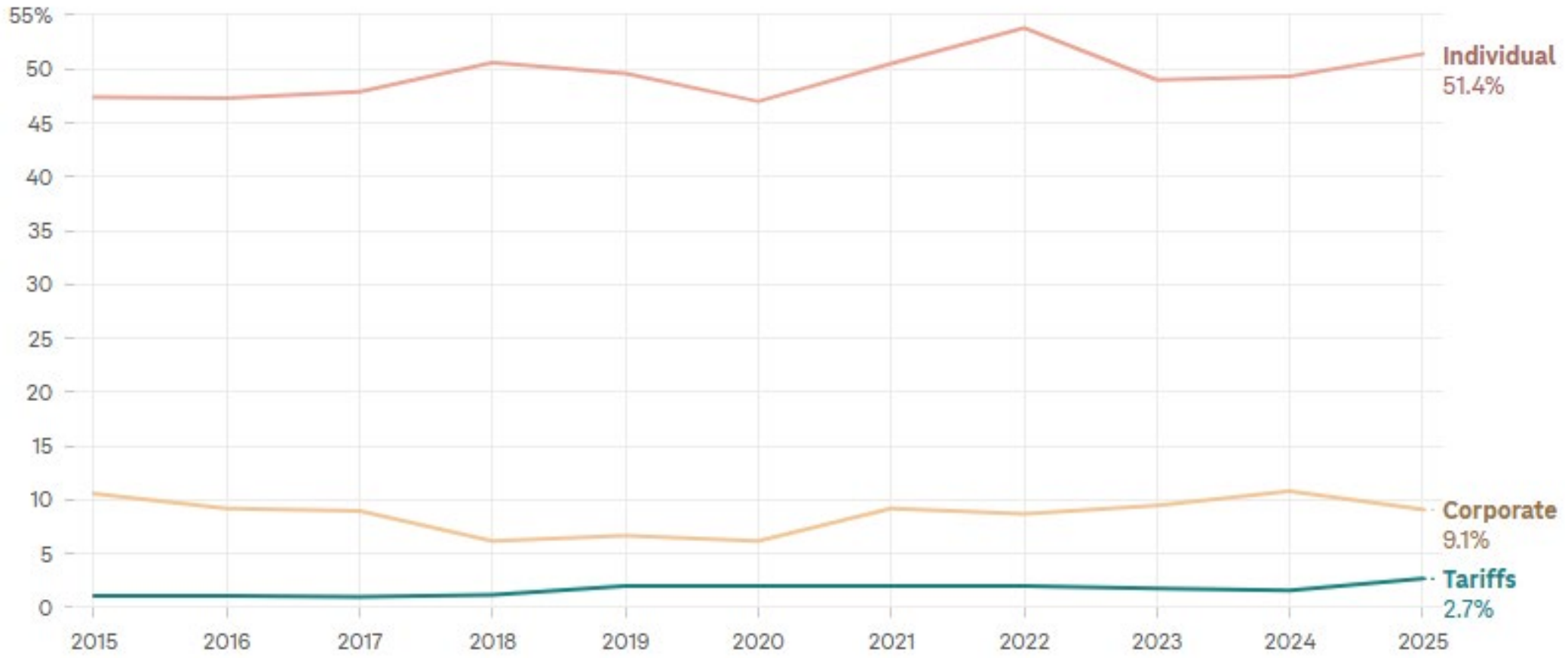


Tariffs - Winning

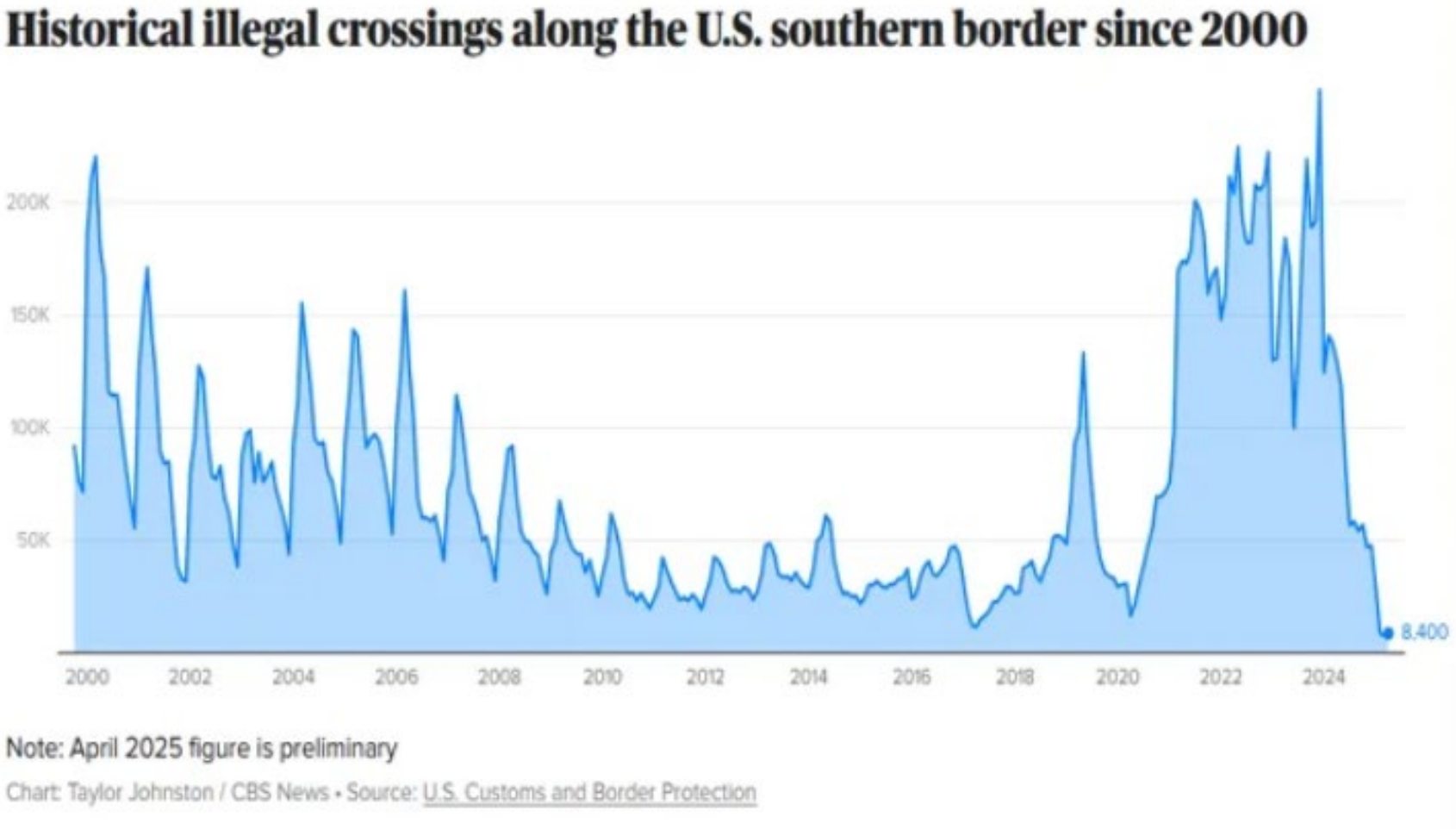


Tariffs – Federal Revenues

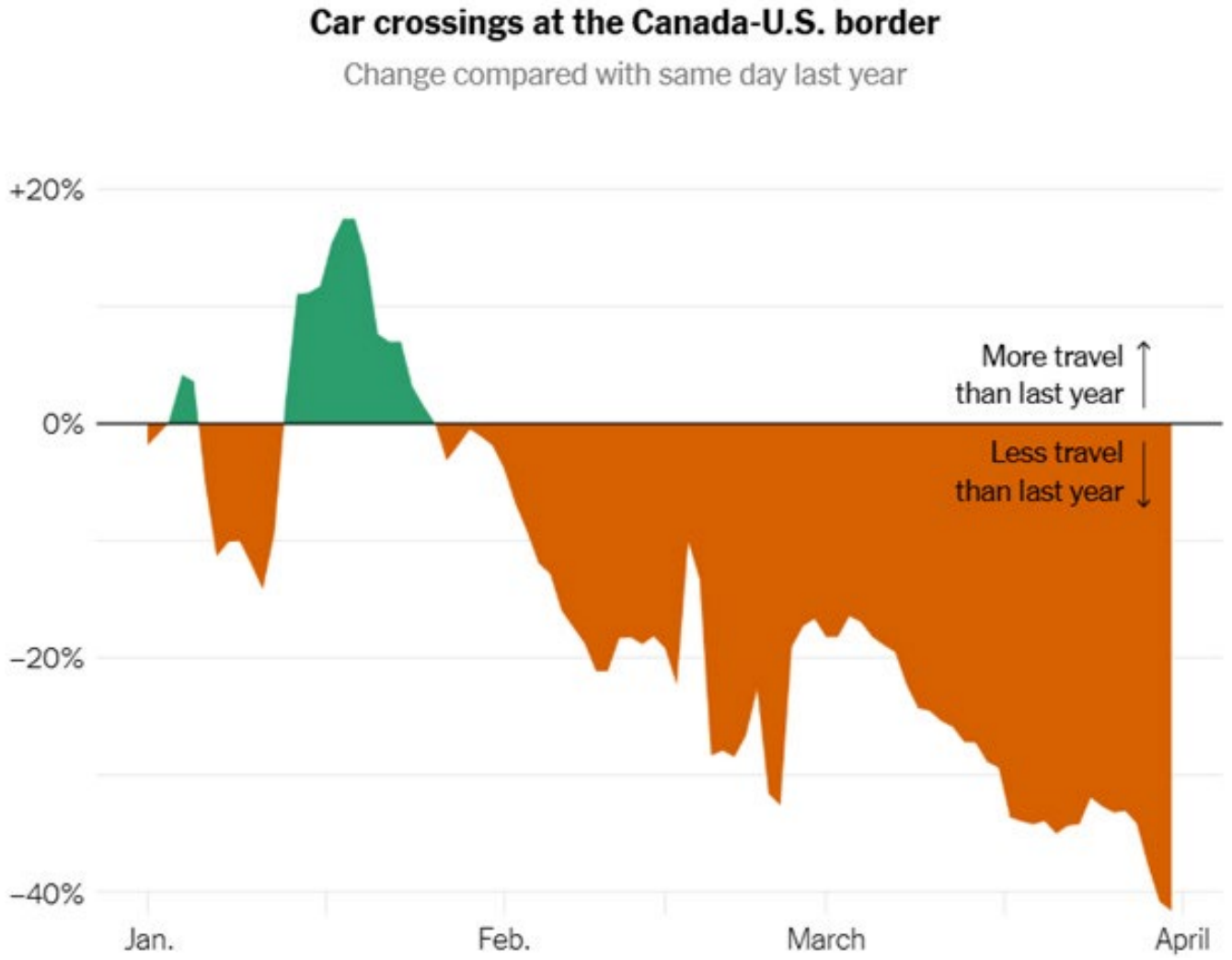
Even while tariff revenue has picked up this year (and may still grow substantially), it is still a small percentage of federal receipts, especially compared to individual income taxes.



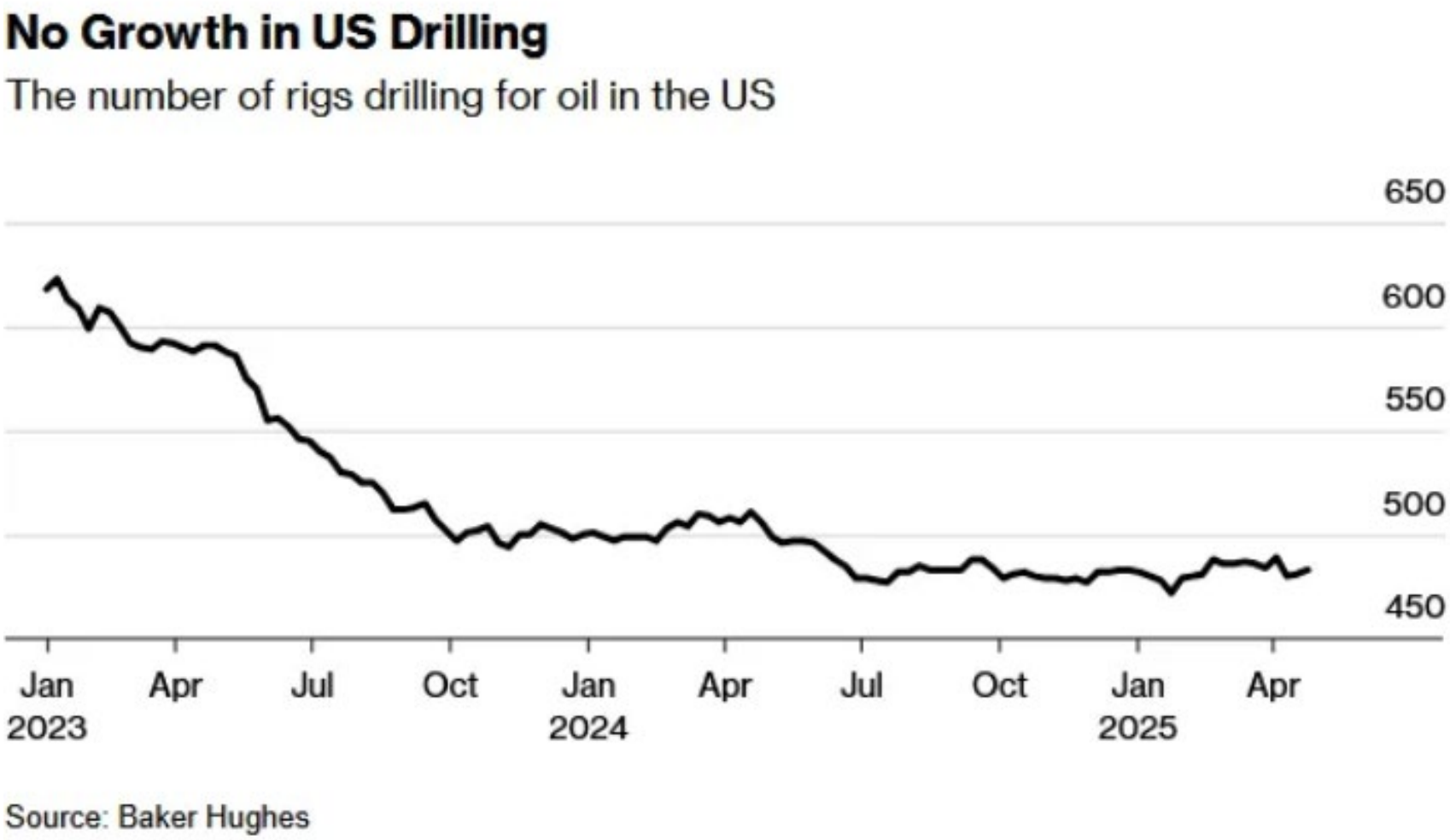
On the Border – Winning (Southern Border Quiet)



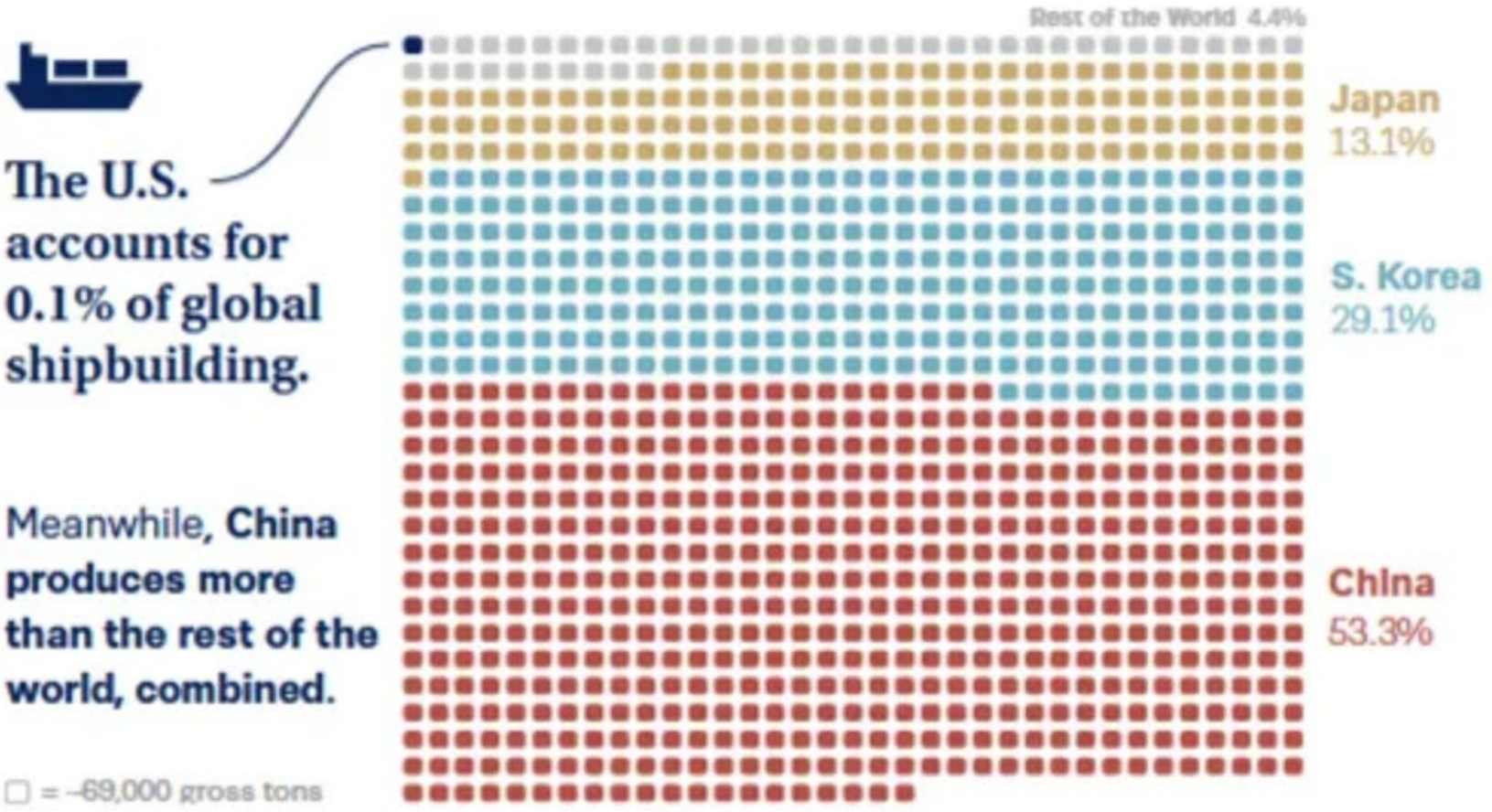
On the Border – Losing (Northern Border Quiet)



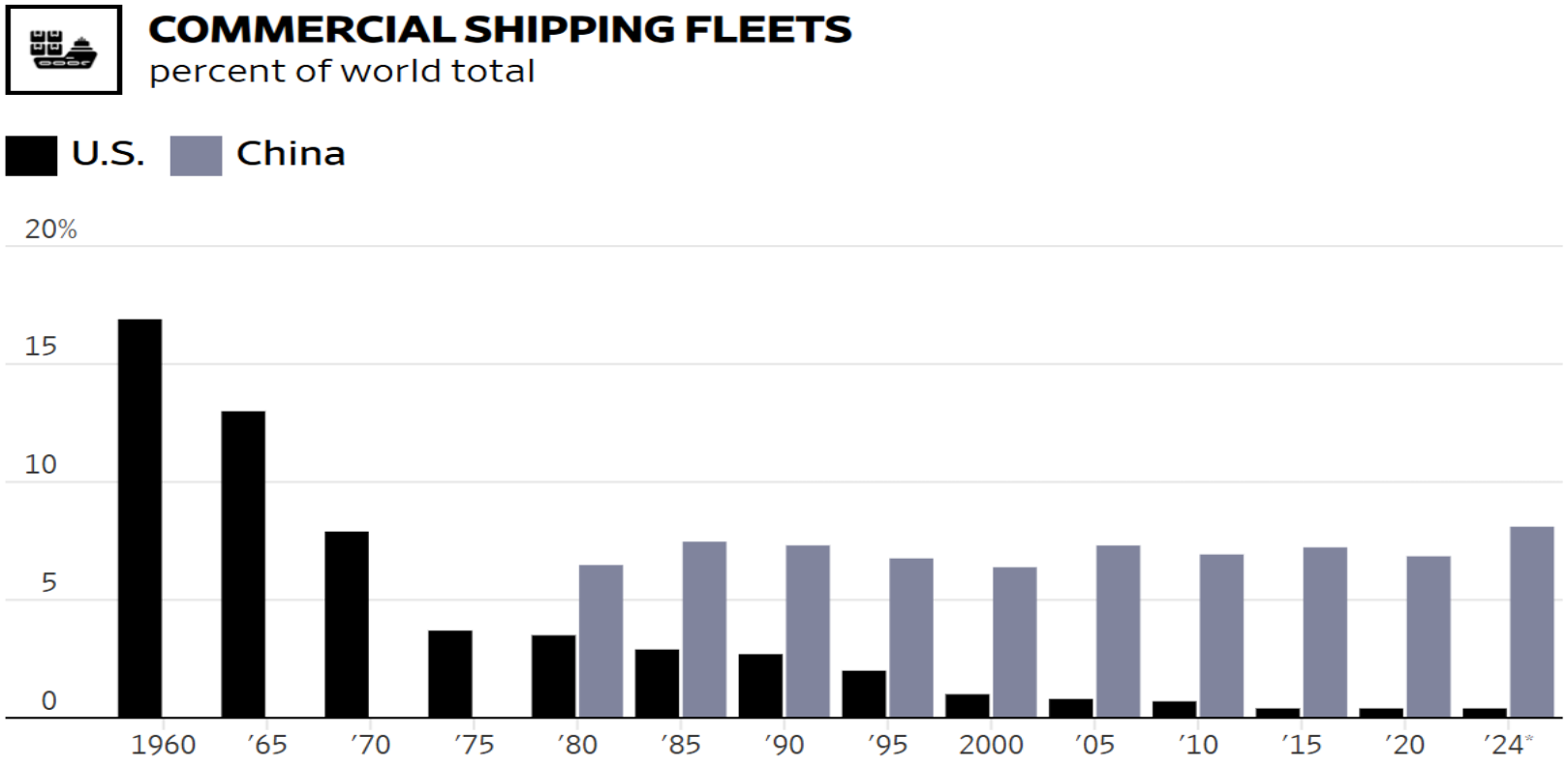
Energy: Oil Prices Down, But No New Drilling



Tariff revenue to revive U.S. shipbuilding?



Commercial Shipping Fleets: U.S. v. China



*Four-year period
Notes: Oceangoing self-propelled, cargo-carrying vessels of 1,000 gross tons and above; data for China not available before 1980.
Sources: S&P Global Market Intelligence (China & U.S. since 2000), U.S. Dept. of Transportation (U.S. before 2000)

Economic Trends

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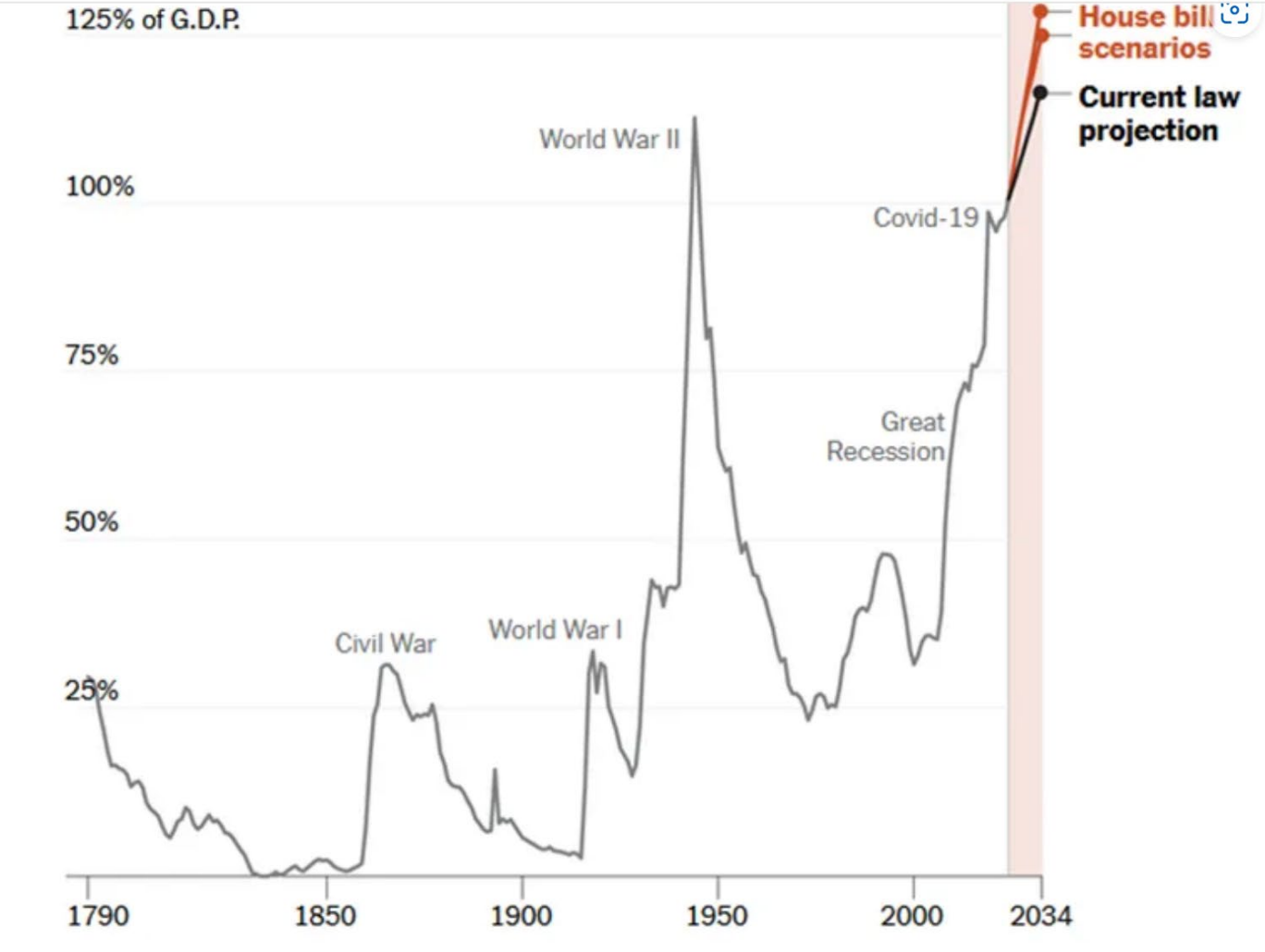
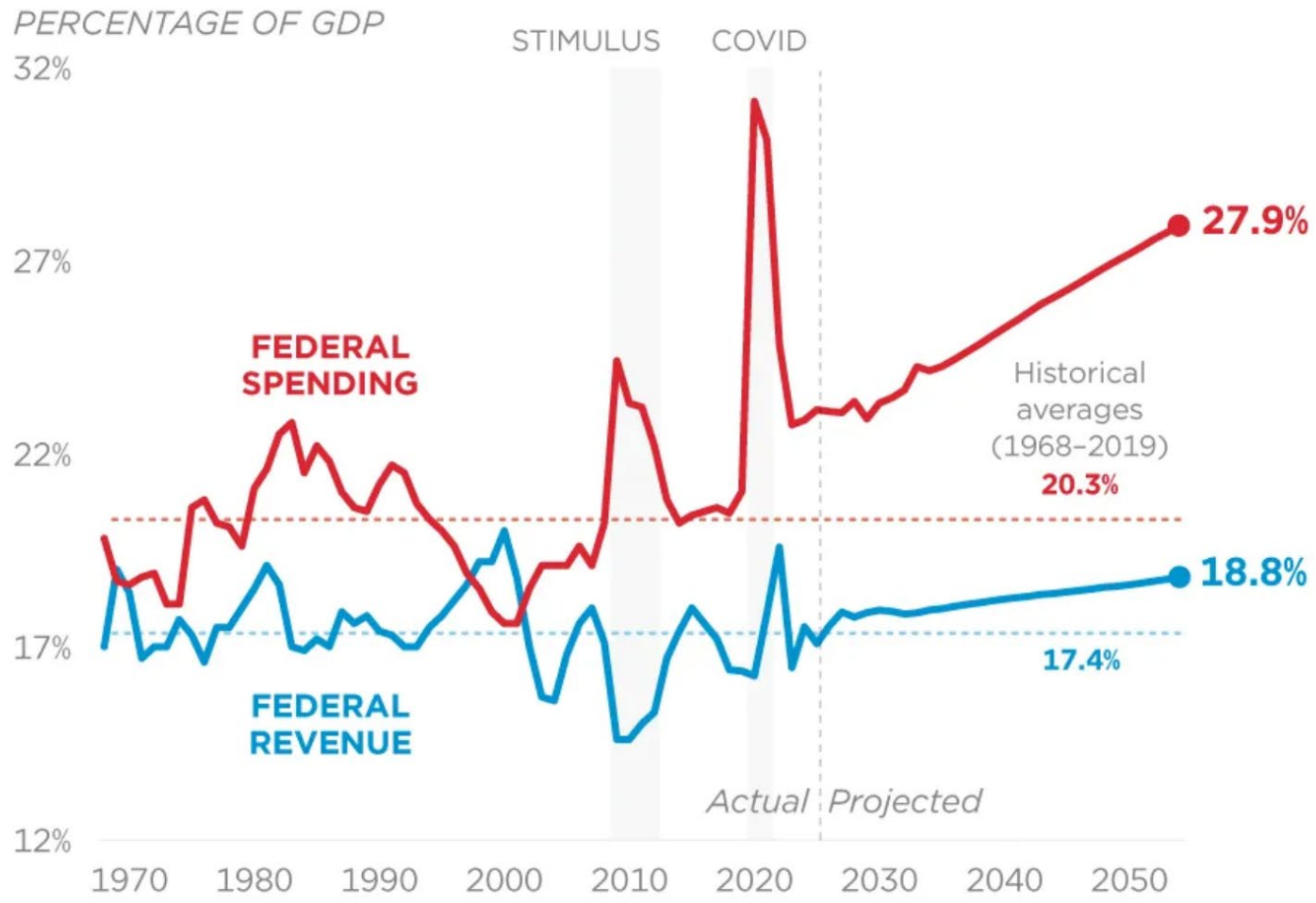
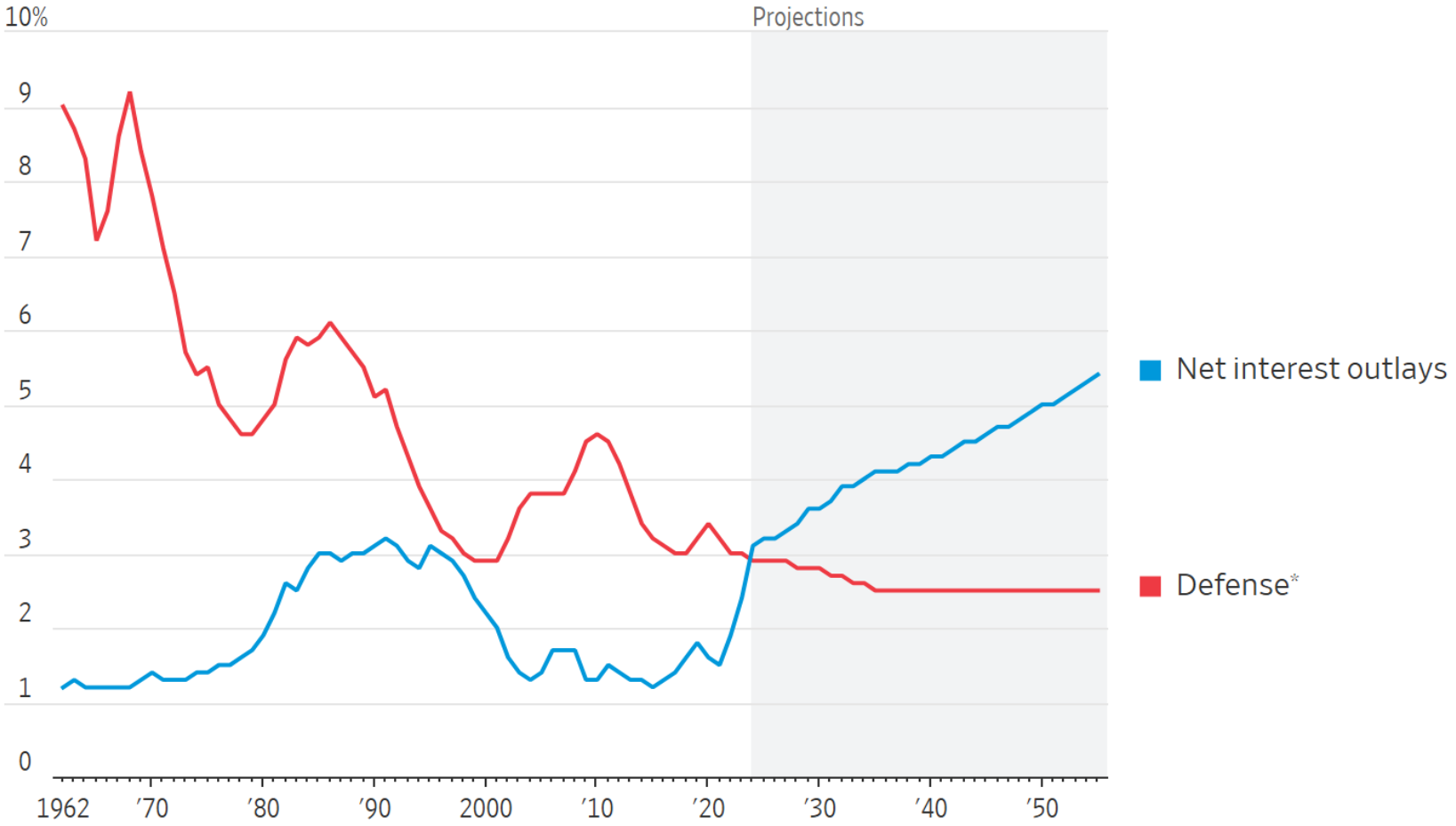
Federal Debt as a Share of the U.S. Economy



Government Spending vs. Revenue

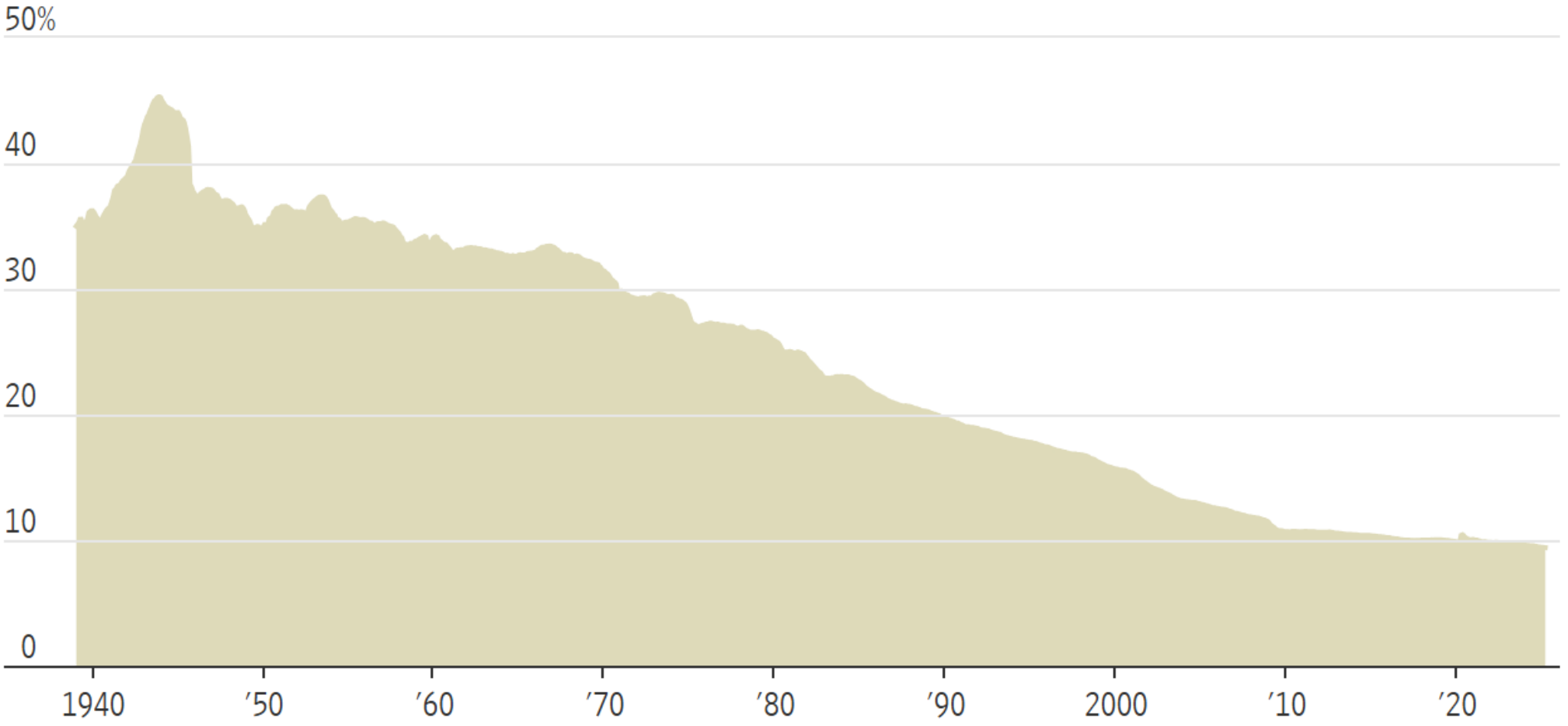


U.S. Net Interest Payments and Defense as a Percentage of GDP



*Defense spending after 2023 extrapolated on the assumption that it remains consistently 48% of total discretionary (the average of 2014-23).

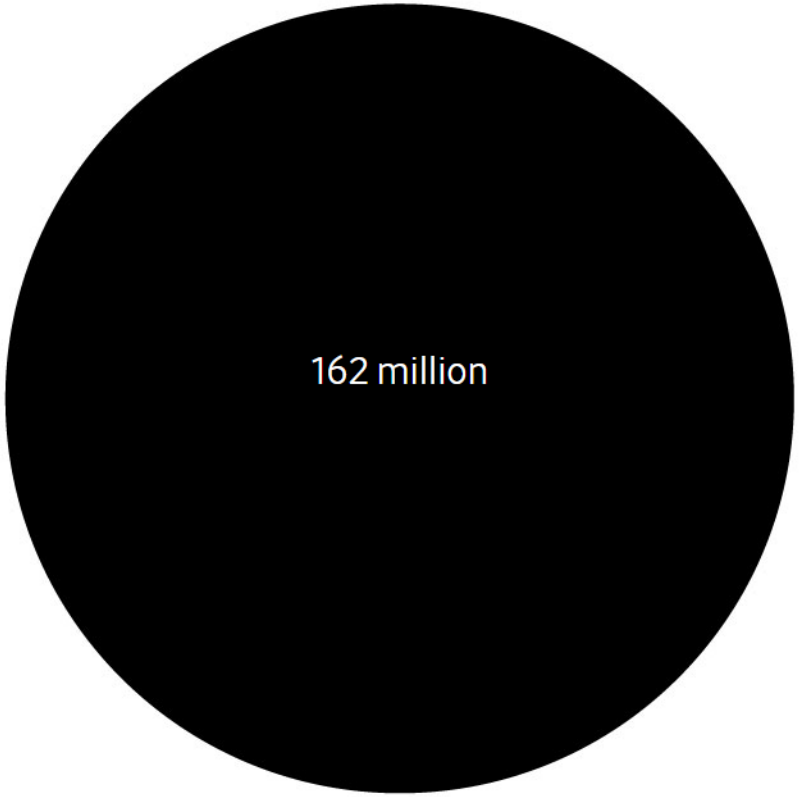
Manufacturing as a Share of Private U.S. Employment



Source: Labor Department

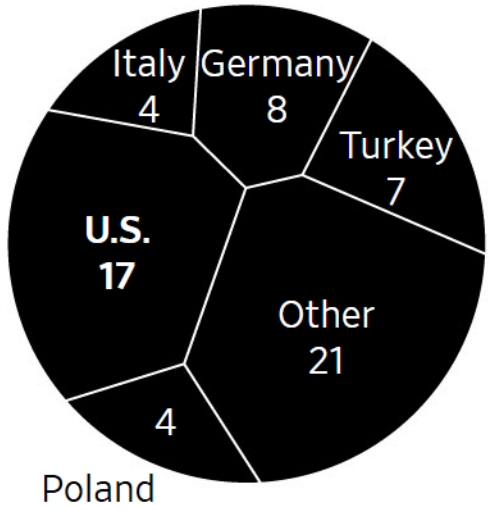
Manufacturing Labor Force

CHINA



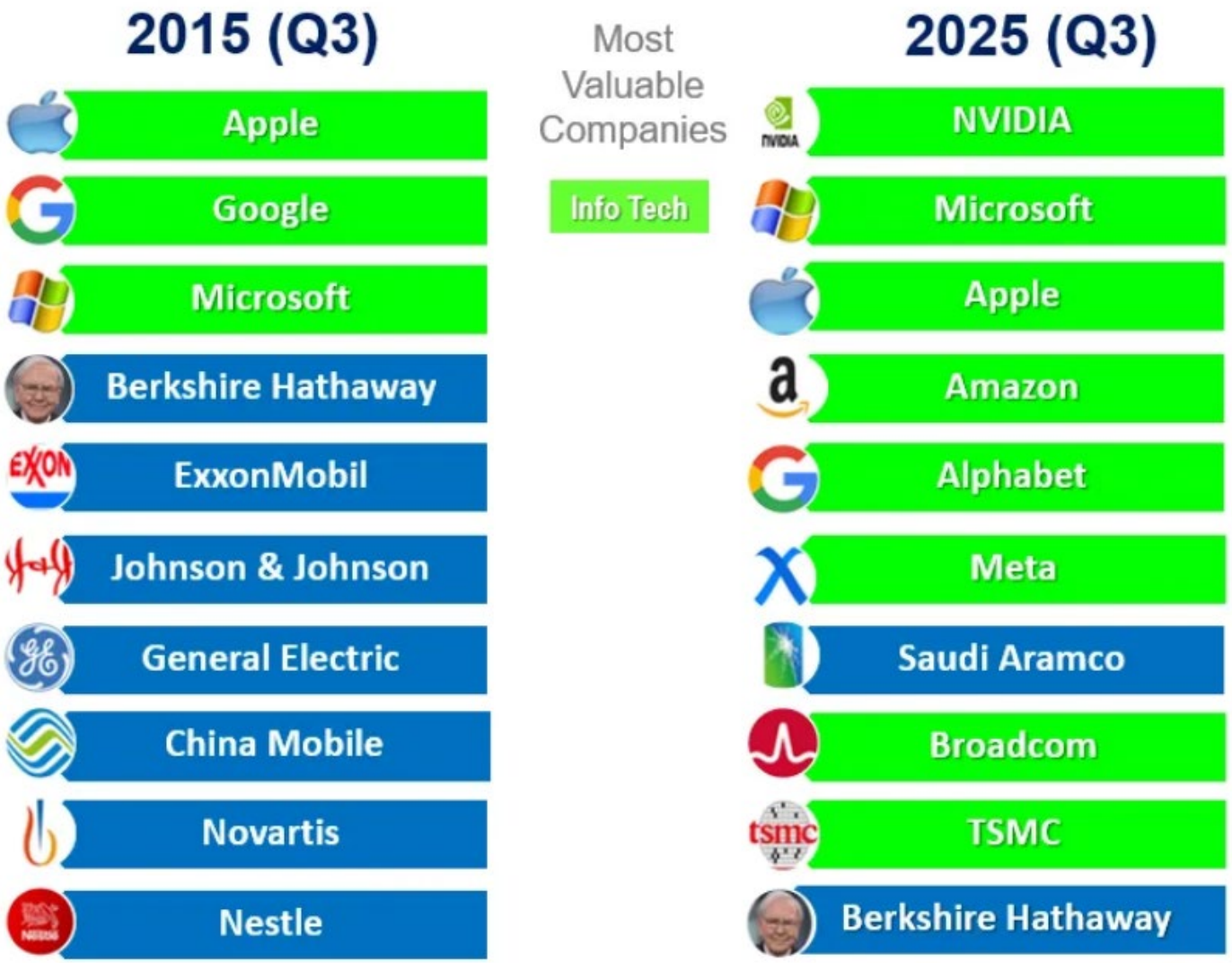
NATO*

NATO's manufacturing workforce totals 60 million, just over a third of China's.



*North Atlantic Treaty Organization
Source: International Labor Organization

Success: Strategically Leverage Information Technologies



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What does a nation need to win the A.I. future?

COMPUTE

- ✓ Access to chips & cloud
- ✓ Plentiful data centers
- ✓ Set global standards

POWER

- ✓ Electricity generation
- ✓ Power transmission / permitting

TALENT

- ✓ R&D investment
- ✓ STEM, retraining
- ✓ High-skilled immigration
- ✓ Freedom (to experiment, fail, speak, share)

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Energy Trends

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Trending Issues

- Increasing load growth (data centers)
- Trump administration response:
  - Coal plant extensions, new gas and nuclear (SMRs), geothermal, hydro
  - Dim views on EVs, solar, wind (especially offshore)
- Increasing battery deployment (battery energy storage systems)
- Supply chain uncertainty slowing new build
- Government actions driving uncertainty in energy buildout
- Growing affordability and reliability challenges
- Wildfire risk– utilities as insurers of last resort? Existential threat
- Stagnant transmission buildouts
- Energy legislation 2025-26? Maybe wildfire and/or siting/permitting (Ds want transmission lines, Rs wants pipelines)

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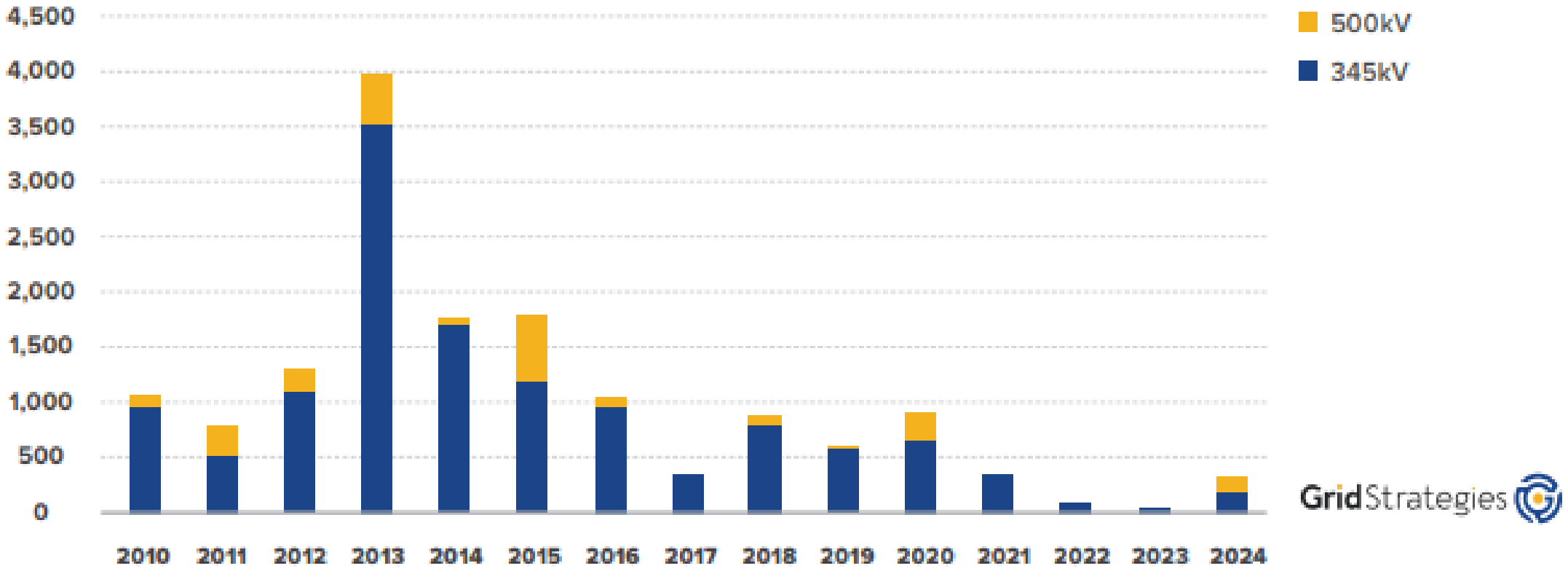
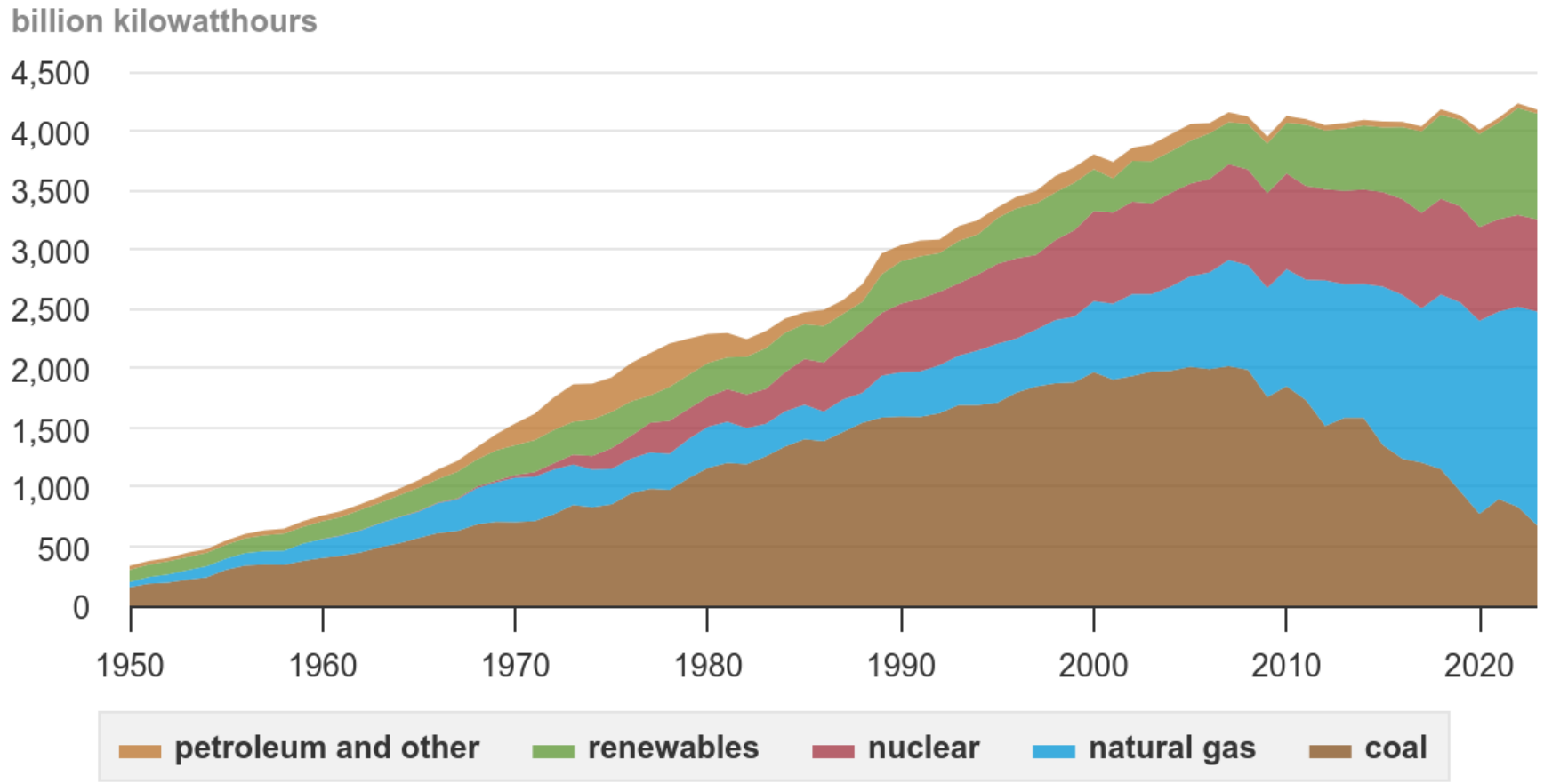
High-Capacity Grid Buildout Needs

FIGURE 1 | Miles of new 345 kV+ transmission lines built over the last 15 years[2]



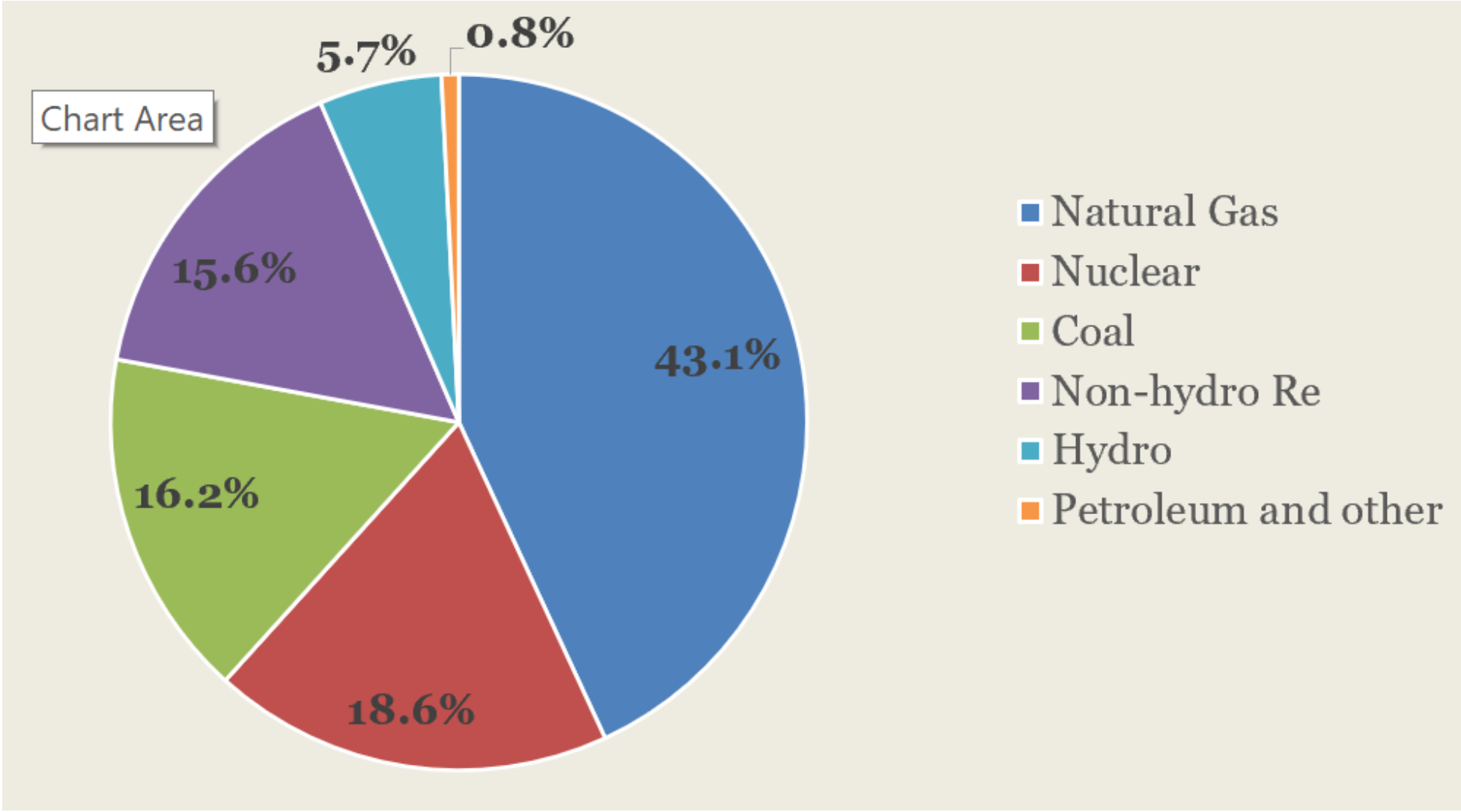
U.S. Electricity Generation 1950-2023



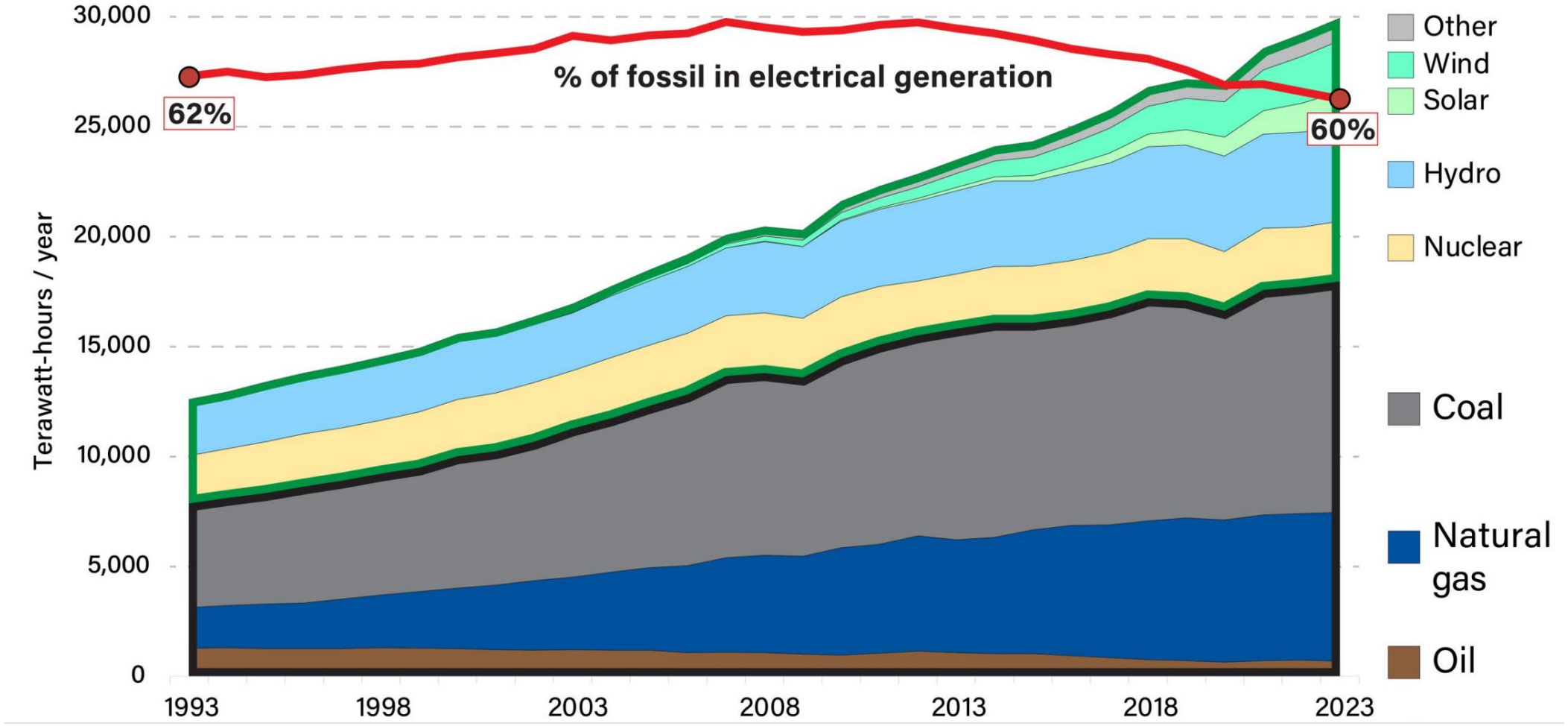
Data source: U.S. Energy Information Administration, *Monthly Energy Review* and *Electric Power Monthly*, February 2024, preliminary data for 2023

Note: Includes generation from power plants with at least 1 megawatt electric generation capacity.

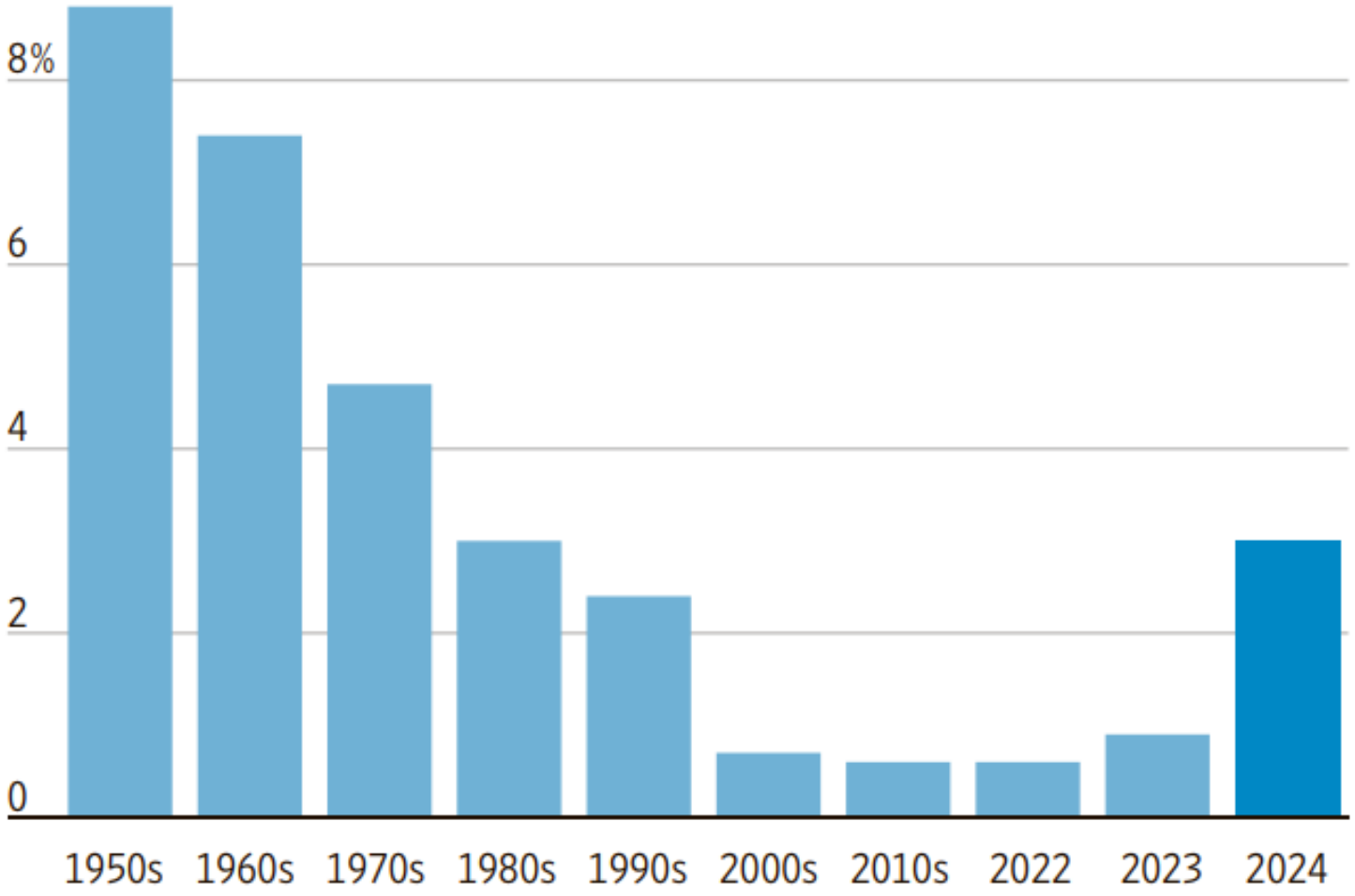
U.S. Electricity Generation by Source 2024



Global Electricity Generation by Fuel 1993-2023

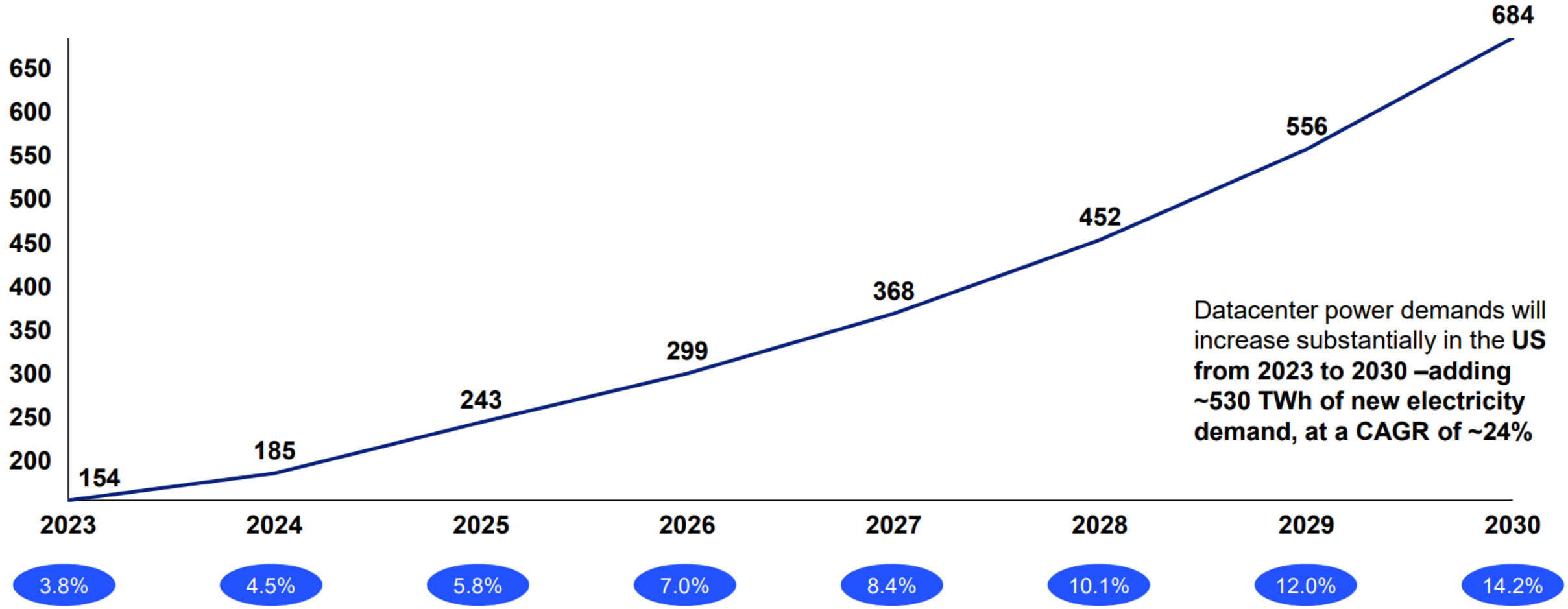


Average Annual U.S. Electricity Load Growth



Source: Grid Strategies

Projected Data Center Load Growth (TWh)



Source: McKinsey Energy Solutions Global Energy Perspective 2025

McKinsey & Company

National Energy Emergency

- Executive Order 14156 (Jan. 20, 2025): national energy emergency declared
- “The policies of the previous administration have driven our Nation into a national emergency, where a precariously inadequate and intermittent energy supply, and an increasingly unreliable grid, require swift and decisive action. Without immediate remedy, this situation will dramatically deteriorate in the near future…. Our Nation's current inadequate development of domestic energy resources leaves us vulnerable to hostile foreign actors and poses an imminent and growing threat to the United States' prosperity and national security.”
- “These numerous problems . . . jeopardize our Nation's core national defense and security needs and devastate the prosperity of . . . the entire United States population. The United States' insufficient energy production, transportation, refining, and generation constitutes an unusual and extraordinary threat to our Nation's economy, national security, and foreign policy. In light of these findings, I hereby declare a national emergency.”

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National Energy Emergency (cont'd)

- Goal: Expedite permitting and development of domestic energy
- Declaration excludes solar and wind as energy resources
- Emphasis on oil, gas, coal, hydro, geothermal and nuclear
- "All of the above" is now "best of the above"
- If there's an emergency, why not "all of the above"?
- U.S. is now the top producer of oil and gas in the world
- A national emergency declaration unlocks 150 specific powers Congress has given presidents (and no definition of what's an emergency): https://www.brennancenter.org/our-work/research-reports/guide-emergency-powers-and-their-use

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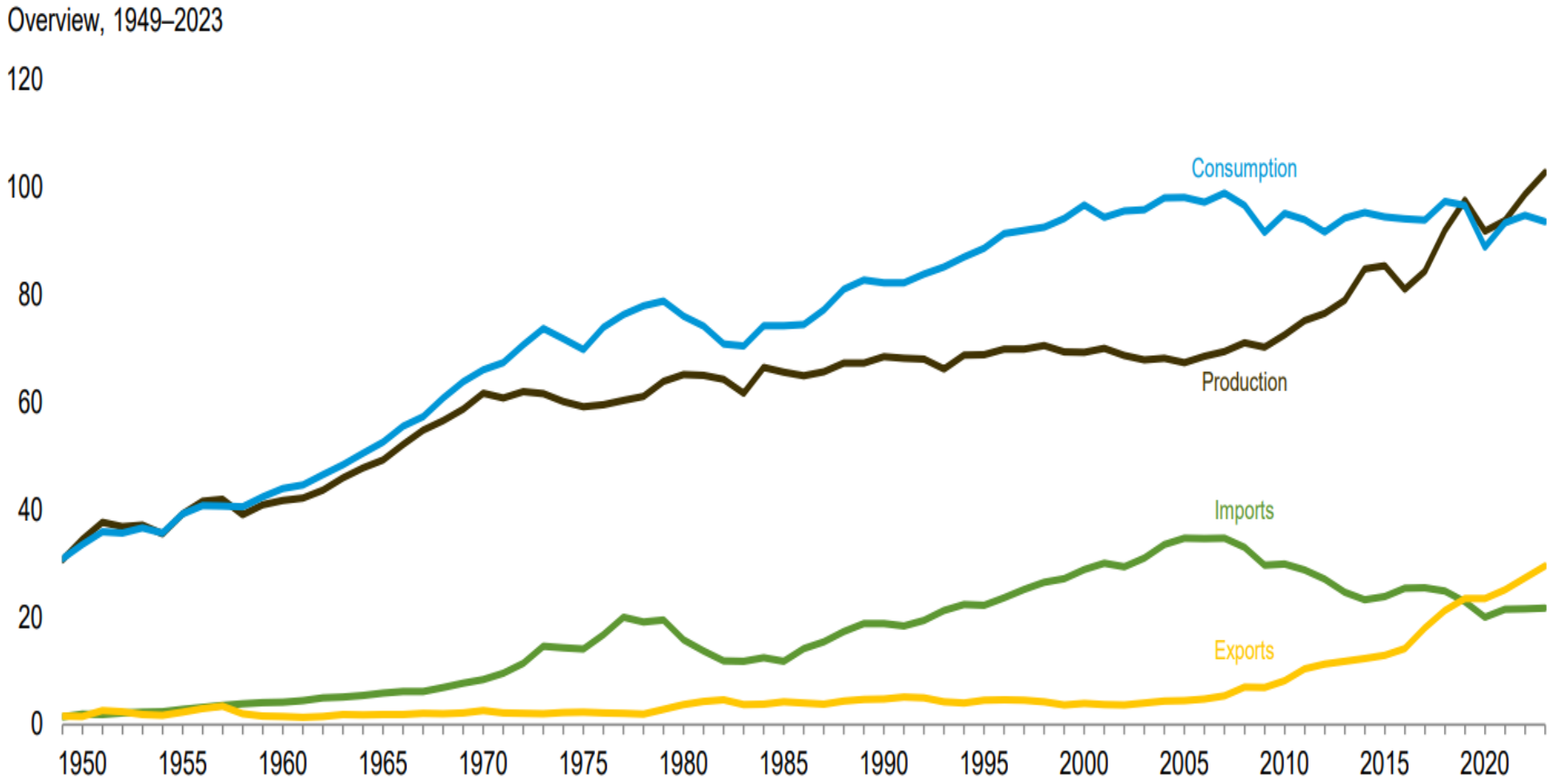
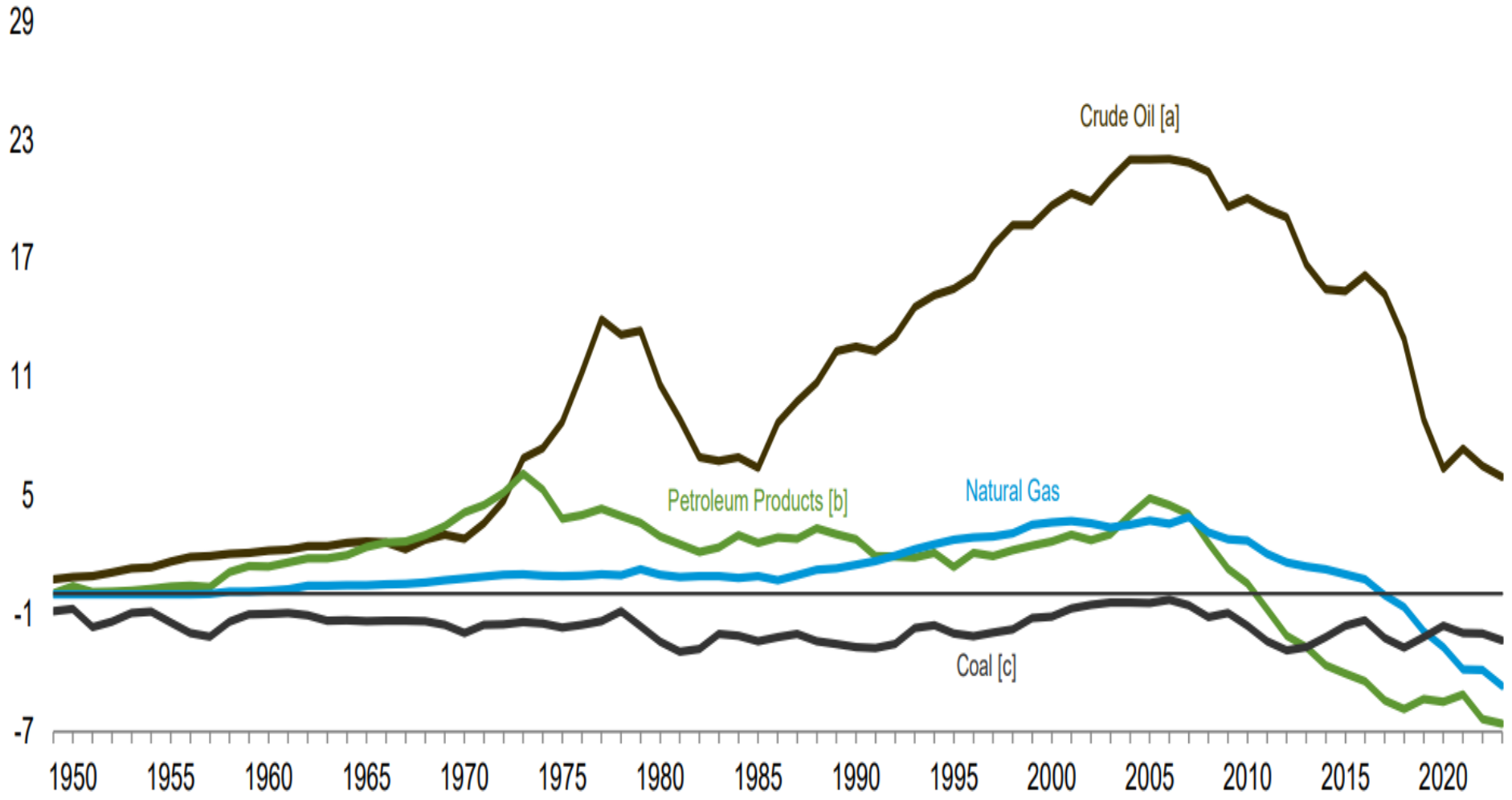
U.S. Energy Overview 1949-2023
(quadrillion BTUs)



U.S. Net Energy Imports 1949-2023 (detail)



New U.S. Power Plants 2024

Solar, Batteries Dominate New Power Plants

Solar and battery storage systems lead in the number and generating capacity of new power plants that went online from January to July of this year.

U.S. POWER PLANTS

New generating units and capacity in megawatts, Jan.-July 2024

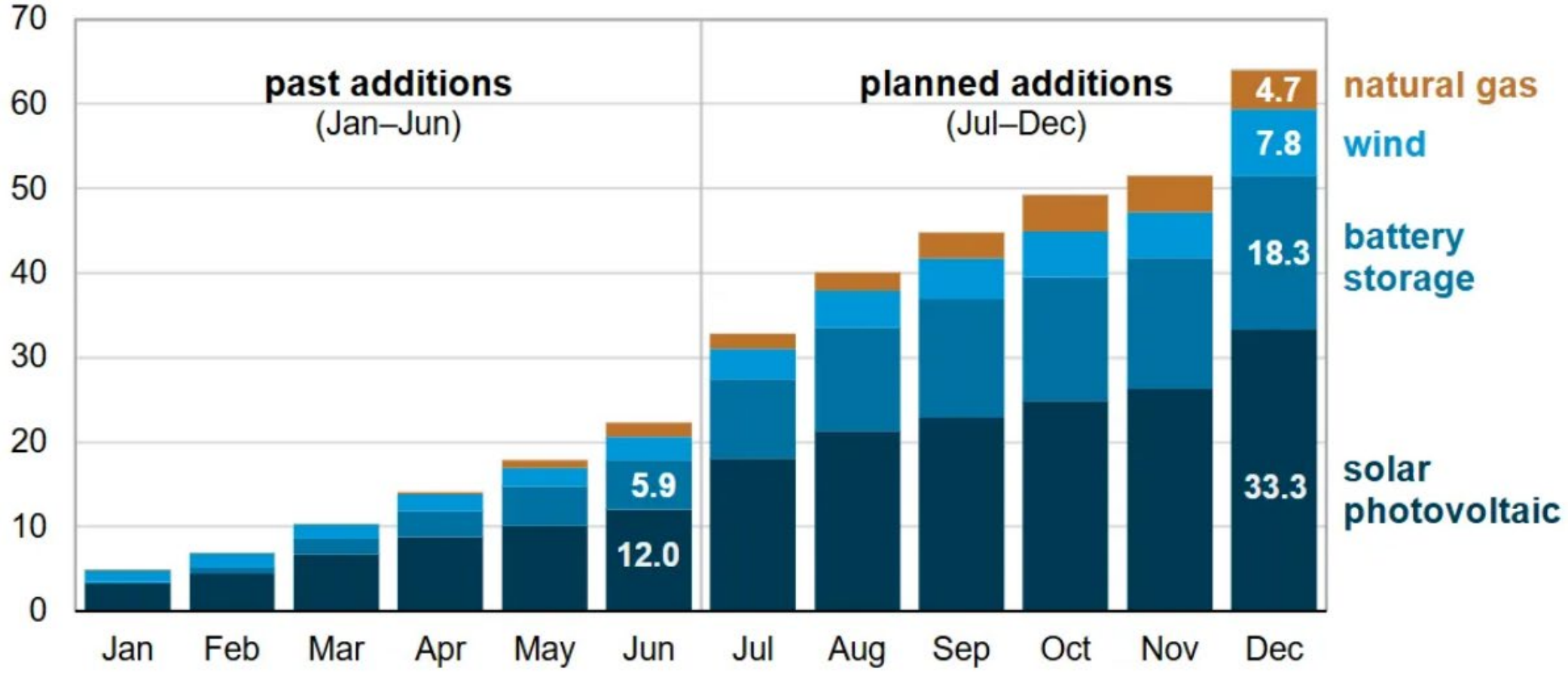
	Number of new generating units	Capacity (megawatts)
Solar photovoltaic	243	12,786.1
Batteries	75	4,996.9
Onshore wind turbine	17	3,034.6
Natural gas fired combustion turbine	13	1,121.8
Nuclear	1	1,114
Offshore wind turbine	1	130
Natural gas internal combustion engine	14	113.9
Petroleum liquids	6	14.7
Other natural gas	5	14
TOTAL	**375**	**23,326**

NOTE: Many power plants have more than one generating unit.

SOURCE: EIA

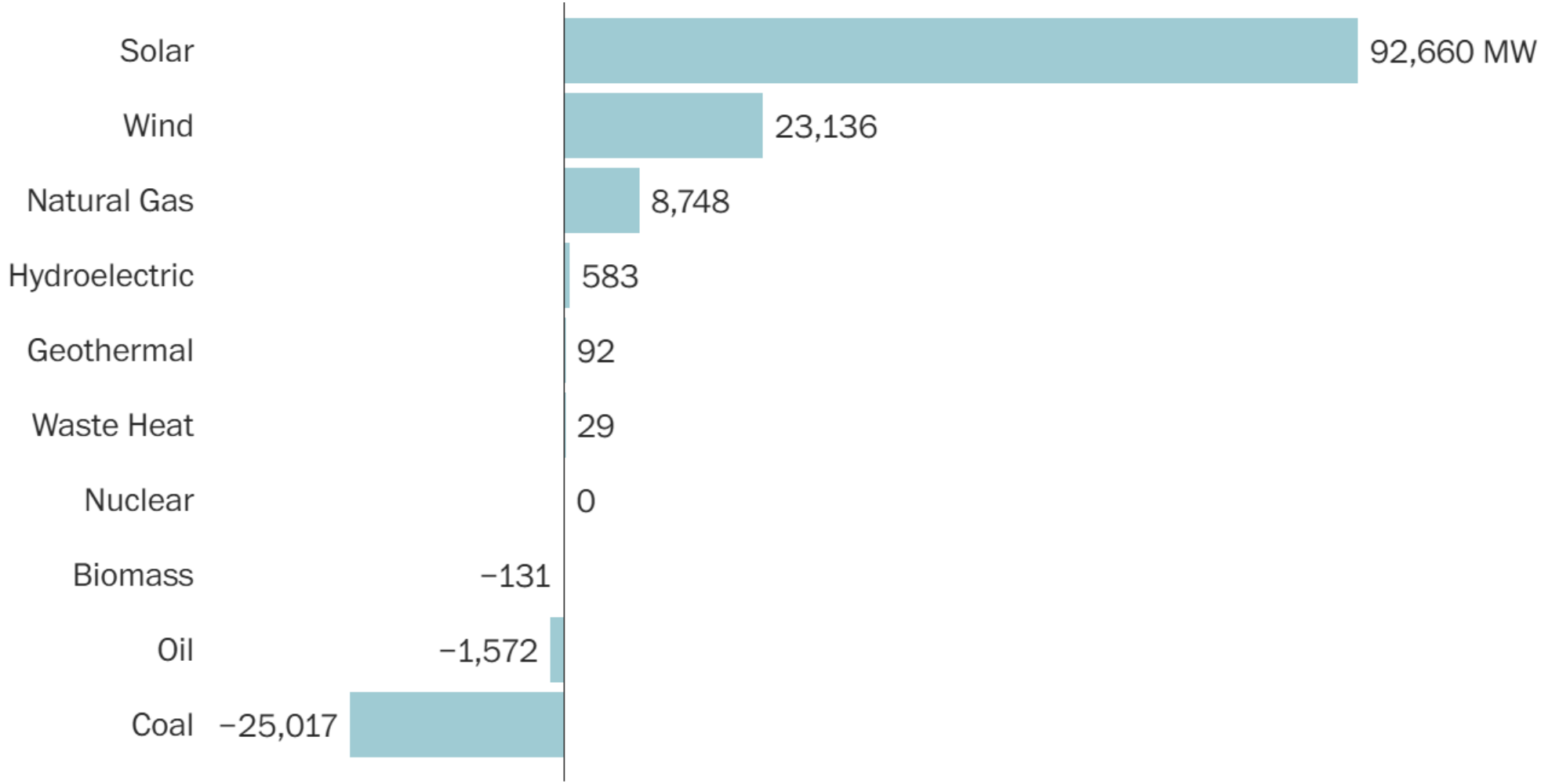
PAUL HORN / Inside Climate News

2025 U.S. Generation Capacity Additions



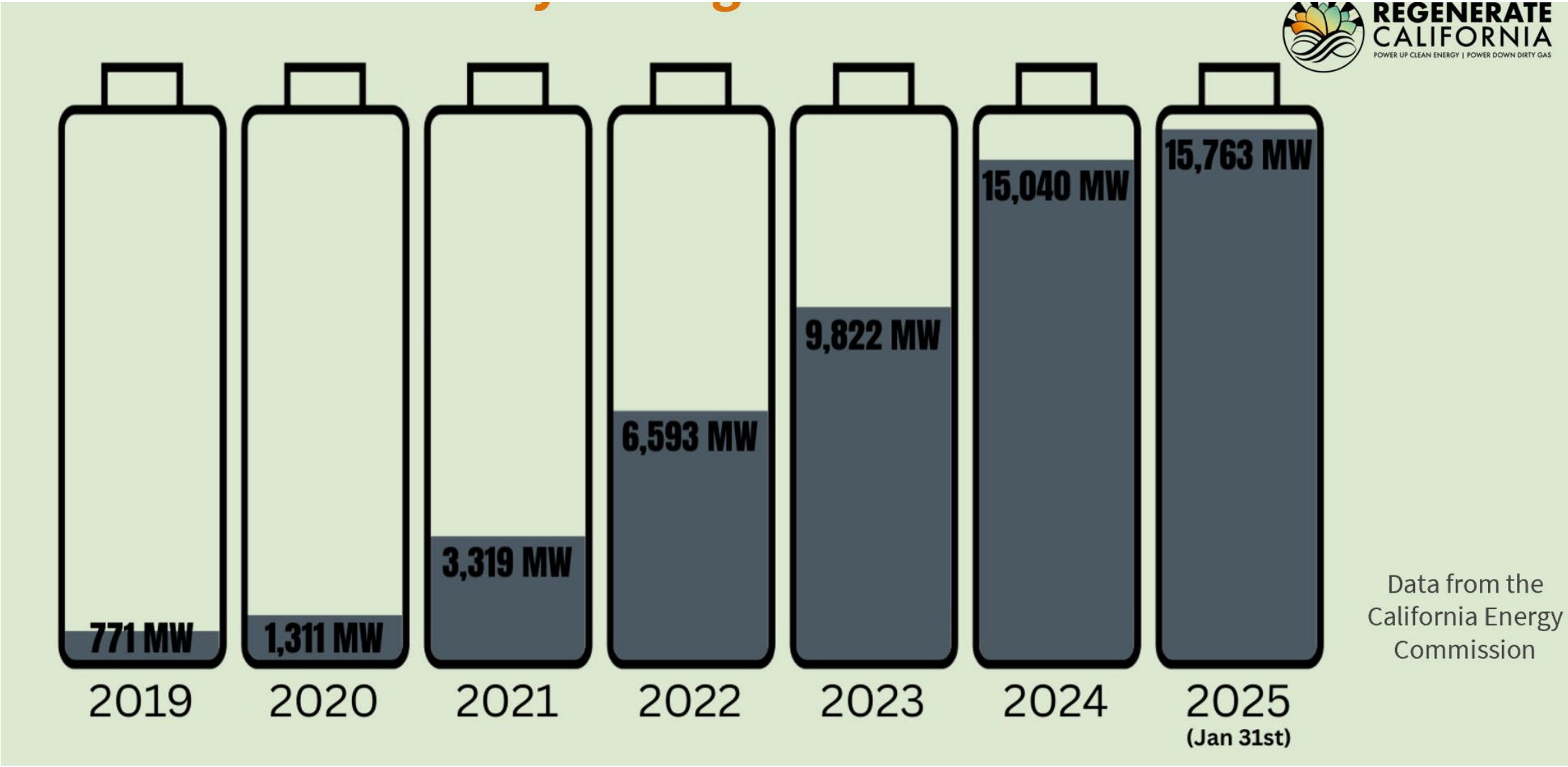
Data source: U.S. Energy Information Administration, *Preliminary Monthly Electric Generator Inventory*, June 2025

Net Additional U.S. Capacity 2025-2028
(factoring in high probability additions and expected retirements)



Source: Federal Energy Regulatory Commission Energy Infrastructure Update for June 2025

California's Battery Storage Growth



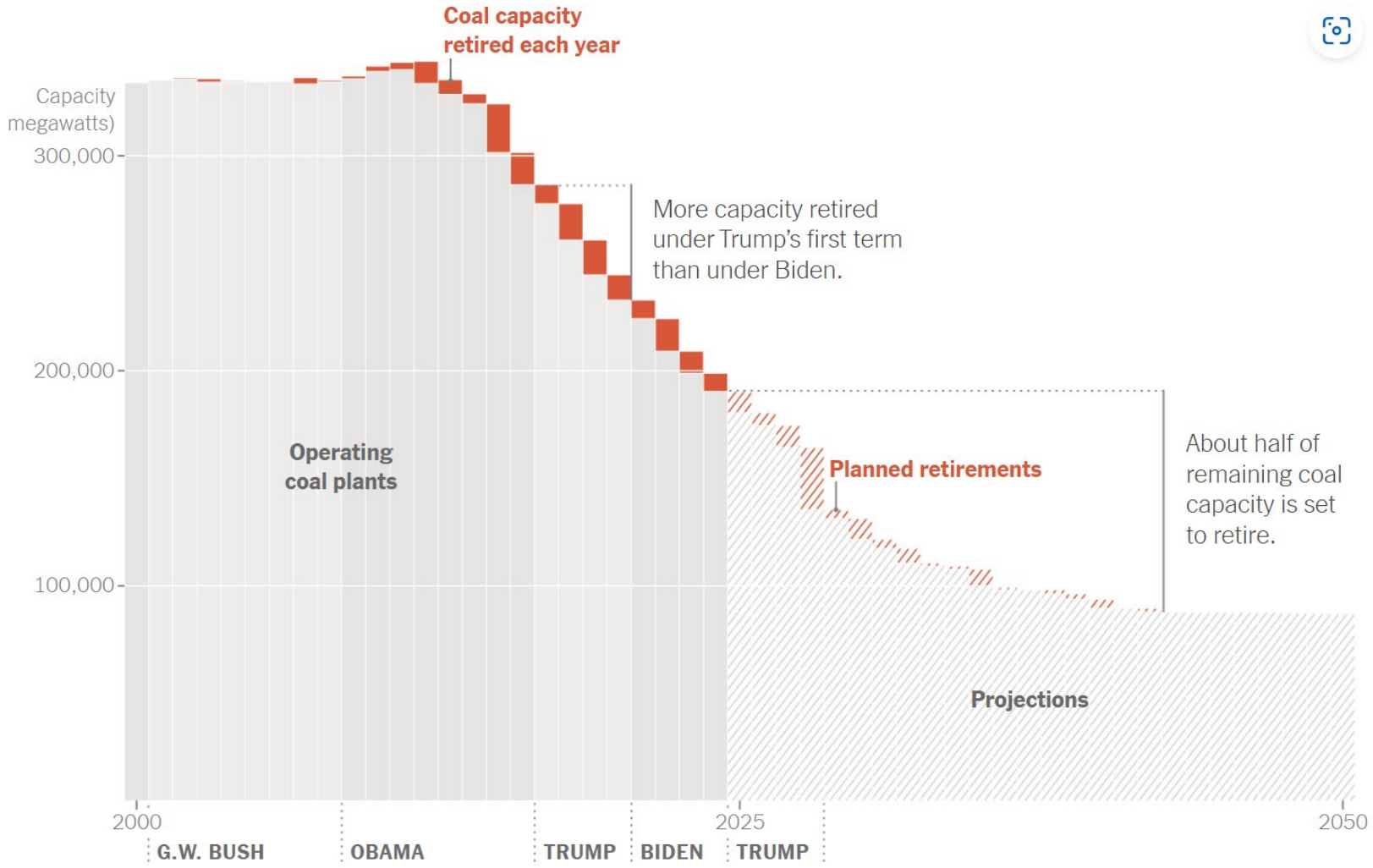
U.S.-Approved Offshore Wind Projects at Risk

Project	Status	Location	Capacity (MW)
Coastal Virginia Offshore Wind	Under construction	Virginia	2,600
New England Wind 1 & 2	Permit to be revoked	Massachusetts	2,600
SouthCoast Wind	Permit threatened	Massachusetts	2,400
Maryland Offshore Wind	Permit to be revoked	Maryland	2,200
Atlantic Shores	Permitted	New Jersey	1,510
Sunrise Wind	Under construction	New York	924
Empire Wind	Under construction	New York	810
Revolution Wind	Work halted	Rhode Island, Connecticut	704
Vineyard Wind 1	Under construction	Massachusetts	403
South Fork Wind	Operating	Rhode Island, New York	132

Source: BloombergNEF, BOEM, company websites

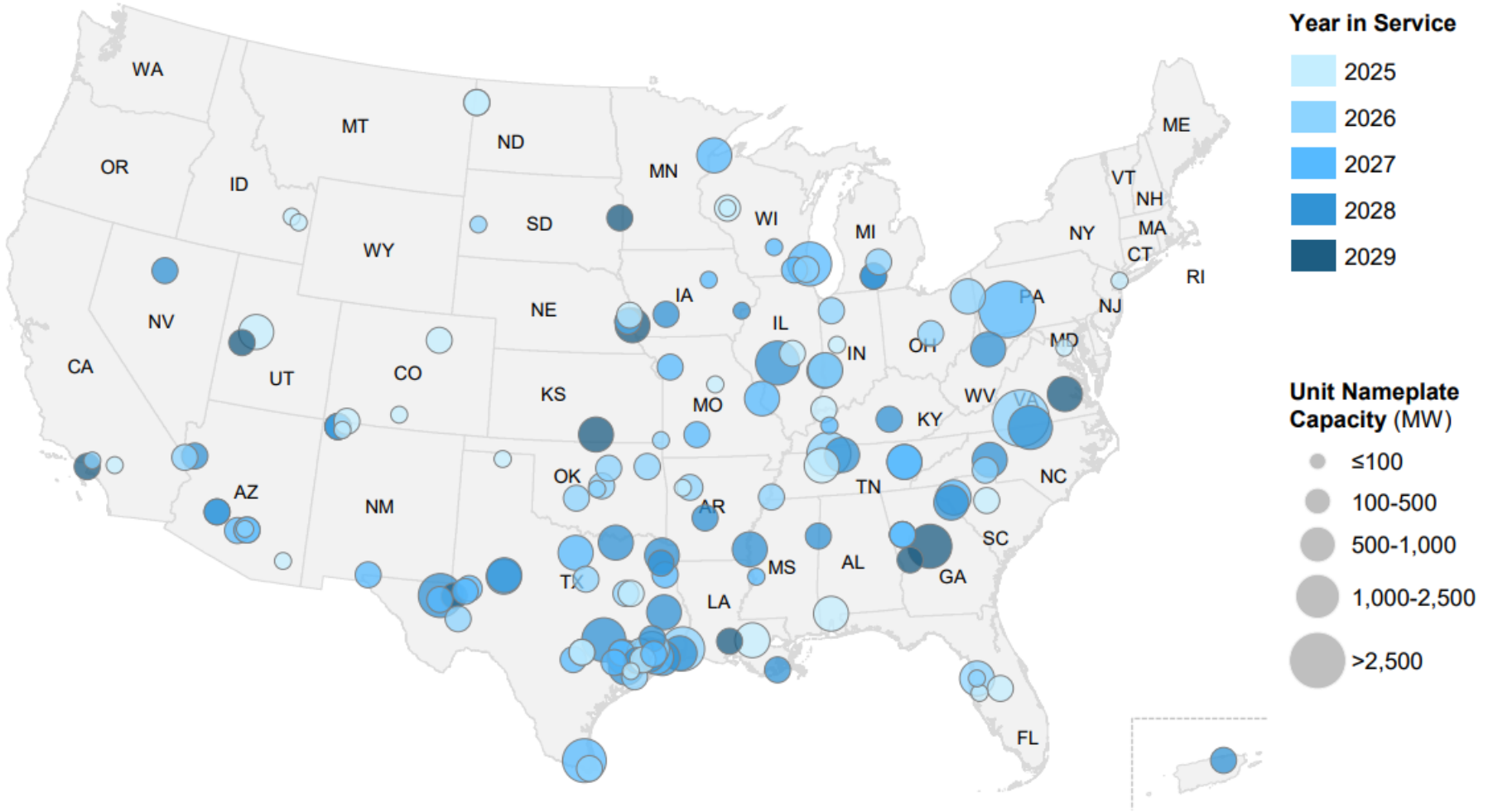
Bloomberg

Coal Plant Retirements 2000-2025



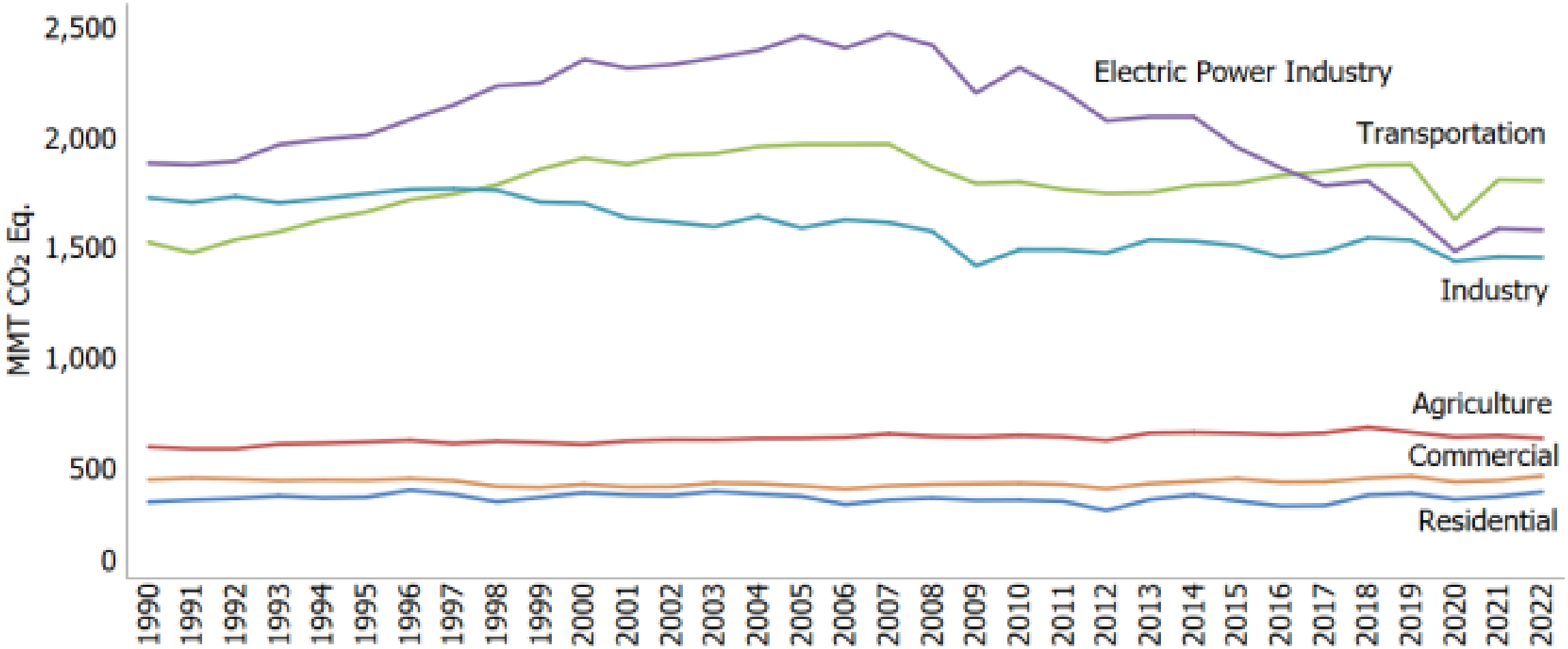
Source: Global Energy Monitor and New York Times reporting. · Note: Includes coal capacity added. · By Mira Rojanasakul/The New York times

Announced New U.S. Gas Power Plant Projects

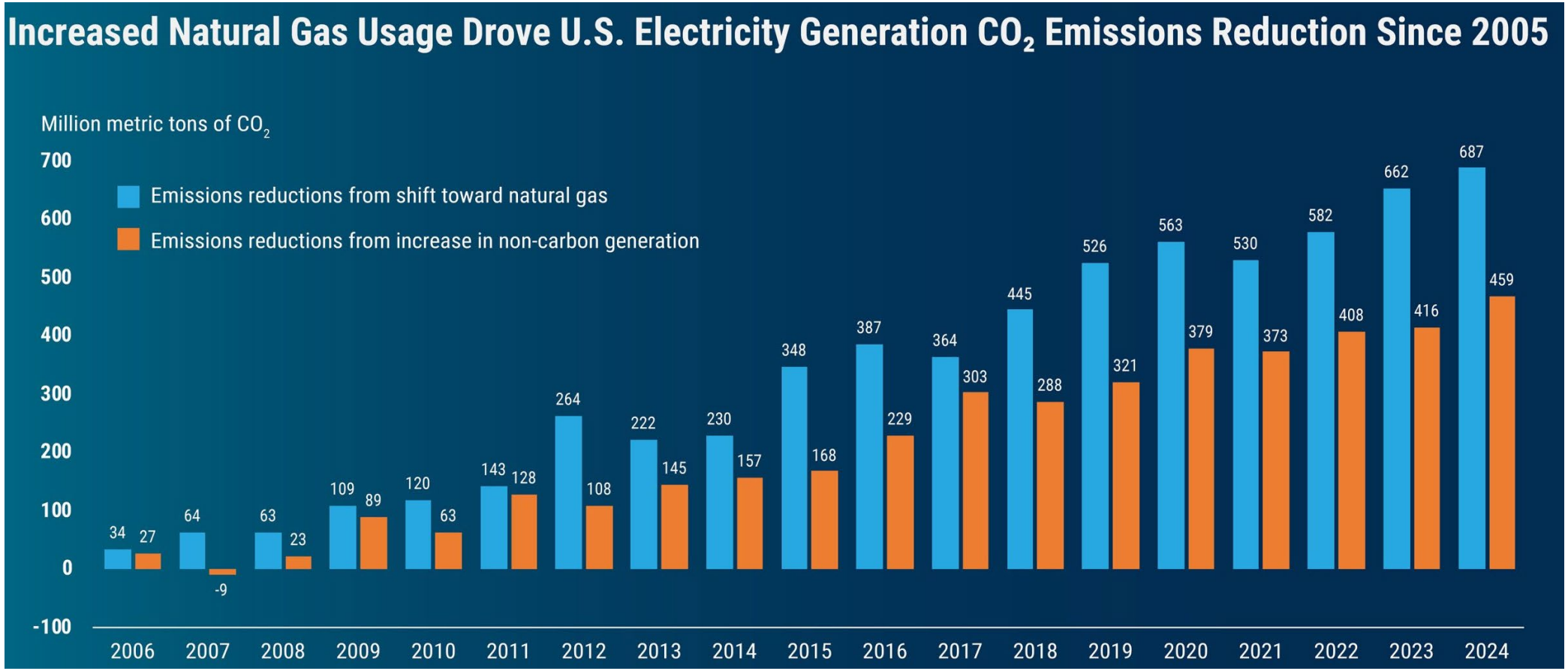


Source: Gas plants build data from S&P as of April 2025

U.S. GHG Emissions Allocated to Economic Sectors

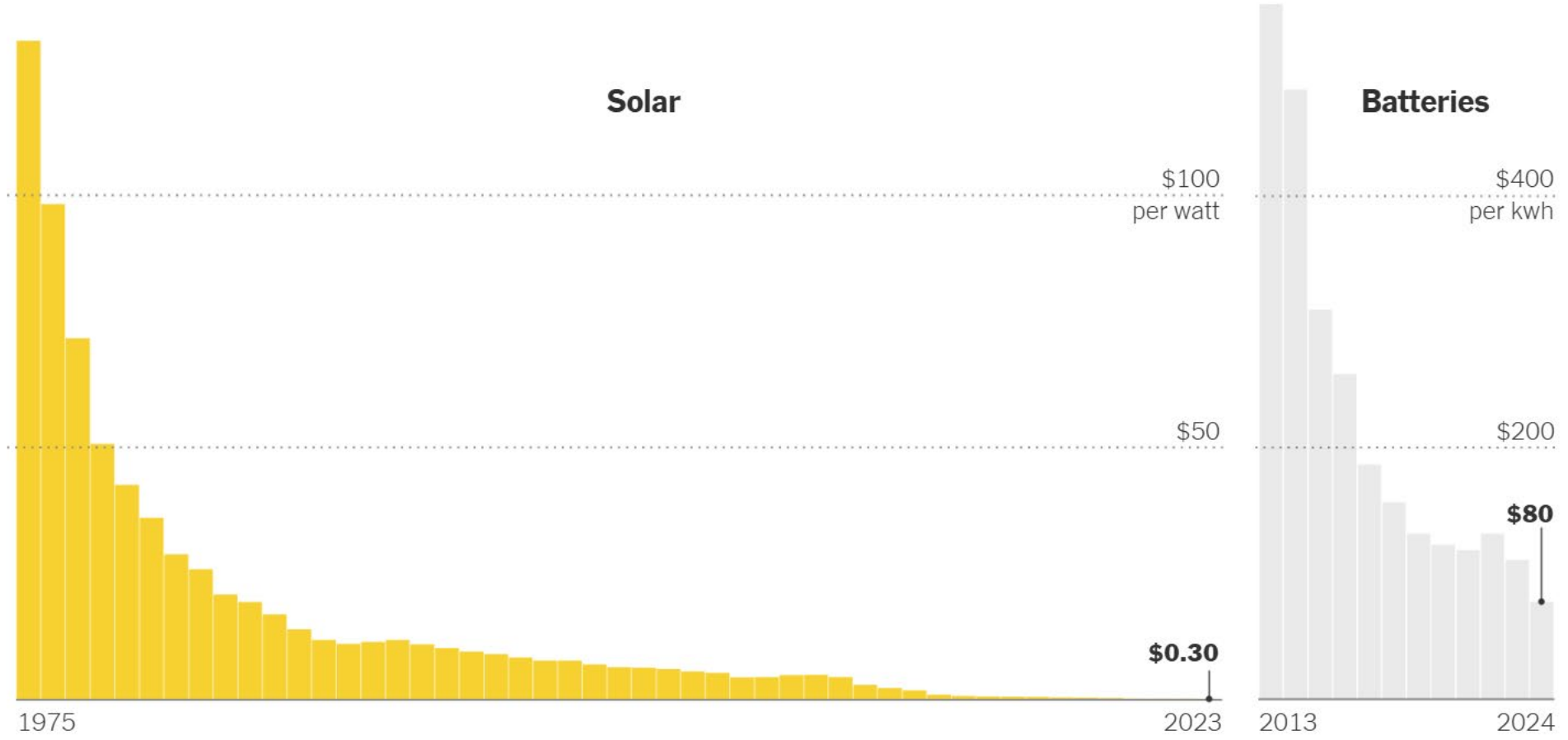


Impact of Natural Gas on Emission Reductions



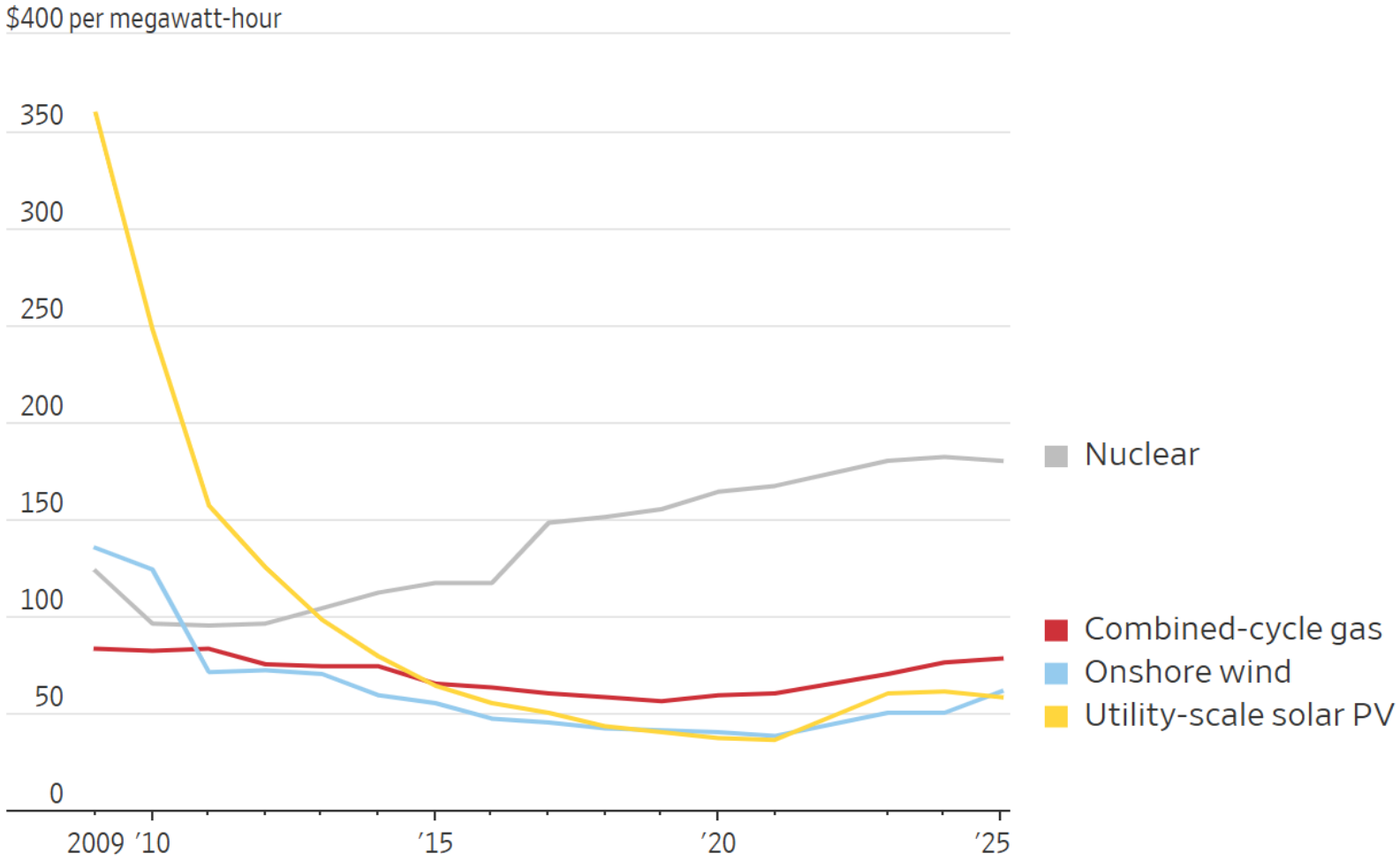
Source: Energy in Depth - New EIA Report Highlights Natural Gas as Key Driver of Power Sector Emissions Reductions

Plunging Solar and Battery Prices



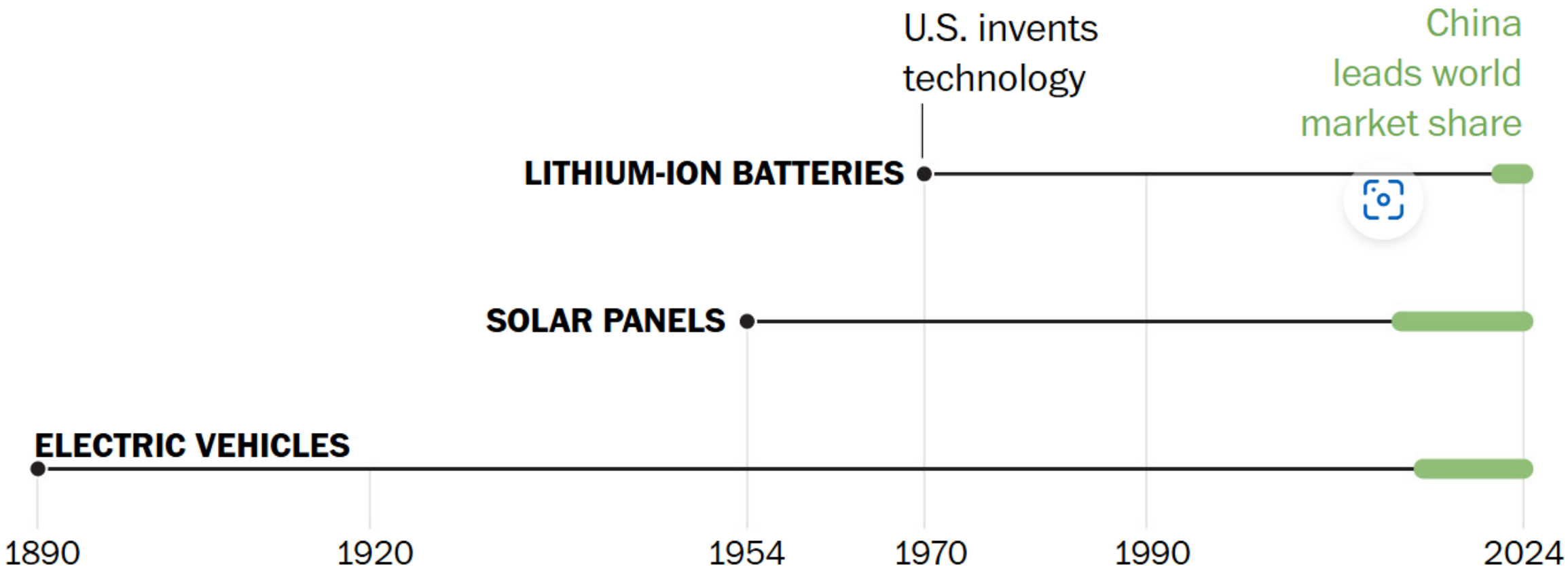
Sources: IRENA (2024), Nemet (2009), Farmer and Lafond (2016) via Our World in Data; BloombergNEF.
Note: Prices are inflation-adjusted.

Unsubsidized Cost of Energy

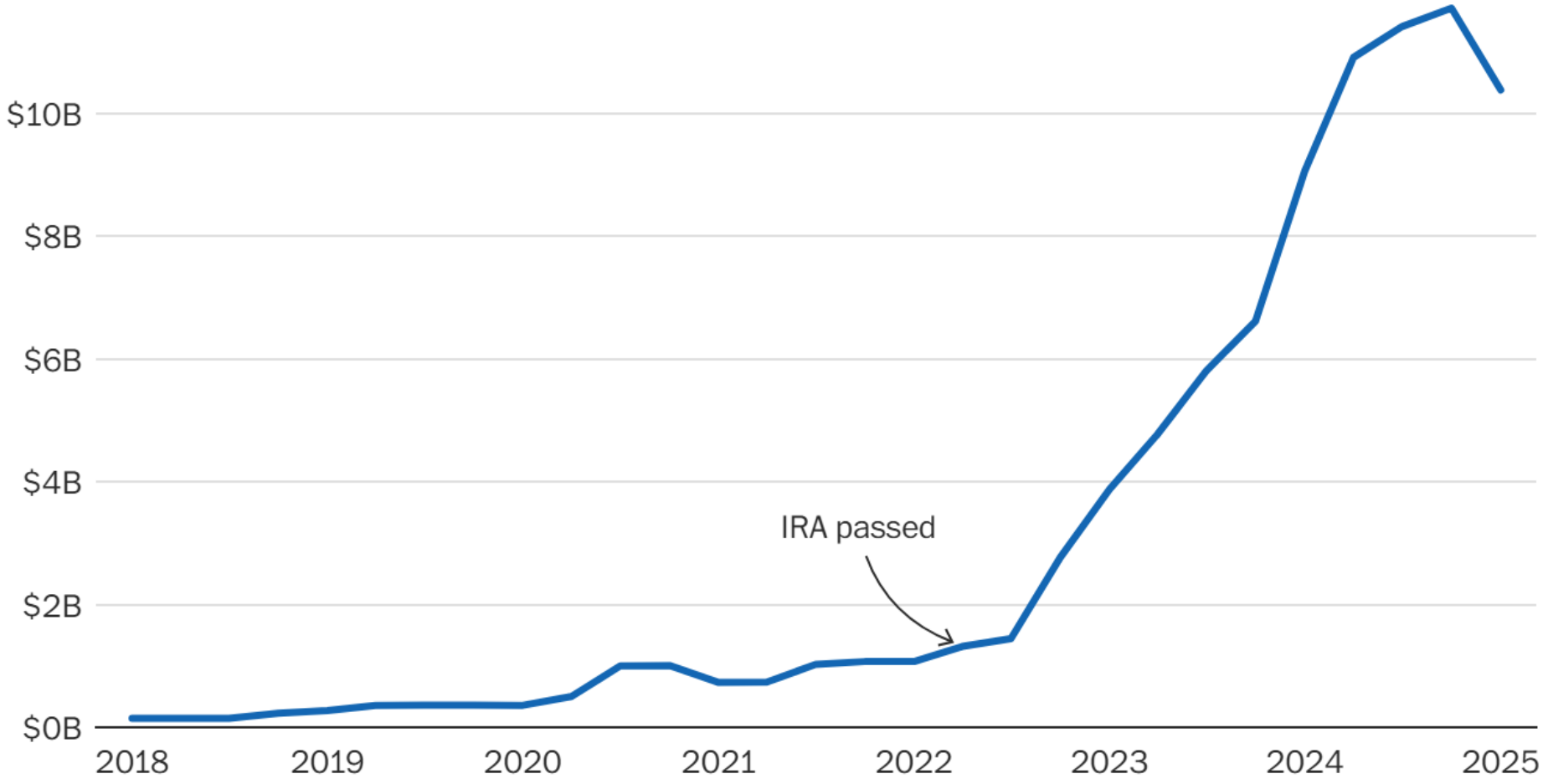


Note: Average unsubsidized cost of generation over a facility's lifetime
Source: Lazard

U.S. Takes the Lead – and Then Loses It

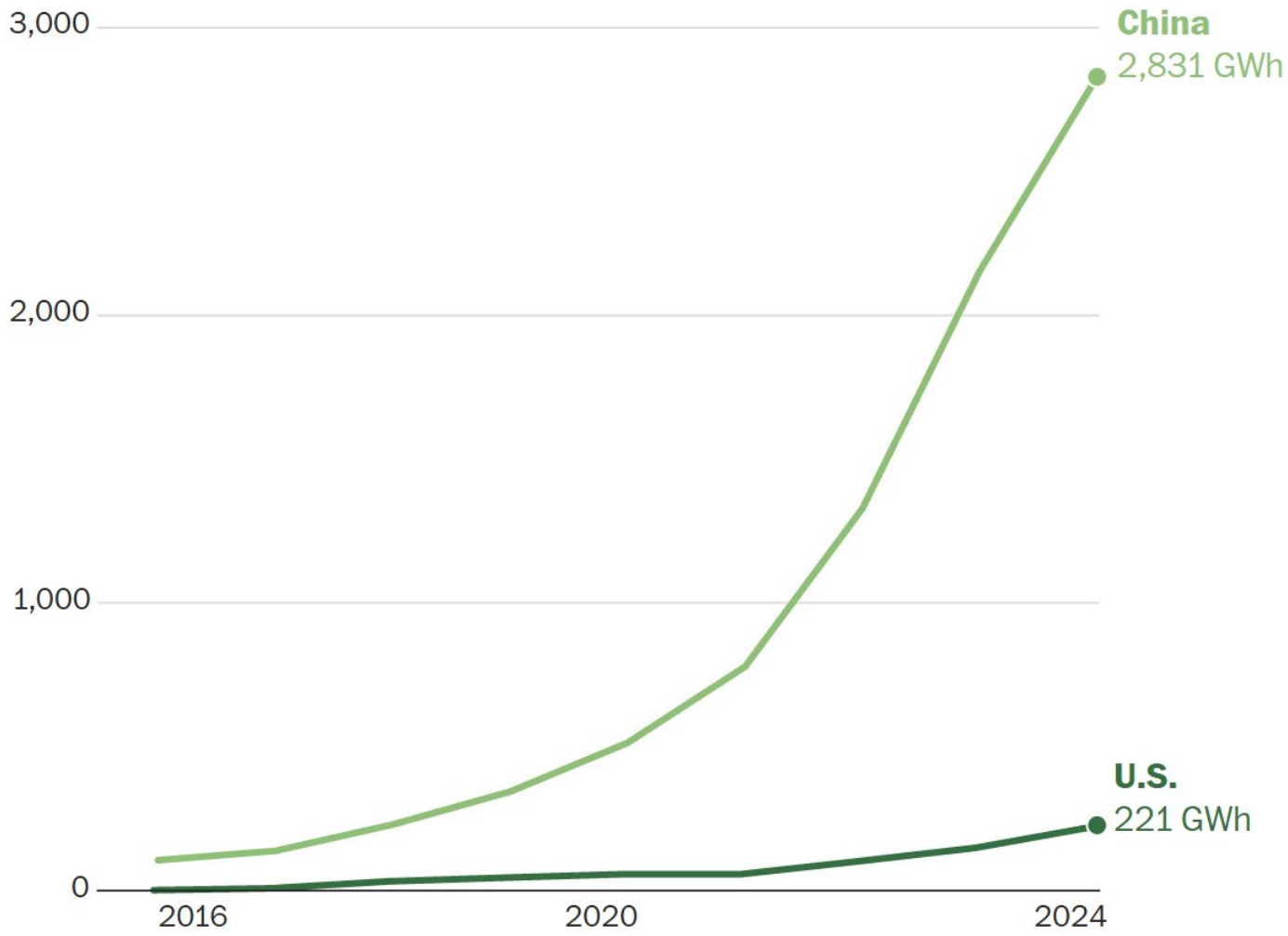


U.S. Battery Investments



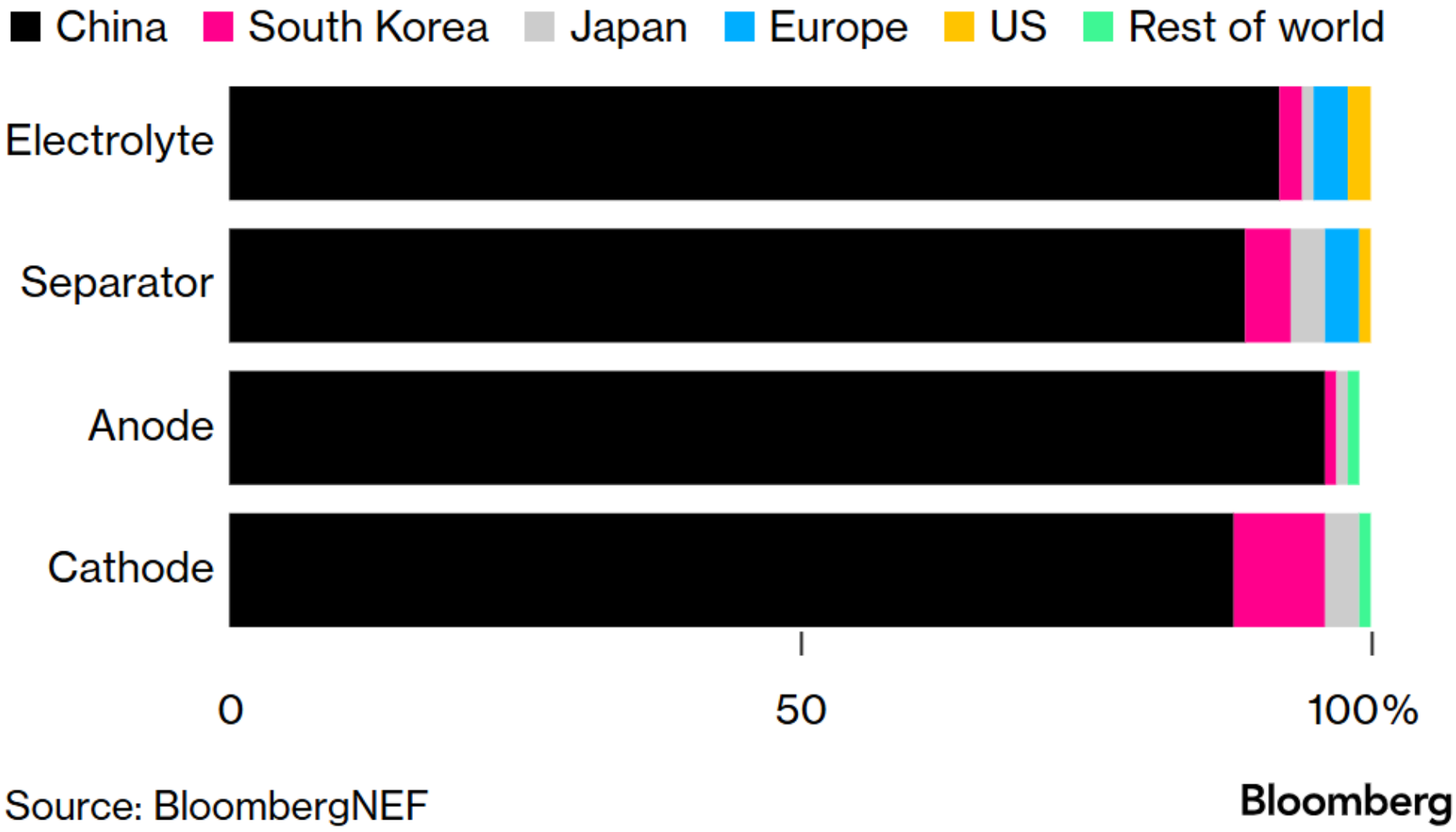
Source: Rhodium Group

Battery Manufacturing Capacity (GW hours)

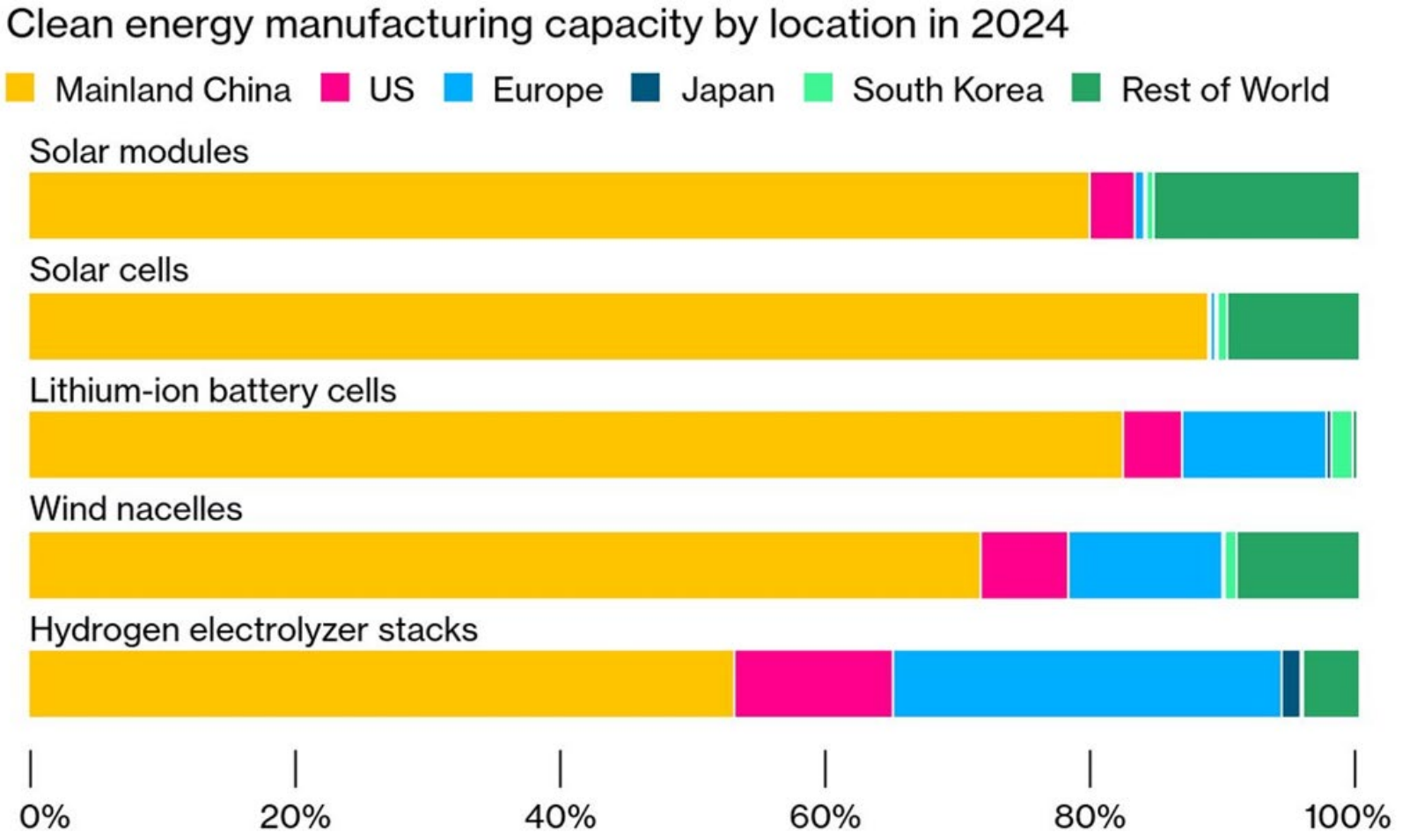


Source: Benchmark Mineral Intelligence

Share of Battery Production Capacity 2024



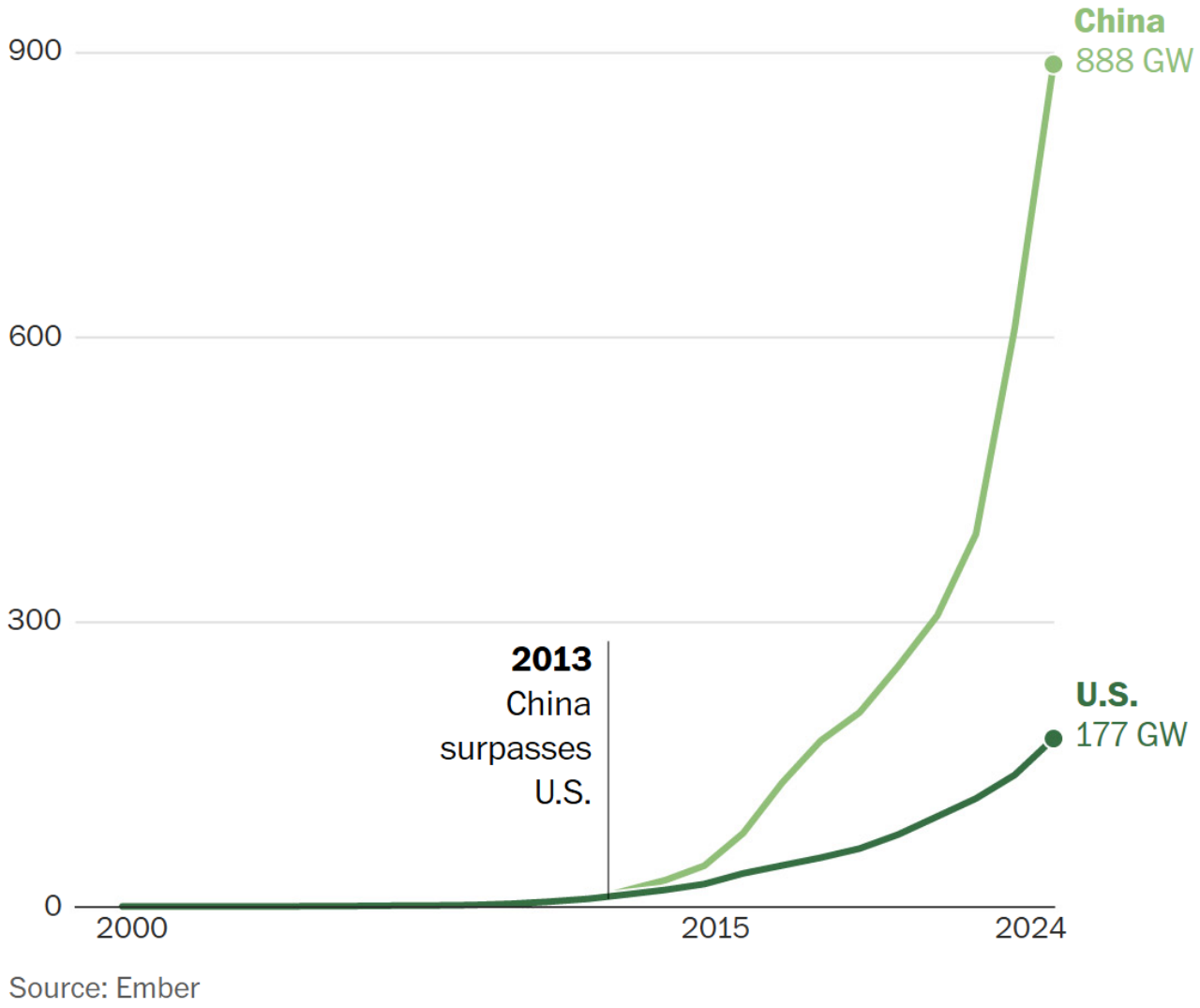
China Dominates Clean Energy Manufacturing



Source: BloombergNEF
Note: Bars show average shares across selected value chain segments

Bloomberg

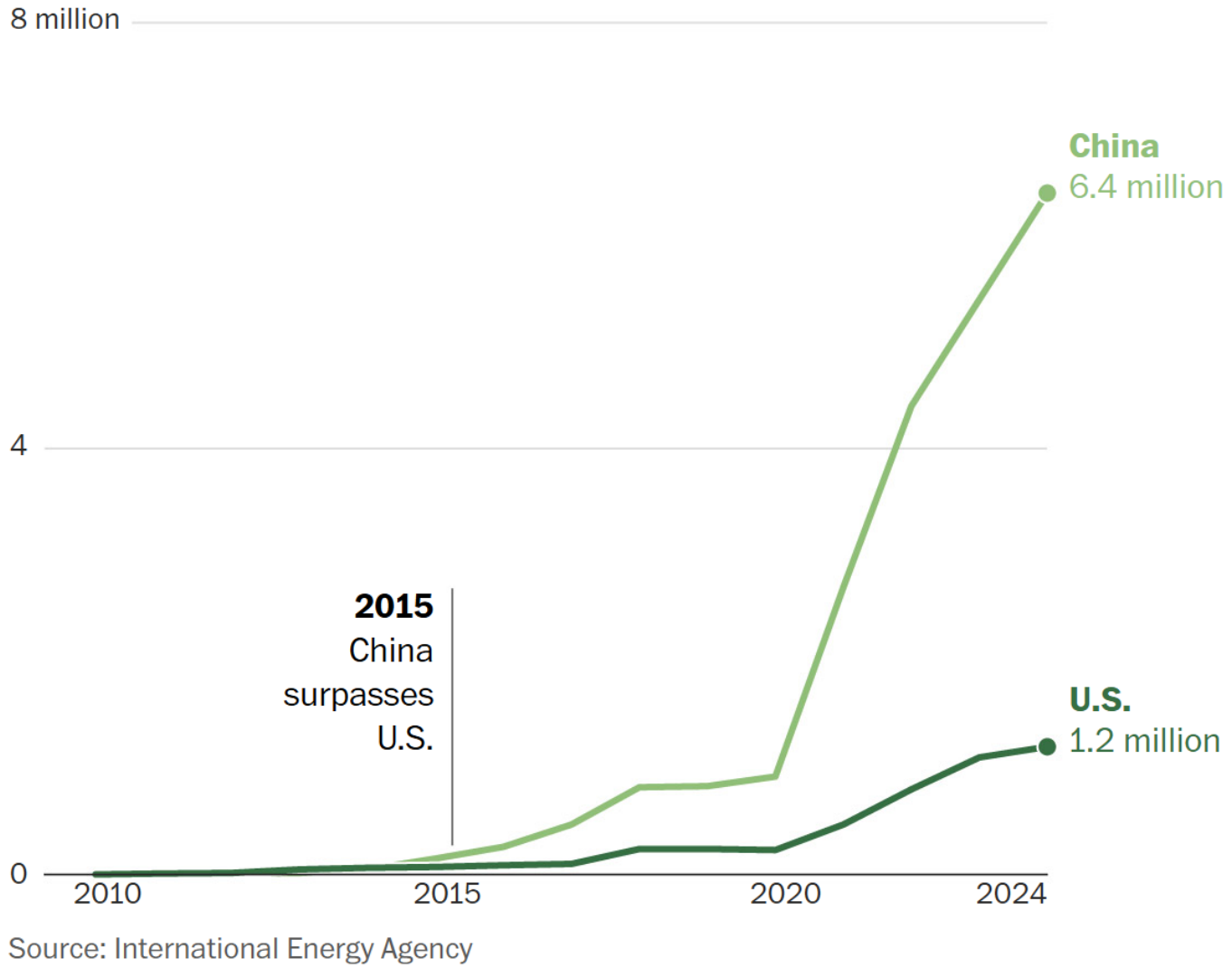
Solar Panel Capacity (in GW)



Source: Ember

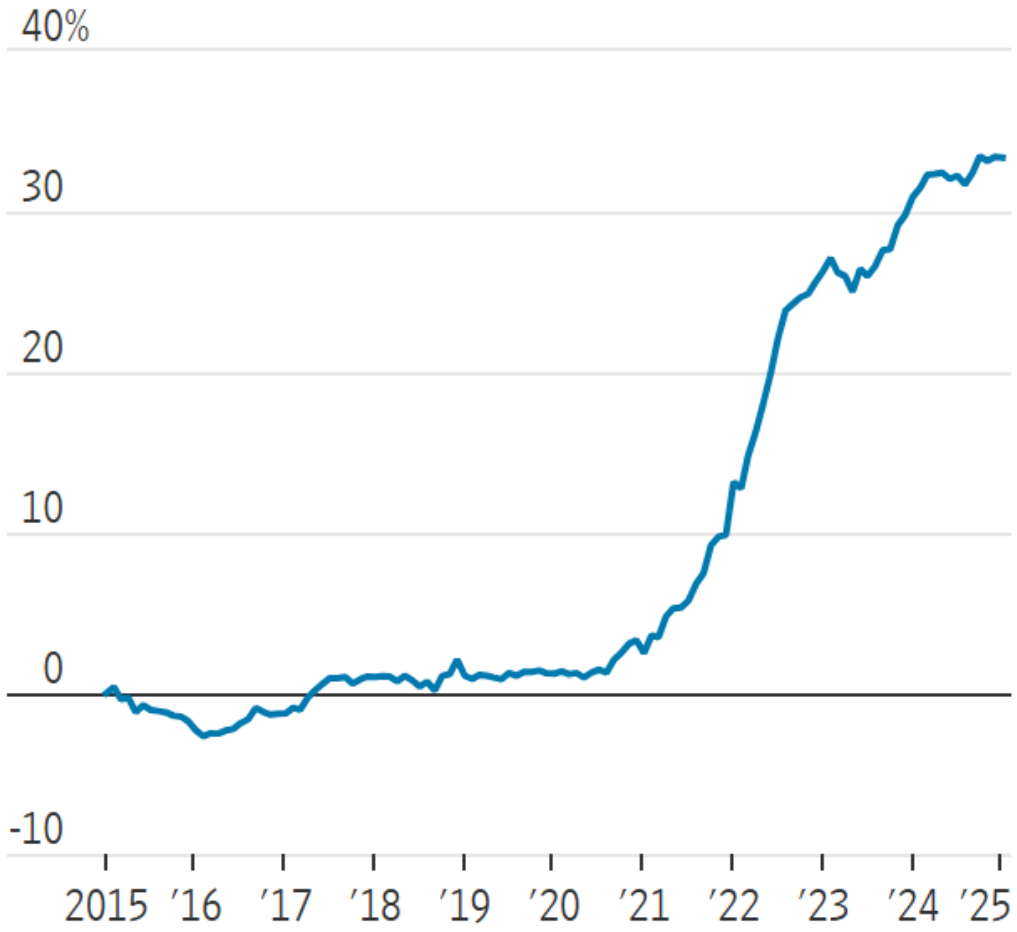
Tibetan Sheep Graze at a Solar Farm in China's Qinghai Province

Electric Vehicle Sales: U.S. vs. China



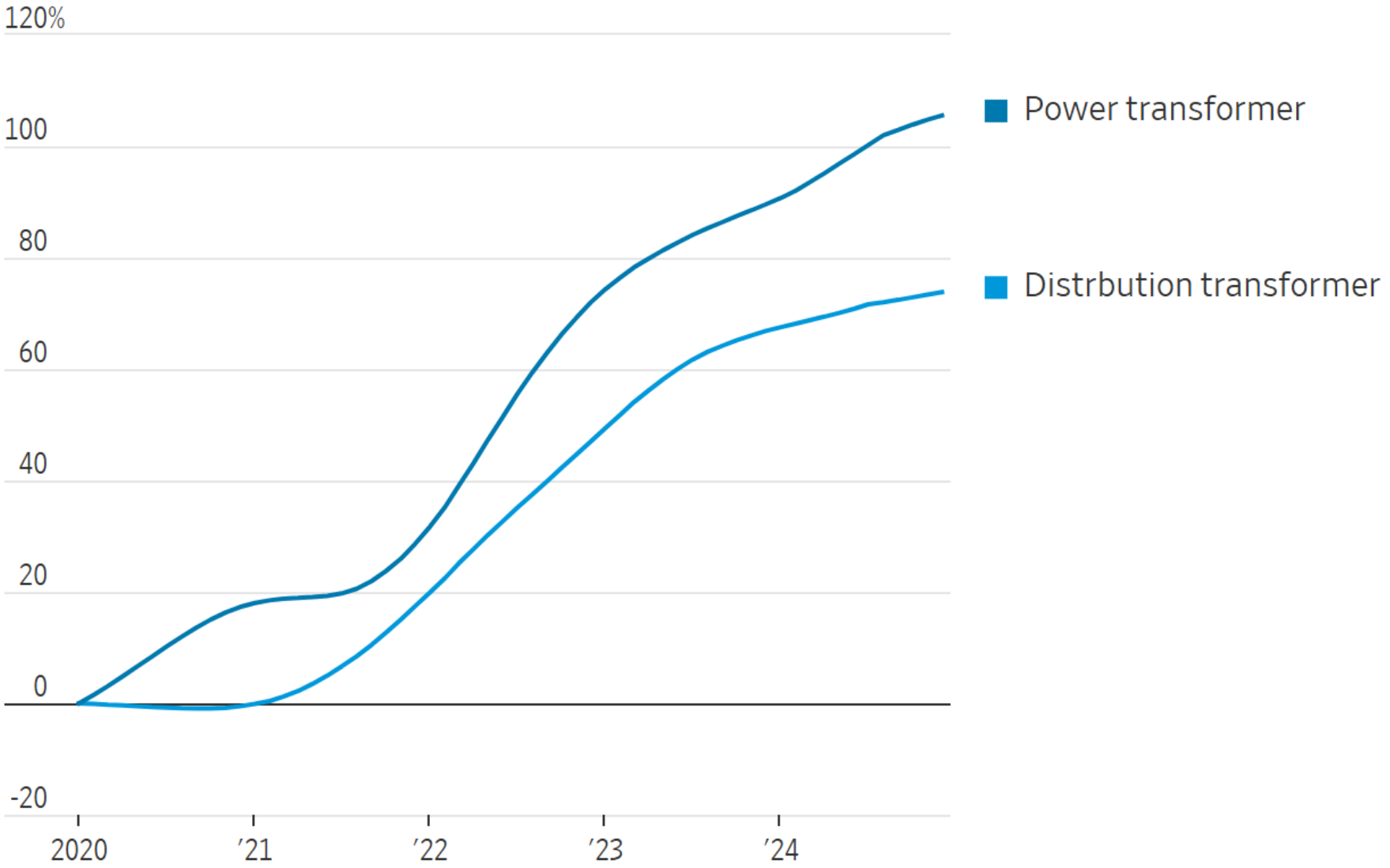
Source: International Energy Agency

Change in U.S. Electricity Prices Since 2015



Source: U.S. Bureau of Labor Statistics, via St. Louis Fed

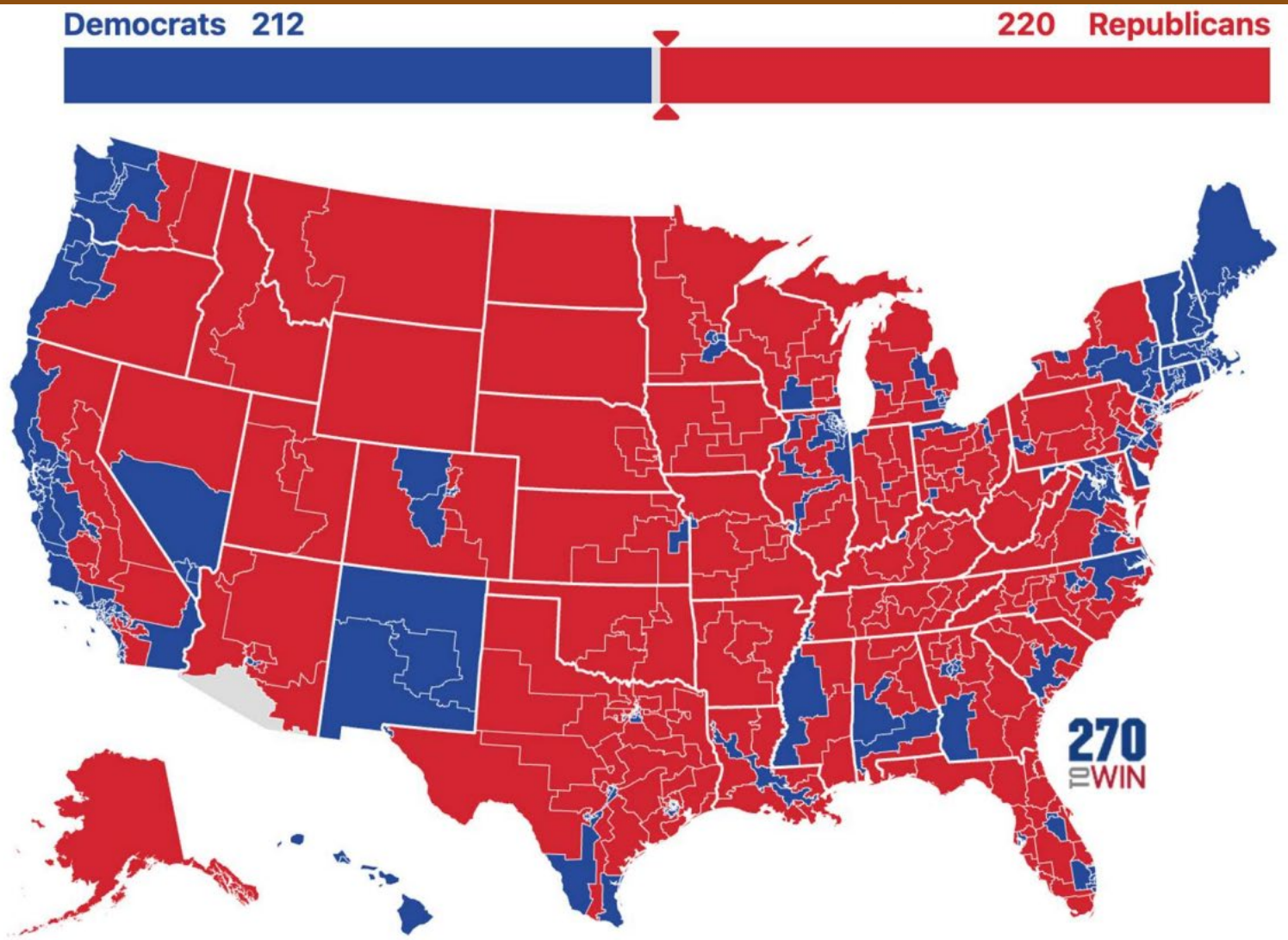
Change in Transformer Prices Since 2020



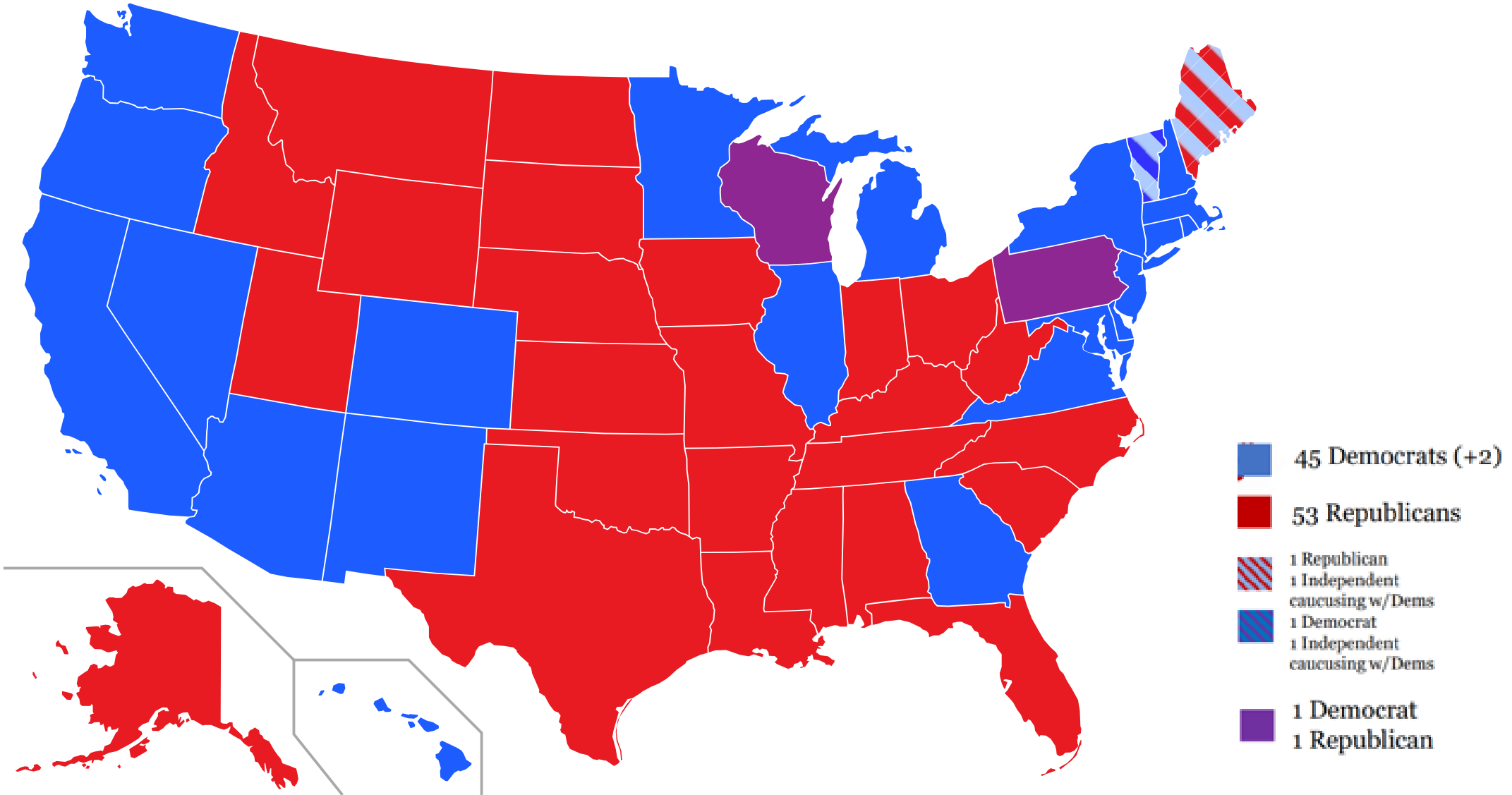
Politics 2025-2028

Kern River
GAS TRANSMISSION COMPANY

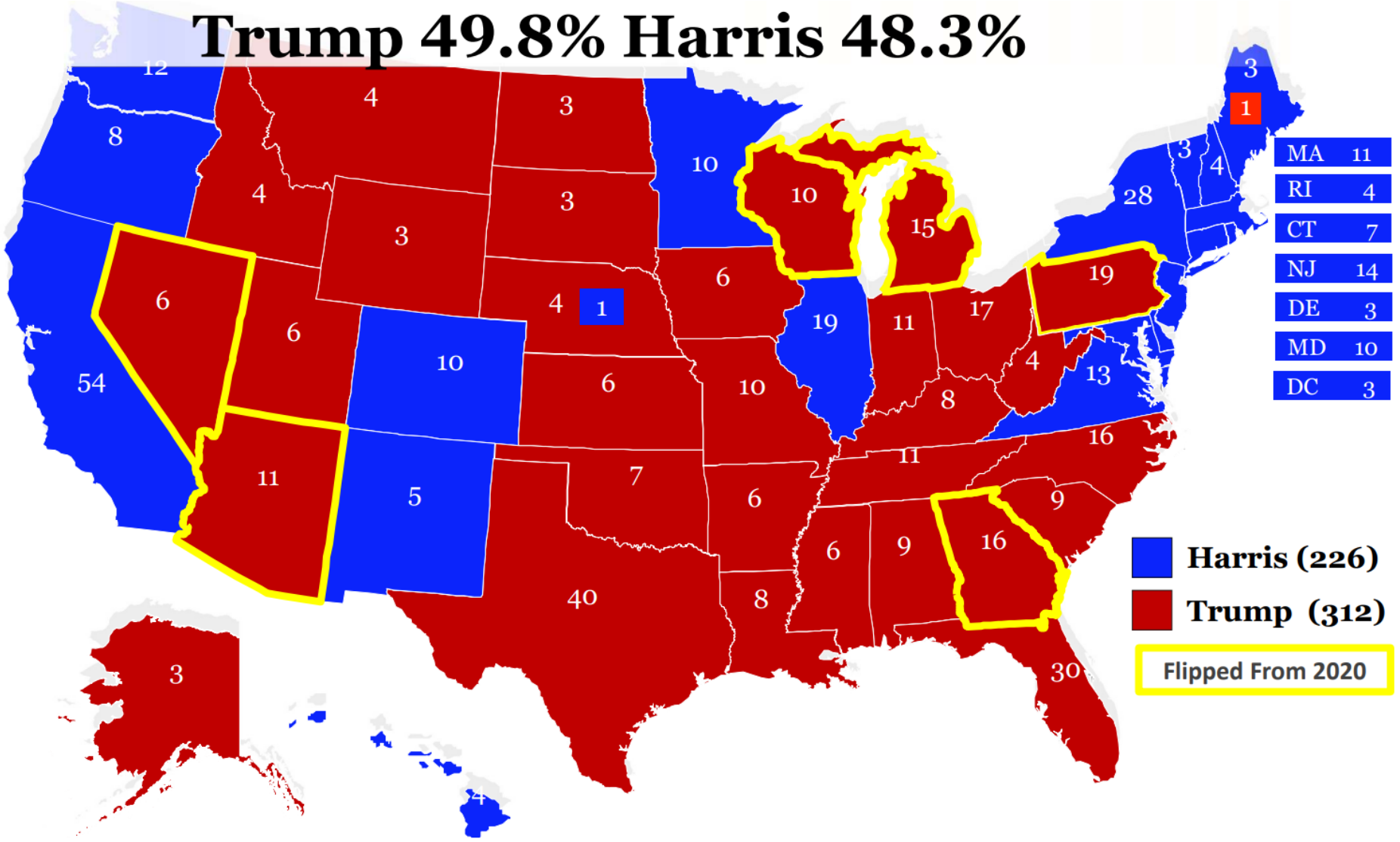
119th Congress: House of Representatives



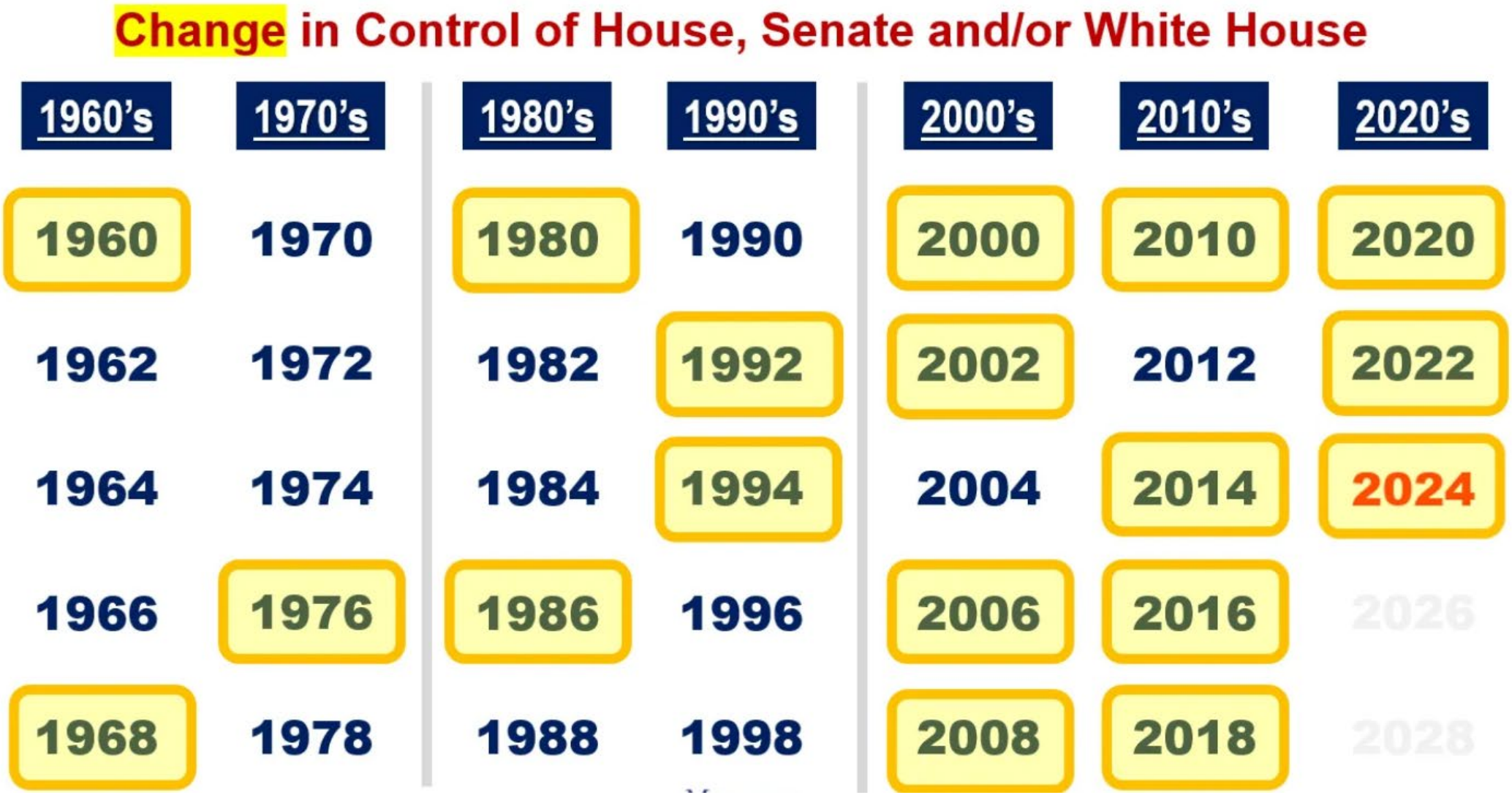
119th Congress: Senate



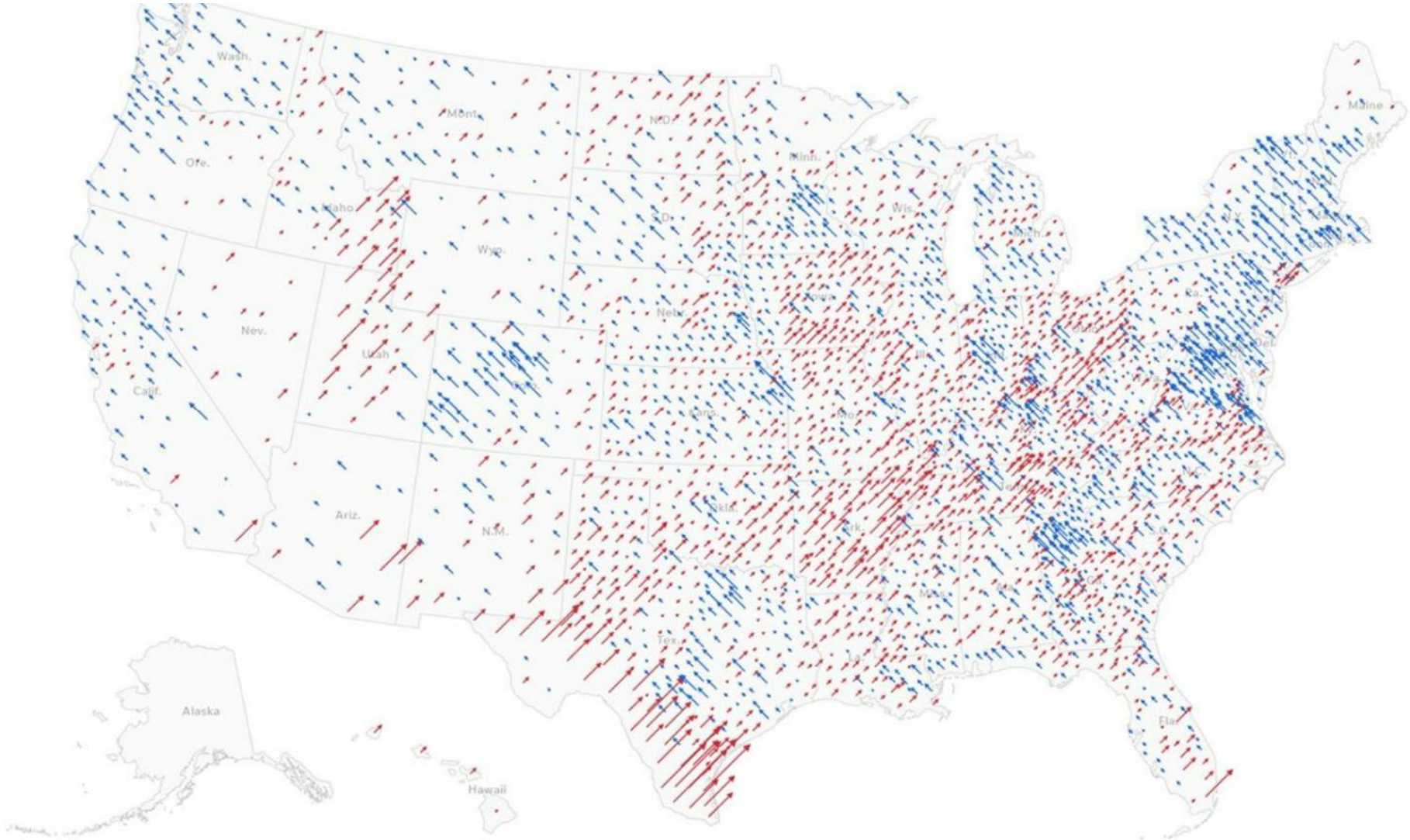
2024 Presidential Results



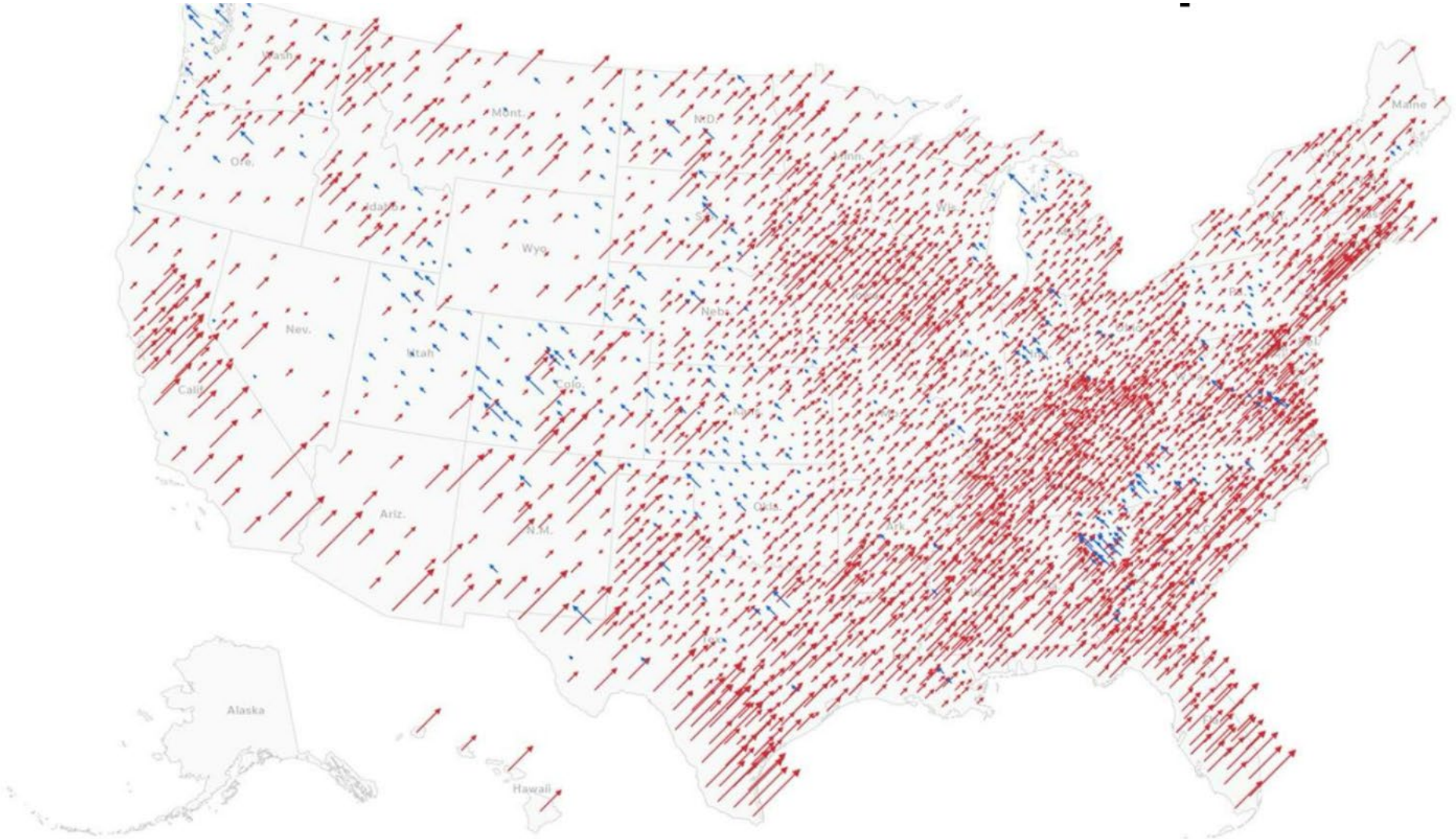
Voters Want Change



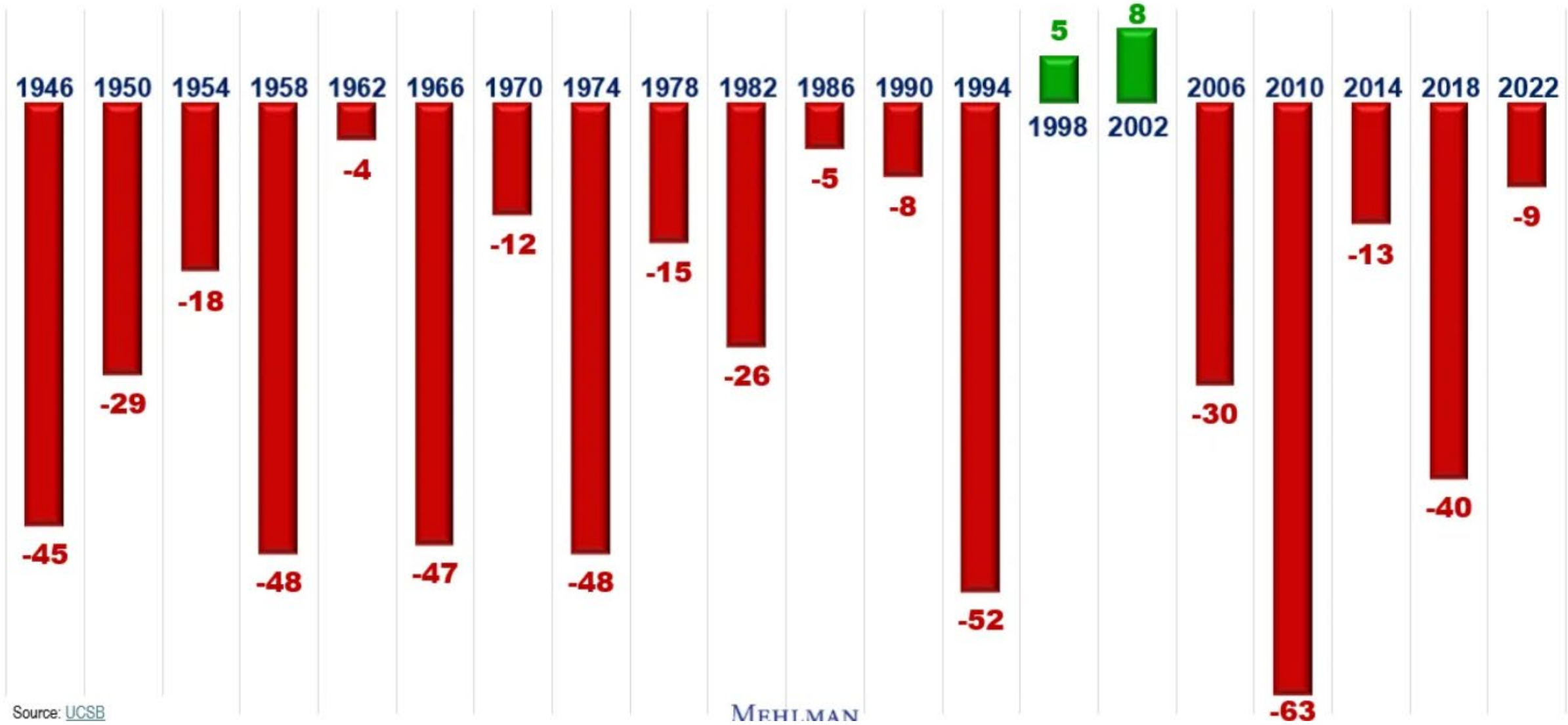
Voter Shift From 2016 → 2020



Voter Shift From 2020 → 2024



House Seats Won/Lost by President's Party in Midterms



2026 Elections

- House
  - Historically viewed as referendum on sitting president
  - History favors a flip to Democrats
  - 13 Republican members in districts carried by Harris
  - Only 3 Democrats in seats won by Trump
  - 419 of 435 House members are from the same party as the presidential candidate who won their district. Result: Many fewer competitive races
- Senate:
  - GOP holds a three-seat majority; should retain control
  - Ds defending 13 incumbents and GOP defending 20
  - Ds need to hold all of their at-risk seats (hard) while also flipping 4 Republican-held seats (even harder)

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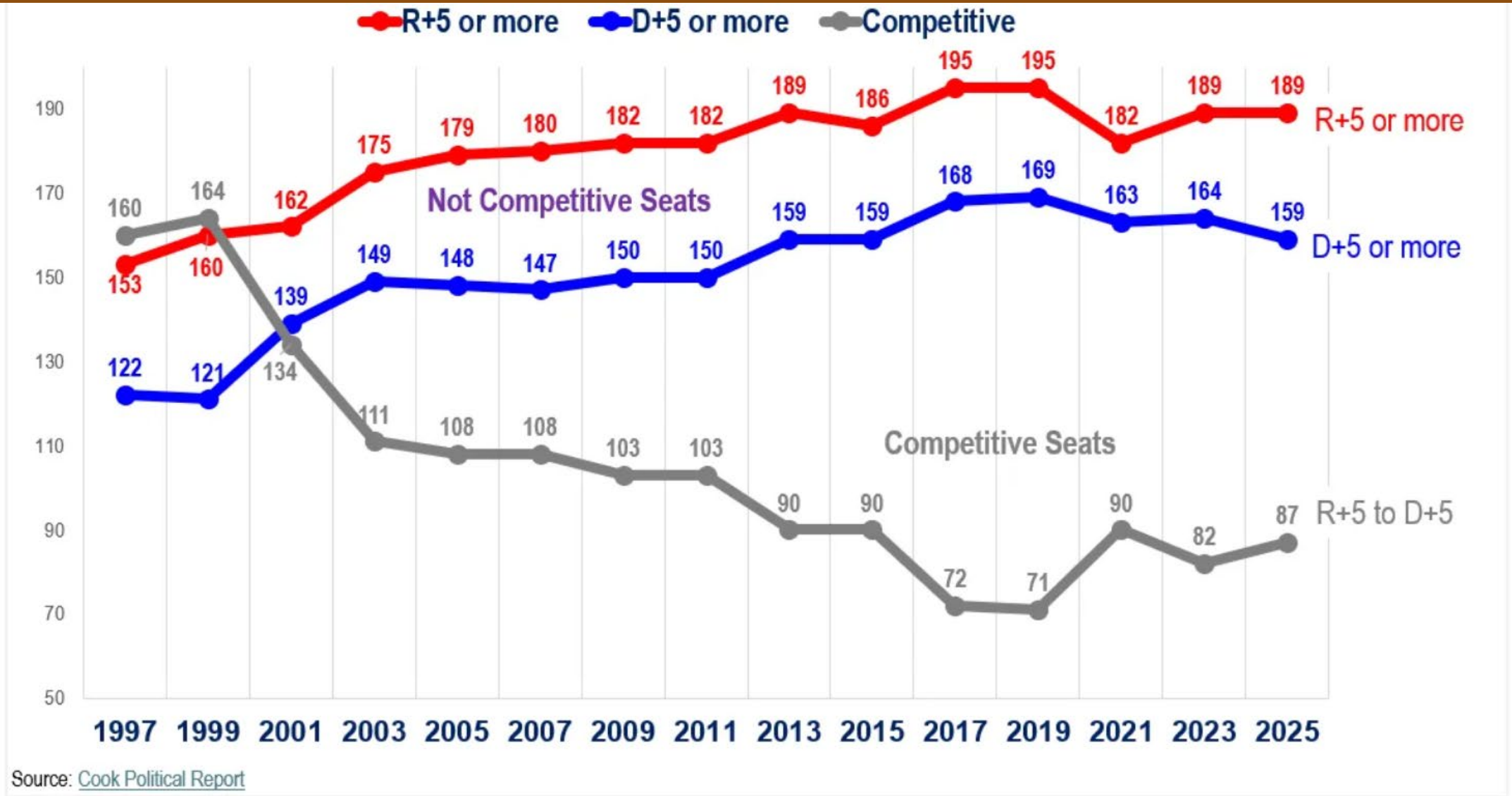
80% of House Seats Not Competitive



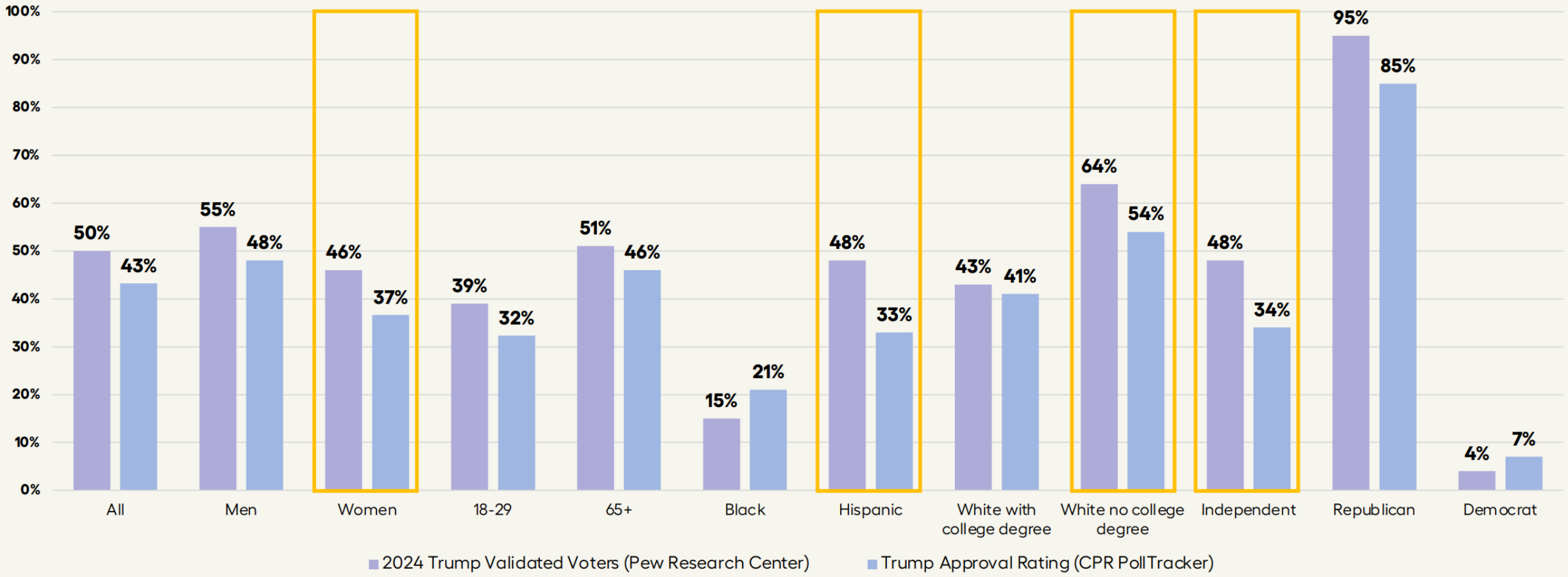
Source: Cook Political Report

Six Senate Races Considered Competitive in 2026

STATE / SENATOR	CPR RATING	2024 PRESIDENTIAL MARGIN	2020 PRESIDENTIAL MARGIN
GA – Ossoff	Toss-Up	Trump + 2.2%	Biden + .3%
ME – Collins	Lean Rep.	Harris + 6.9%	Biden + 9.1%
MI – Open	Toss-Up	Trump + 1.4%	Biden + 2.8%
NC – Open	Toss-Up	Trump + 3.2%	Trump + 1.3%
NH – Open	Lean Dem.	Harris + 2.8	Biden + 7.4%
OH – Husted	Lean Rep.	Trump + 11.2%	Trump + 8.0%

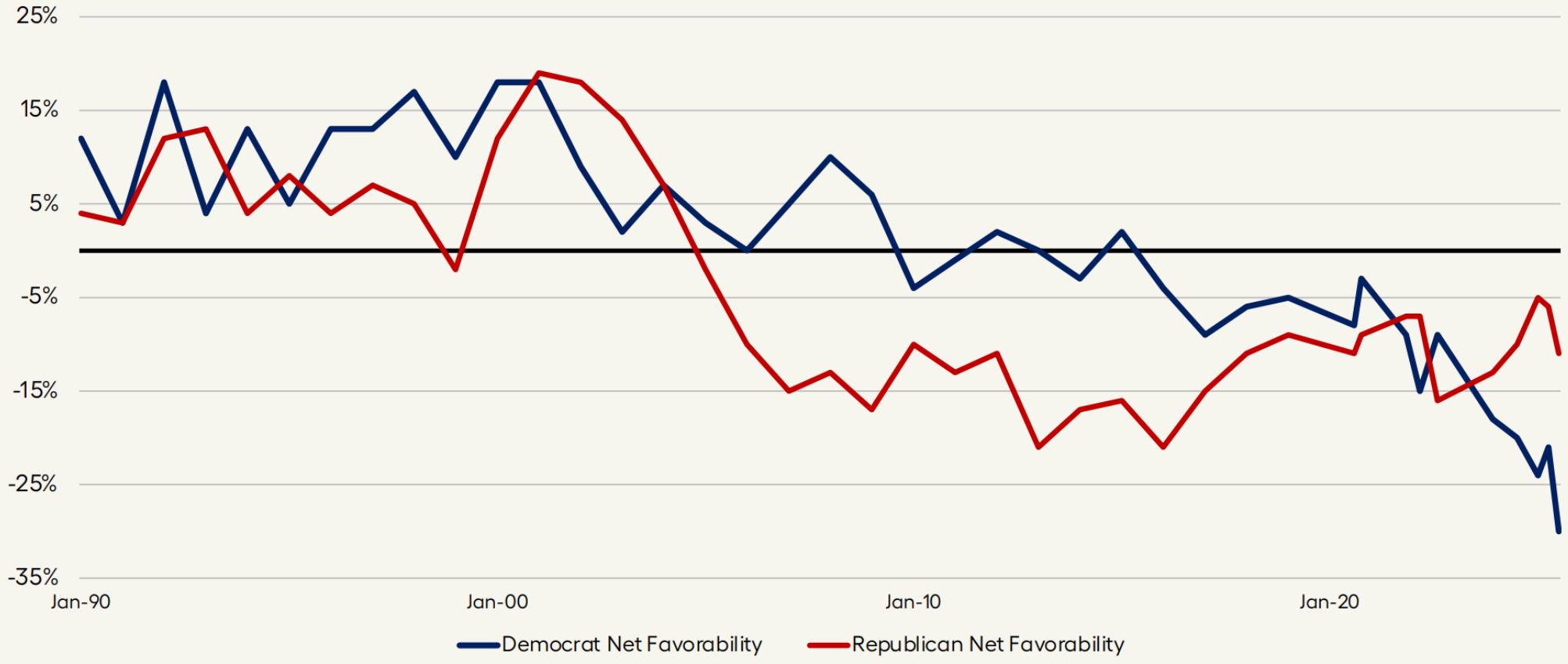
Source: Cook Political Report, Aug. 18, 2025

Post-Election Erosion of Support for Trump



Source: Cook Political Report, Aug. 25, 2025

Democrat Party Favorability: Lowest Level in 30 years; Republican Favorability Also Low

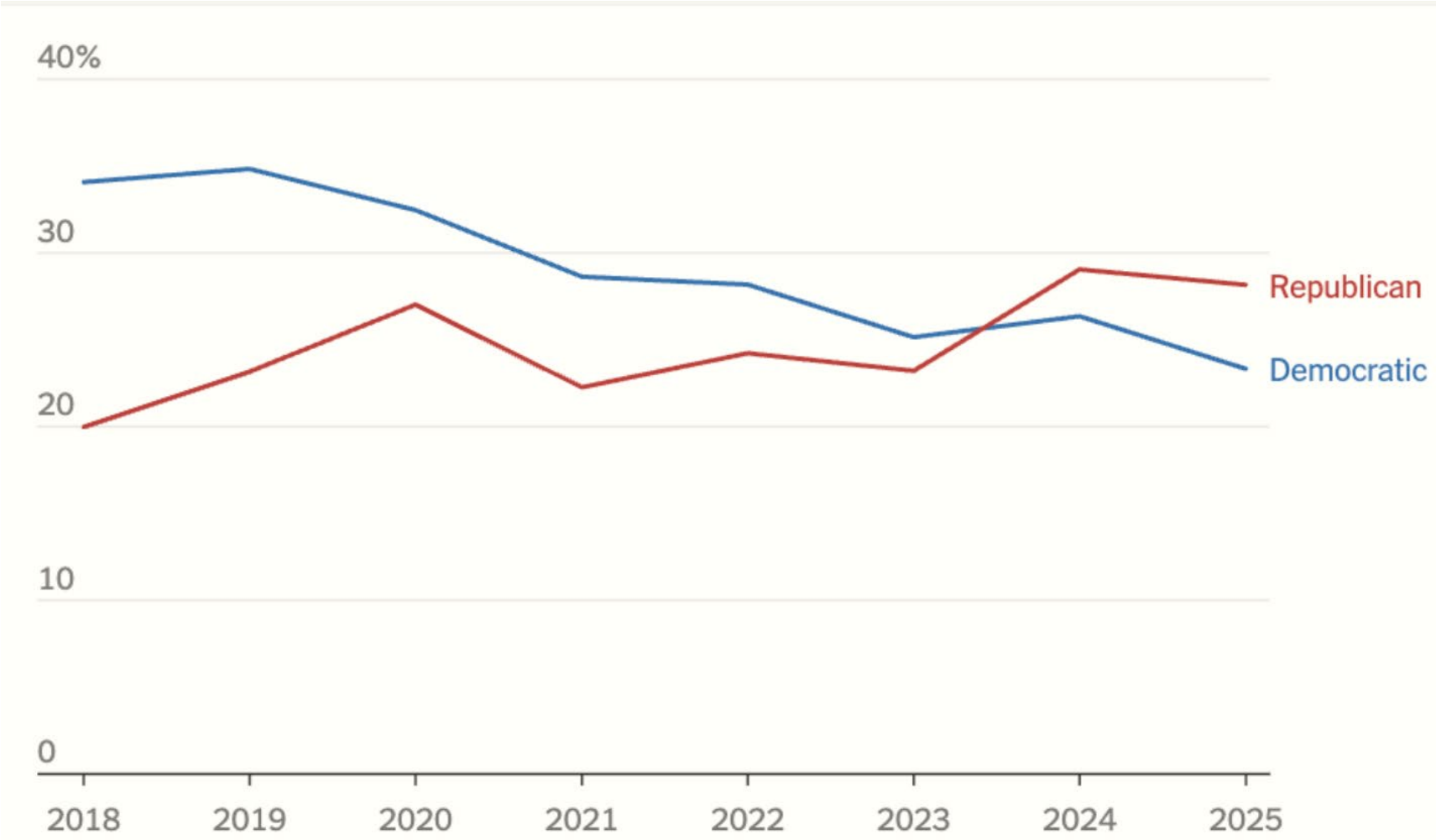


-11%
Republican Net Favorability

-30%
Democrat Net Favorability

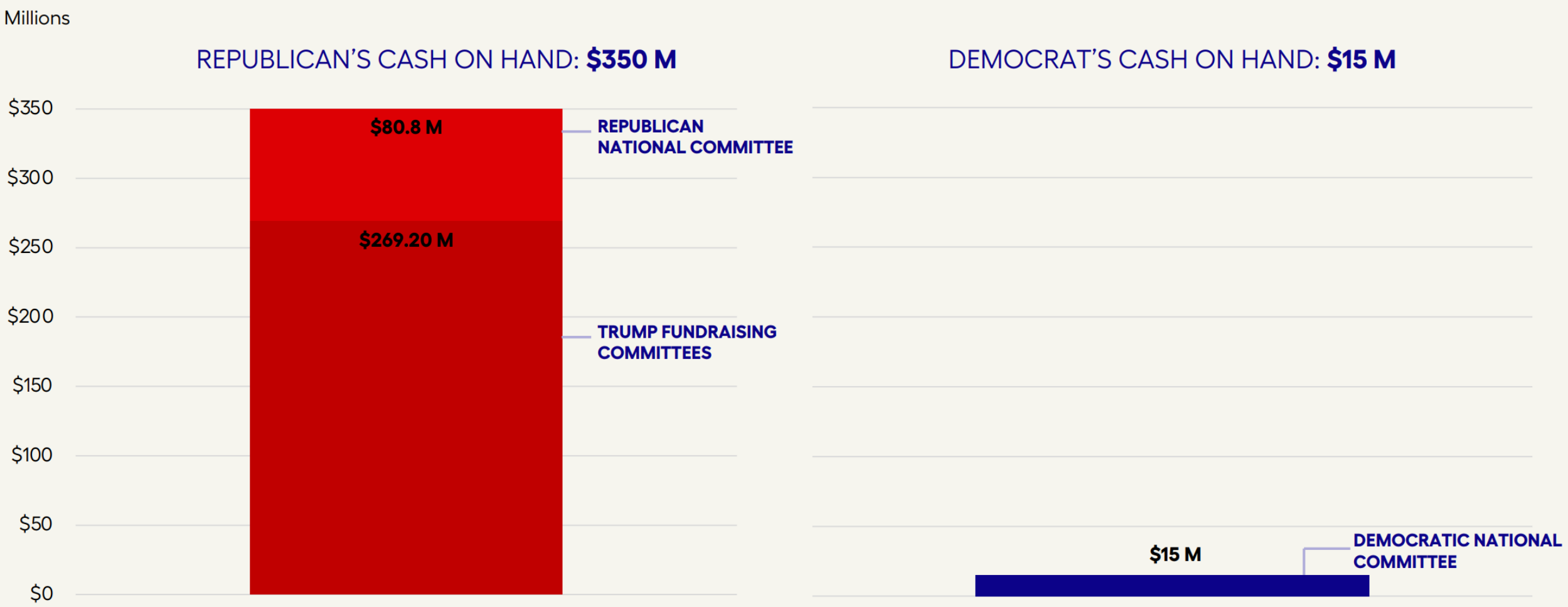
Source: Wall Street Journal, Jul. 20, 2025

Share of Newly Registered Voters



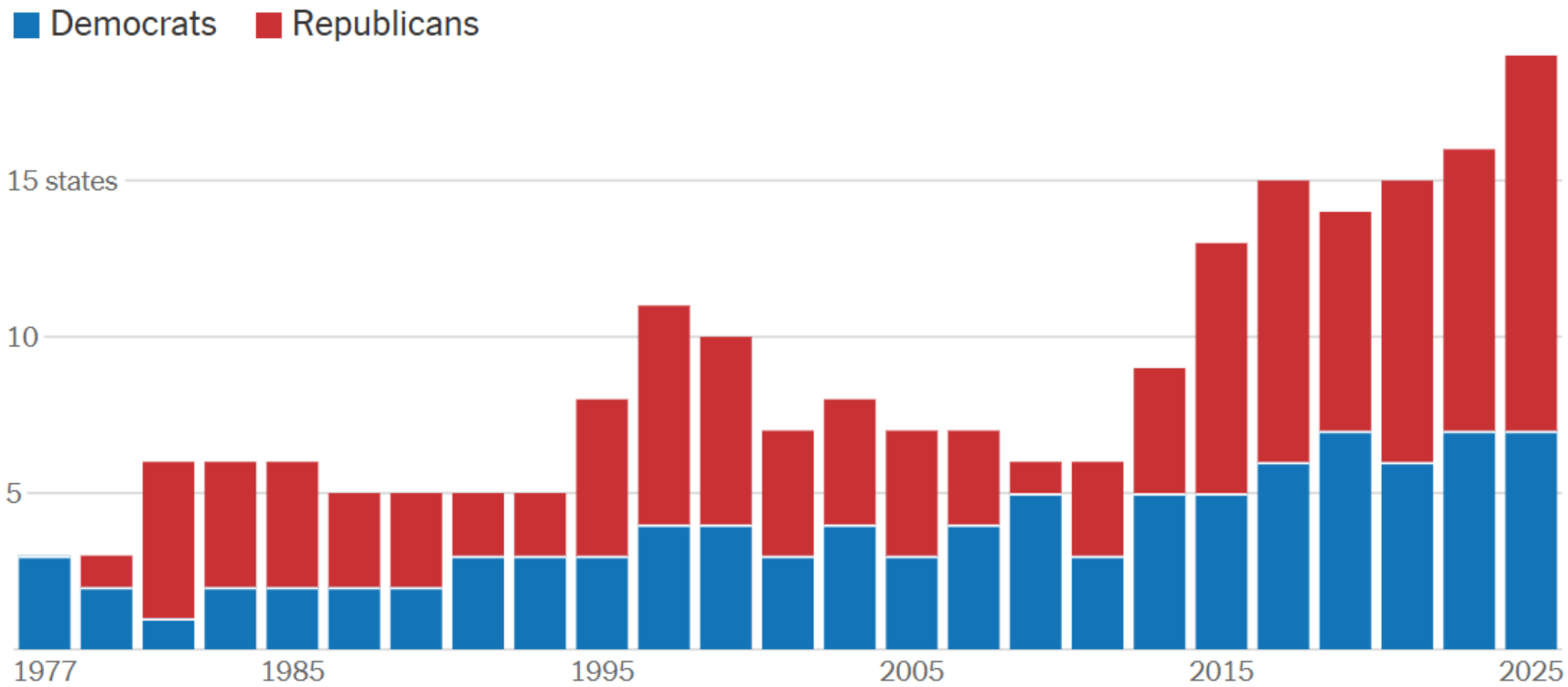
Source: The New York Times, Aug. 20, 2025

Financial Advantage – Republicans

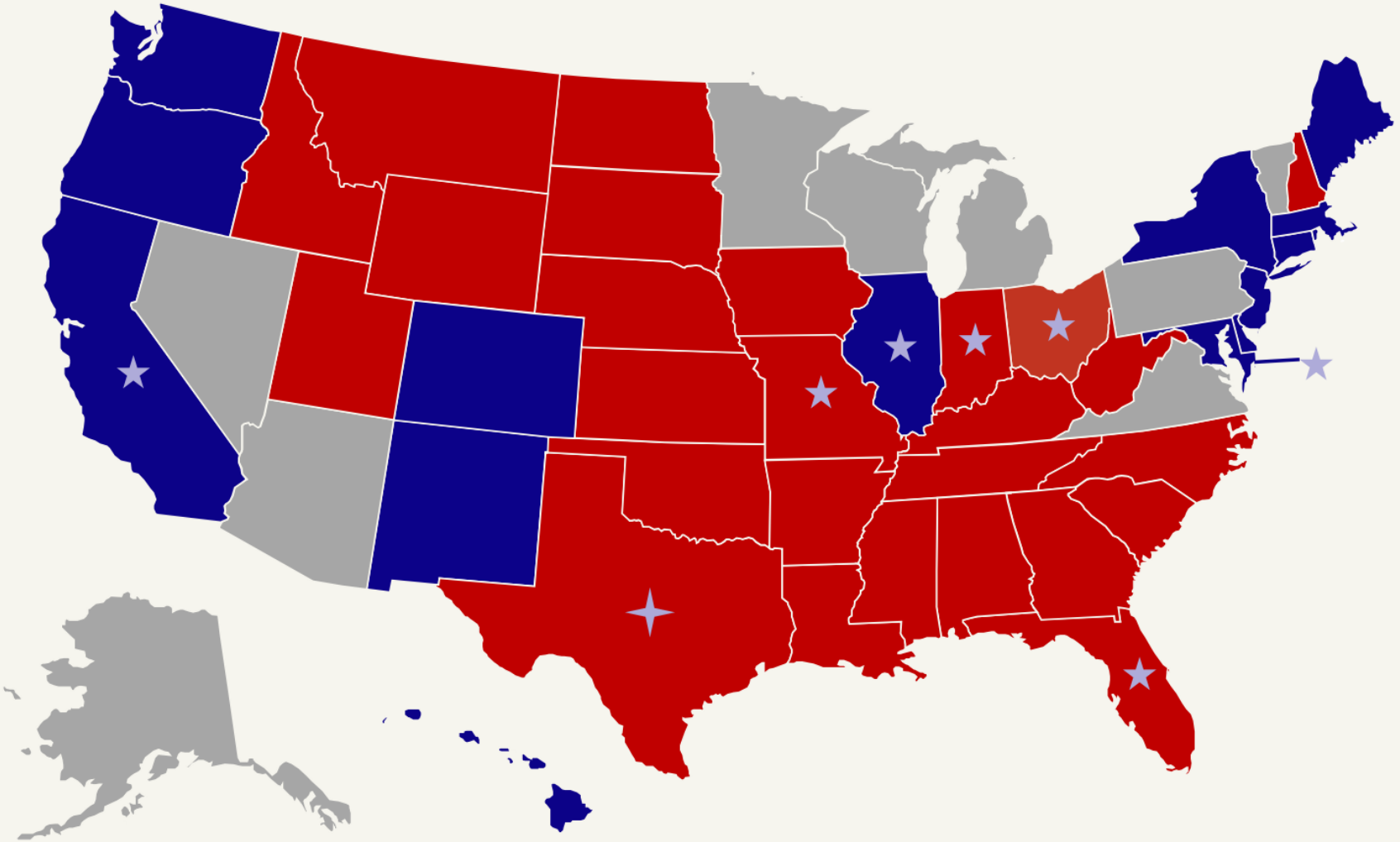


Source: Federal Elections Commission, Jun. 30, 2025

One-Party Control of States' House and Senate Delegations



Redistricting: Advantage Republicans



KEY

15 states with Democratic control

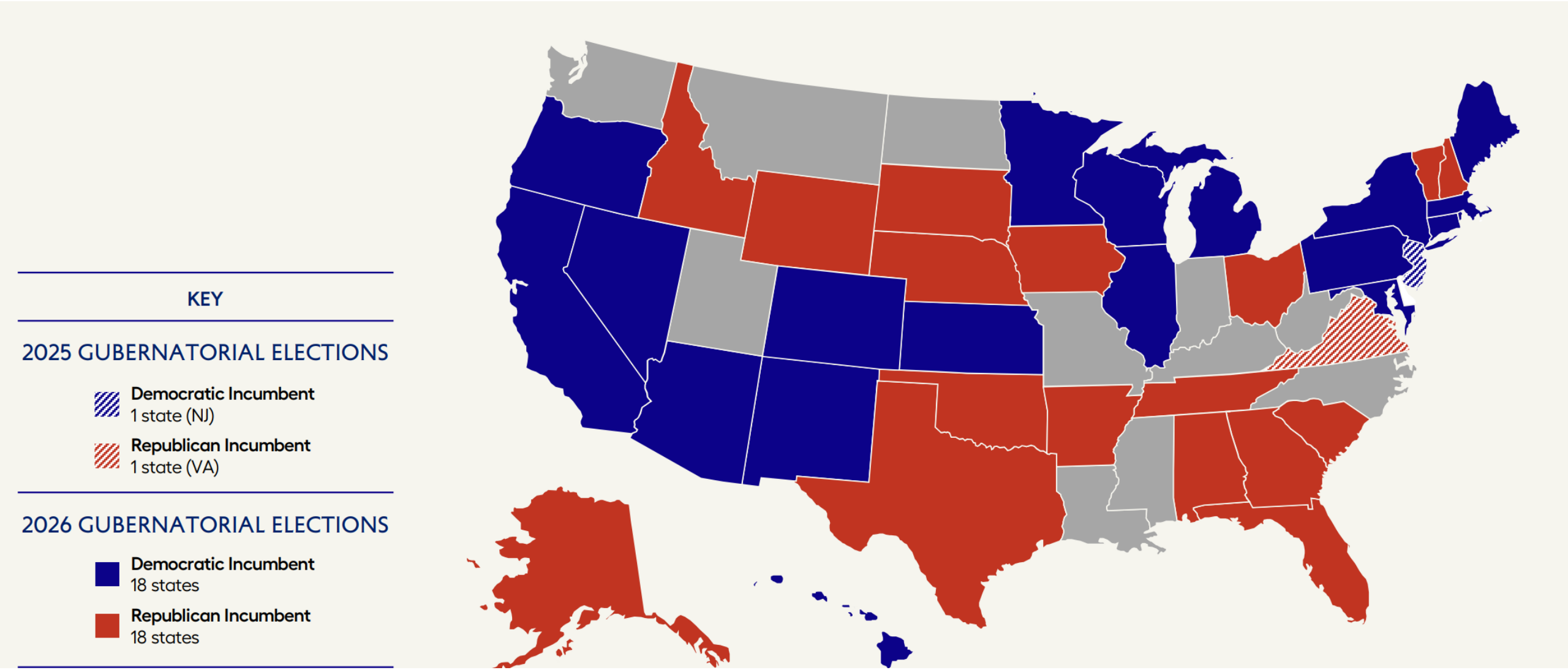
26 states with Republican control

★ States considering mid-decade reapportionment

✦ States that have completed mid-decade reapportionment

Source: The New York Times, Aug. 15, 2025

Gubernatorial Elections 2025-26 in 11 of the 12 Largest States (38 Races)



We Don’t See Them Coming This Far Out

Polling Leader ~3 Years Out ≠ Nominee

1992 Dems (in 1989)	
Cuomo	23%
Jackson	23%
Bentsen	18%
Bradley	9%
Gore	8%
NA/ Not Sure/ Someone else	19%
NBC News/WSJ poll (Nov. 4-7,1989)	

Not considered:

2008 Dems (in 2005)	
H. Clinton	41%
Edwards	14%
Gore	12%
Kerry	10%
Biden	5%
Clark	4%
Richardson	3%
Other / None / Not sure	11%
NBC/WSJ poll (Nov. 4-7, 2005)	

Not considered:

2016 GOP (in 2013)	
Chris Christie	17%
Paul Ryan	16%
Rand Paul	13%
Jeb Bush	10%
Rubio	9%
Cruz	7%
Perry	6%
Santorum	5%
Someone else	6%
CNN/ORC poll (Sept. 6-8, 2013)	

Not considered:

Democrats' Choice: Rally the base or expand the base?

1972: Rally the Base

1992: Expand the Base

2028 Democratic Contenders

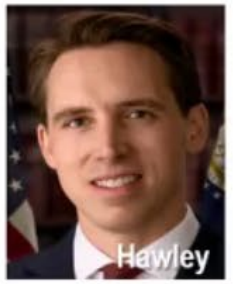
Running Left	Running the Option	Running Center
AOC	Newsom	Beshear
Warren	Buttigieg	Shapiro
Booker	Harris	Emanuel
Sanders	Moore	Whitmer
Pritzker	Khanna	Warnock
Walz		M. Cuban

Democrats Overwhelmingly Nominate Lawyers

Pres Nom	VP Nom	Election	Pres Nom	VP Nom
Mondale	Bentsen	1984	Reagan	GHW Bush
Dukakis	Ferraro	1988	GHW Bush	Quayle
B. Clinton	Gore*	1992	GHW Bush	Quayle
B. Clinton	Gore*	1996	Dole	Kemp
Gore*	Lieberman	2000	GW Bush	Cheney
Kerry	Edwards	2004	GW Bush	Cheney
Obama	Biden	2008	McCain	Palin
Obama	Biden	2012	Romney	Ryan
H. Clinton	Kaine	2016	Trump	Pence
Biden	Harris	2020	Trump	Pence
~~Biden/~~Harris	~~Harris/~~Walz	2024	Trump	Vance
Lawyer				

Republicans' Choice

"FOUR MORE YEARS"



TRUMP LITE

TURN THE PAGE

It’s usually “the economy, stupid”

Year	Most important problem(s)	Preferred Party	Winning Party
2024	Economy; Immigration	GOP +5	GOP
2020	COVID-19	DEM +8	DEM
2016	Economy	GOP+4	GOP
2012	Economy	DEM +10	DEM
2008	Economy	DEM +7	DEM
2004	Iraq War; Economy	GOP +3	GOP
2000	Education	Gallup did not ask the question in 2000	
1996	Crime	DEM +4	DEM
1992	Economy	DEM +6	DEM
1988	Economy; Deficit; Drugs	GOP +5	GOP
1984	Unemployment; Cold War	GOP +9	GOP
1980	Inflation	Parties tied on issue	
1976	Inflation	DEM +20	DEM

More Years in Washington Won 1920-1964

Candidates with More Years in Washington Won 11 of 12

MORE / TIE (YEARS)		FEWER (YEARS)
Harding (6)	1920	(4) Cox
Coolidge (3.5)	1924	(2.5) Davis
Hoover (7.5)	1928	(0) Smith
Hoover (11.5)	1932	(7.5) FDR
FDR (11.5)	1936	(0) Landon
FDR (15.5)	1940	(0) Willkie
FDR (19.5)	1944	(0) Dewey
Truman (14)	1948	(0) Dewey
Eisenhower (0)	1952	(0) Stevenson
Eisenhower (4)	1956	(0) Stevenson
Kennedy (14)	1960	(14) Nixon
LBJ (27.75)	1964	(12) Goldwater

Fewer Years in Washington Won 1968-2024

Candidate with More Years in Washington Lost 12 of last 15

MORE / TIE (YEARS)		FEWER (YEARS)
Humphrey (28)	1968	(14) Nixon
McGovern (22)	1972	(18) Nixon
Ford (27.25)	1976	(0) Carter
Carter (4)	1980	(0) Reagan
Mondale (16)	1984	(4) Reagan
Bush (14.75)	1988	(0) Dukakis
Bush (18.75)	1992	(0) Clinton
Dole (36)	1996	(4) Clinton
Gore (24)	2000	(0) GW Bush
Kerry (20)	2004	(4) GW Bush
McCain (26)	2008	(4) Obama
Obama (8)	2012	(0) Romney
Clinton (20)	2016	(0) Trump
Biden (42)	2020	(4) Trump
Harris (8)	2024	(4) Trump


Trivia Question
Kern River
GAS TRANSMISSION COMPANY

Quiz

- There are 193 U.N. members
- With how many U.N. members has England NOT fought a war:
  - 150?
  - 100?
  - 75?
  - 50?

Kern River GAS TRANSMISSION COMPANY

England has fought with 171 (88%) of U.N. members; has not fought with 22:

- Andorra
- Belarus
- Bolivia
- Burundi
- Central African Republic
- Chad
- Congo, Republic of
- Guatemala
- Ivory Coast
- Kyrgyzstan
- Liechtenstein
- Luxembourg
- Mali
- Marshall Islands
- Monaco
- Mongolia
- Paraguay
- Sao Tome and Principe
- Sweden
- Tajikistan
- Uzbekistan
- Vatican City


Questions?
Kern River
GAS TRANSMISSION COMPANY

Operations Update

Bob Checketts

Vice President

Kern River Gas Transmission Company

Operational Excellence Philosophy

- Operate our assets in an efficient, cost-effective manner that reduces risk for the long-term benefit of our customers
- Maintain a high level of system availability and reliability in order to provide exceptional customer service
- Be prepared to quickly respond to catastrophic events that impact system operations
- Facilitate system operations in a manner that protects the organization's assets from terrorists and criminal attacks
- Maintain compliance with regulatory requirements

Kern River® GAS TRANSMISSION COMPANY

2025 Operations Goals

- Safety
  - Zero OSHA-recordable employee injuries
  - Zero preventable vehicle accidents
- Environmental
  - Minimize the amount of liquids spilled
  - Zero protected species takes
  - Reduce methane emissions
- Regulatory
  - Zero non-compliance notices and violations
- Operational excellence
  - No unplanned interruptions to primary firm customers
  - High compressor unit reliability
  - No loss of critical system functionality due to physical/cyber vulnerabilities
- Wildfire mitigation

Kern River® GAS TRANSMISSION COMPANY

Security Initiatives

- Enhance physical and cyber security protections

Physical Security

- Intrusion systems deployed throughout the pipeline system at all types of assets
- U.S. Department of Homeland Security/Transportation Security Administration Pipeline security directives (also has a cybersecurity component)

Cybersecurity

- Cybersecurity metrics
- Employee awareness programs
- Internal and external audits
- Software and hardware vulnerability mitigation

Kern River® GAS TRANSMISSION COMPANY

Environmental Stewardship

- Reduce methane emissions through various technologies and strategies
  - Leak detection and repair
  - Use of drawdown and recompression
  - Flaring for projects
- Species protection
  - Voluntary participation in the Monarch Butterfly Candidate Conservation Agreement with Assurances
  - Employ various mitigation efforts to protect sensitive species along the right of way

Kern River® GAS TRANSMISSION COMPANY

Integrity Management Activities

- 2025-2027 integrity inspections
  - In-line inspections
  - Cathodic protection surveys
    - Direct and high-voltage alternating current
  - Pipeline depth-of-cover surveys
- Pipeline replacements due to population growth
- Geotechnical analysis and monitoring for earthquake faults, river crossings, etc.

Kern River® GAS TRANSMISSION COMPANY


Questions?
Kern River
GAS TRANSMISSION COMPANY

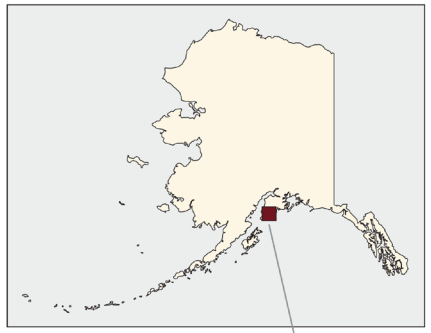
Commercial Update

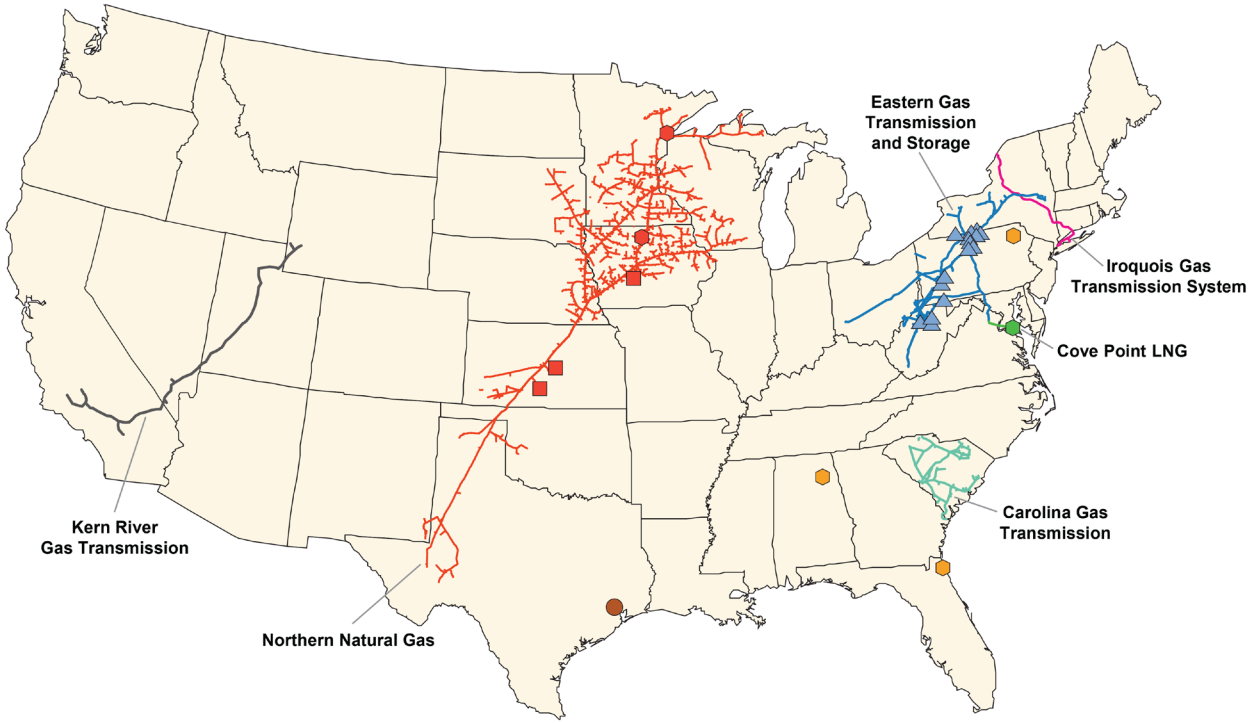
John Joosten

Vice President, Marketing & Customer Services

Kern River Gas Transmission Company

BHE Pipeline Group
Exceptional Businesses and Assets





BHE PIPELINE GROUP®

Kern River Gas Transmission
- Pipeline

Northern Natural Gas
- Pipeline
- LNG Facility
- Underground Storage Facility

Cook Inlet Natural Gas Storage Alaska (26.5%)
- Underground Storage Facility

Cove Point LNG (75%)
- Pipeline
- LNG Terminal

Eastern Gas Transmission and Storage
- Pipeline
- Storage Facility

- Carolina Gas Transmission
- Iroquois Gas Transmission System (50%)
- Modular LNG Holdings
- BHE Compression Services

Kern River® GAS TRANSMISSION COMPANY

Kern River Core Principles

CUSTOMER SERVICE

- Top-rated service provider within the industry
- Kern River was ranked #1 in the regional pipeline group for the 15th straight year and #1 or #2 out of all interstate pipelines for the 17th straight year

EMPLOYEE COMMITMENT

- Kern River employees have worked more than eight years without a recordable injury and more than 14 years without a lost-time injury

ENVIRONMENTAL RESPECT

- Kern River's 2024 methane emissions was 0.0125% - much lower than the industry average of 0.26%

REGULATORY INTEGRITY

- Kern River rates are a cost-competitive option to Southern California and southern Nevada

OPERATIONAL EXCELLENCE

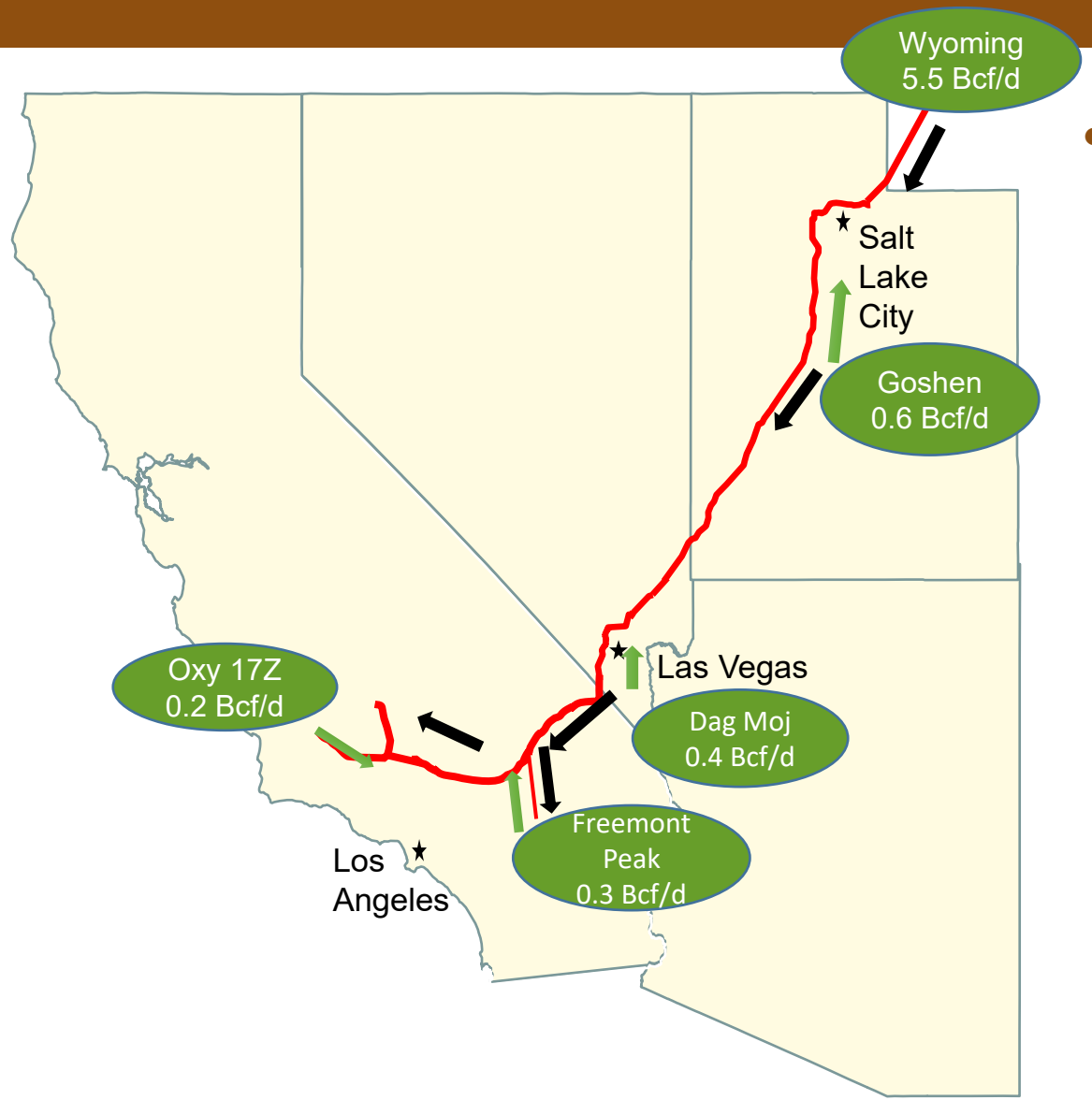
- Exceptional cyber and physical protection
- Kern River has had no unplanned interruptions to primary firm customers since May 2012

FINANCIAL STRENGTH

- Kern River reduced rates twice since 2014

Kern River® GAS TRANSMISSION COMPANY

Supply Flow Options

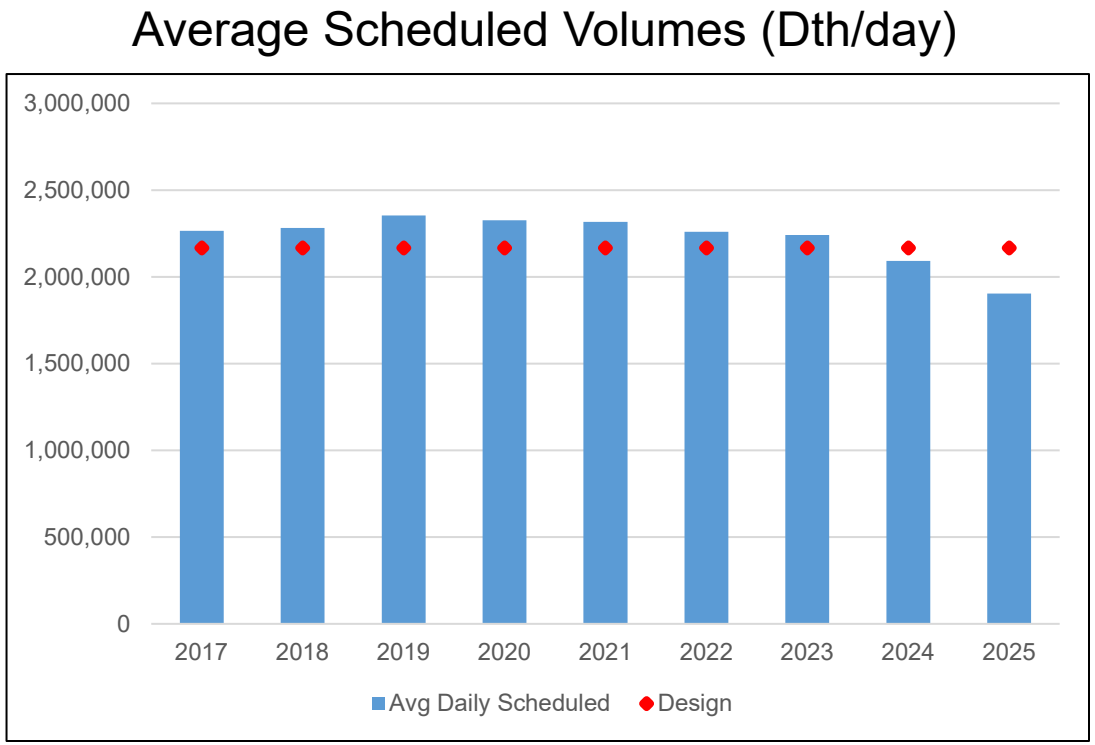


- Our customers have access to abundant and cost-competitive supplies connecting to premium markets in Utah, Nevada and California
  - Wyoming – access to Rockies, Canadian supplies
  - Goshen – access to Green River, Uinta and Piceance supplies
  - Dag Moj – access to San Juan and Permian supplies
  - Freemont Peak – access to PG&E system supply
  - Oxy 17Z – access to CA Resources' Elk Hills supply

Kern River GAS TRANSMISSION COMPANY

System Utilization

- Received approximately 20% of natural gas sources from Rockies production in 2025
- Delivered approximately 23%(1) of California's demand for natural gas in 2024, an average of 1.2 Bcf/d
- Delivered approximately 80%(2) of southern Nevada's natural gas YTD 2025, an average of 0.5 Bcf/d
- Deliveries to Utah have increased by 41% since 2020 (~0.2 Bcf/d in 2023)
- Scheduled throughput averaged 88% of design capacity in YTD 2025, and 97% in 2024 through September 23, 2025



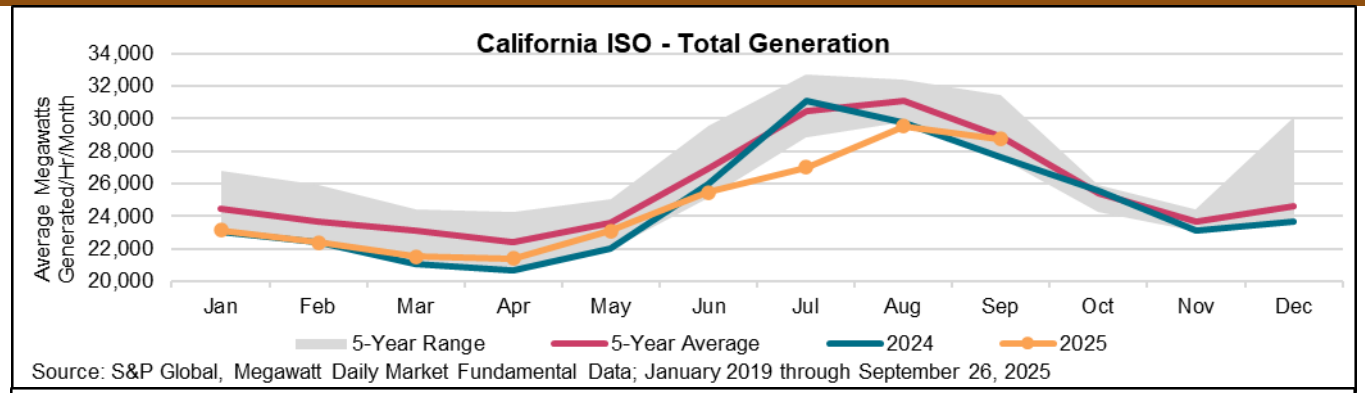
Through September 23, 2025

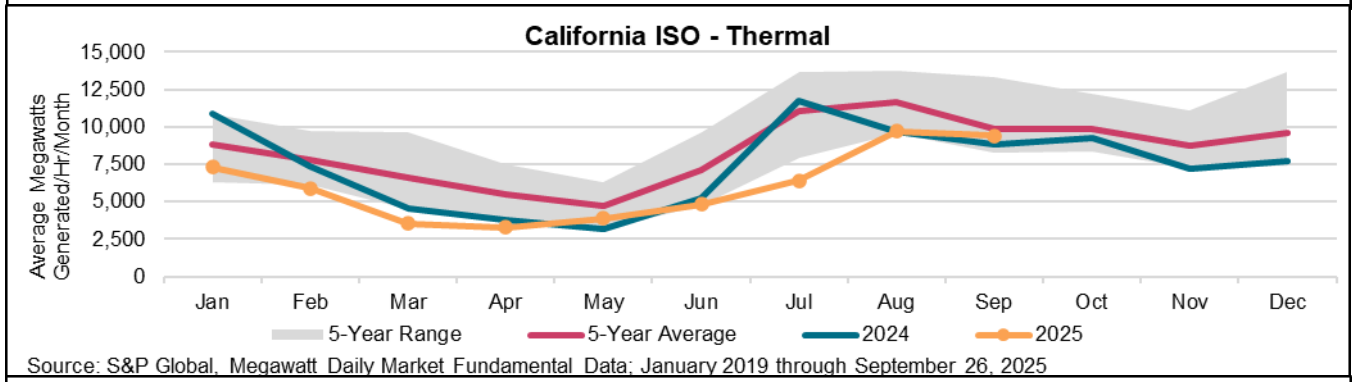
(1) Based on the 2025 California Gas Report
(2) Based on Kern River's average scheduled volumes to Nevada and Southwest Gas Transmission Company's receipts capacity from El Paso Natural Gas and Transwestern Pipeline

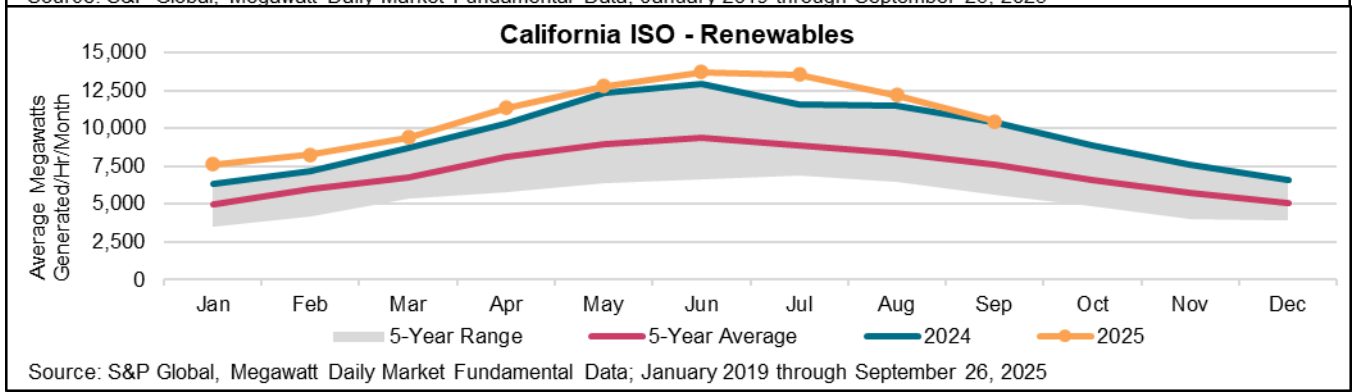
Kern River GAS TRANSMISSION COMPANY

Market Dynamics

- California's power demand has hit historic lows over the past two years
  - YTD 2025, CAISO total generation reached lows for July and August
    - In 2024, it recorded lows in six different months
  - YTD 2025, CAISO's thermal generation set new lows for February-March, and July
- Renewables and other alternative energy sources
  - In contrast to the lows in CAISO's total and thermal generation, CAISO's renewable energy production has achieved record highs every month for 22 consecutive months

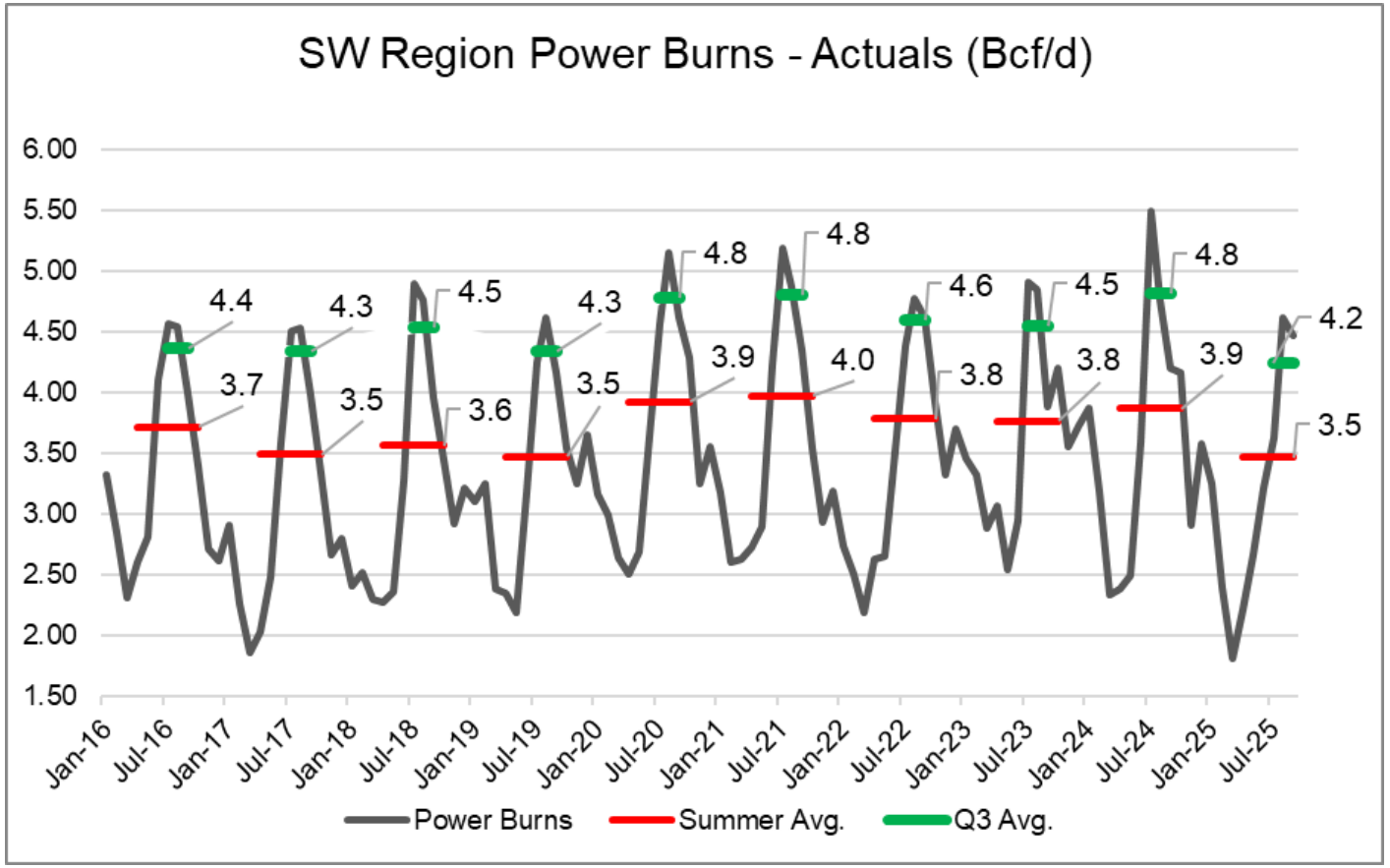






Market Dynamics (continued)

- Gas-fired power generation remains strong in the region
  - On average, SW Region power burns have decline ~10-12% year over year; March 2025 set a historical low
  - Kern River set two new all-time system records for total power plant deliveries which include Utah, Nevada and California, reaching 1.09 Bcf, surpassing previous records from 2024



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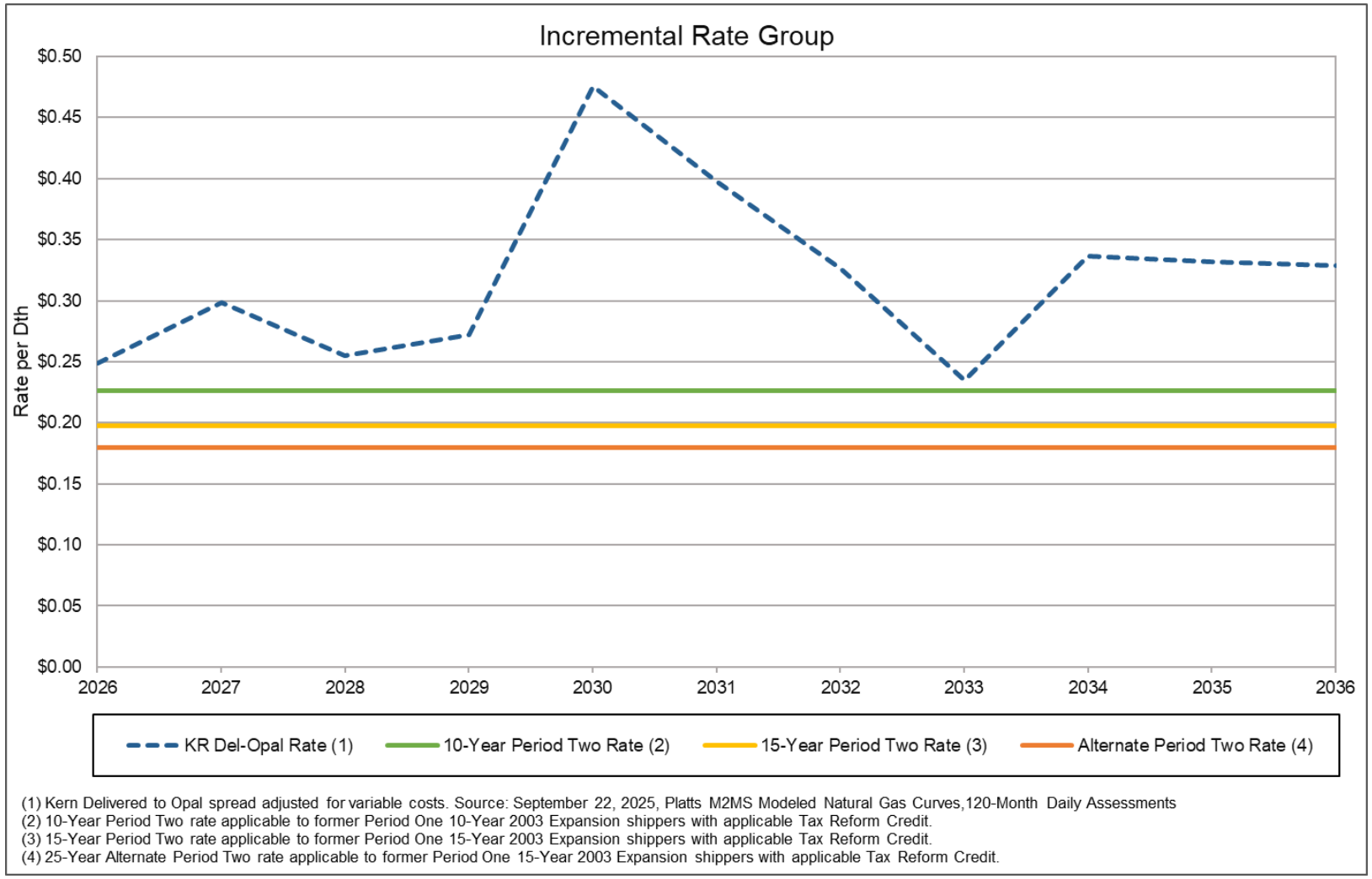
Market Dynamics (continued)

- Data centers
- Greenfield and brownfield power generation
- Deliveries to Mexico
- LNG projects and exports
- Changing production/shifting pipeline paths
- FERC’s project approval process
- Pipeline capacity re-contracting

Kern River GAS TRANSMISSION COMPANY

Period Two Rates vs. Future Net Spread



(1) Kern Delivered to Opal spread adjusted for variable costs. Source: September 22, 2025, Platts M2MS Modeled Natural Gas Curves,120-Month Daily Assessments
(2) 10-Year Period Two rate applicable to former Period One 10-Year 2003 Expansion shippers with applicable Tax Reform Credit.
(3) 15-Year Period Two rate applicable to former Period One 15-Year 2003 Expansion shippers with applicable Tax Reform Credit.
(4) 25-Year Alternate Period Two rate applicable to former Period One 15-Year 2003 Expansion shippers with applicable Tax Reform Credit.

Kern River® GAS TRANSMISSION COMPANY

Business Development Updates

Nevada Projects

- Constructing a delivery meter station with a design capacity of ~500,000 Dth/day
- Constructing a delivery meter station and lateral with a design capacity of ~17,000 Dth/day
- Prospecting numerous data center and power generation project requests with total capacity of ~600,000 Dth/day

California Projects

- Constructing a new delivery meter station with a design capacity of ~14,000 Dth/day
- Prospecting a new delivery meter station with a design capacity of ~26,000 Dth/day

Wyoming Projects

- Constructing a new receipt meter station with a design capacity of ~480,000 Dth/day
- Prospecting two delivery meter stations with total capacity ~800,000 Dth/day

Utah Projects

- Constructing delivery meter stations with a total design capacity of ~750,000 Dth/day
- Currently contracting for two delivery meter stations with total design capacity of ~300,000 Dth/day
- Prospecting numerous data center and power generation project requests with total capacity of >500,000 Dth/day

Kern River GAS TRANSMISSION COMPANY

Transportation Sales & Business Development Contacts

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  - Email: Esteban.Lara@KernRiverGas.com
- Kevin Armstrong, Sales Desk
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  - Email: Kevin.Armstrong@KernRiverGas.com
  - ICE: bludwig1
- Brian Ludwig, Sales Desk
  - Office: 801-937-6270
  - Email: Brian.Ludwig@KernRiverGas.com
  - ICE: karmstrong9
- Richard Seiger, Senior Business Development Representative
  - Office: 801-937-6137
  - Email: Richard.Seiger@KernRiverGas.com

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Questions?
Kern River
GAS TRANSMISSION COMPANY

Customer Service Update

John Joosten

Vice President, Marketing & Customer Service

Kern River Gas Transmission Company

Customer Satisfaction

Mastio & Company 29th Edition Natural Gas Pipeline Study

- Ranked No. 1 out of 38 interstate pipelines group (six straight years)
- Ranked No. 1 in the regional pipeline group for the past 15 years
- We are committed to continuous improvement
- Thank you for participating

Kern River® GAS TRANSMISSION COMPANY

Customer Satisfaction

Kern River's top five attributes (by importance)

Rank	Question	Customer Importance	Kern River Score
1	Firm gas transportation is highly reliable	9.76	9.91
2	Scheduled gas volumes are accurate	9.59	9.92
3	Accuracy of invoices	9.57	9.92
4	Communicates in an honest and forthright manner	9.56	9.89
5	Representatives are accessible when needed	9.54	9.86

Kern River® GAS TRANSMISSION COMPANY

Customer Satisfaction

Kern River's top five attributes (by score)

Rank	Question	Customer Importance	Kern River Score
1	Accuracy of invoices	9.57	9.92
2	Scheduled gas volumes are accurate	9.59	9.92
3	Financial stability of the pipeline	8.97	9.92
4	Firm gas transportation is highly reliable	9.76	9.91
5	Flexibility of gas pooling and aggregation services	8.75	9.90

Kern River® GAS TRANSMISSION COMPANY

Customer Commitment

To be the best energy company in serving customers and the communities to which we deliver natural gas

This means…

- You will get what we promise accurately and on time
- Relationships will be mutually beneficial based on our core principles
- Share the purpose behind our actions
- Negotiate and perform in good faith
- Seek balanced outcomes
- Do necessary due diligence but maintain an attitude of partnership
- Invest in our assets to provide highly reliable service and to meet your future growth needs

Kern River® GAS TRANSMISSION COMPANY

2025 Accomplishments

- Rapids
  - Rapids system availability 99.985%
  - Security improvements
  - Added numerous EDI trading partners
  - Scheduling model and EDI processing enhancements

Kern River GAS TRANSMISSION COMPANY

Pipeline System Management

Line Pack Notices[1]

Line Pack Level	2020	2021	2022	2023	2024	2025[2]
Low	3	2	6	7	1	2
High	9	17	8	15	17	9

- Kern River manages line pack through effective coordination and communication with customers and operators of facilities connected to Kern River

[1] Several notices may have been posted for a single critical line pack event

[2] 2025 notices through September 29

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System Operations

- Wholly owned system is looped except through Las Vegas
  - Allows continuous gas flow down one pipeline when the other is out of service for maintenance events
- Gas control
  - Fully functional off-site backup if needed during emergencies
- SCADA
  - All facilities are remotely monitored and controlled from gas control
- Real-time modeling
  - Monitors system efficiency
  - Helps identify problems on the pipeline system before they happen
- Meter stations
  - Connected to both the mainline and loop line
  - Automatic switchover from either line when necessary

Kern River® GAS TRANSMISSION COMPANY

2025 Customer Focus

- Offer in-person training, we will come to you
- Proactive communication with customers throughout the year
- Continue training personnel
- Commercial personnel available by ICE Chat IM, office phone, cellphone, texting and email

Kern River® GAS TRANSMISSION COMPANY

2025 Updates & Beyond

- Investigate Rapids customer password change efficiencies
- Update Rapids code base for improved efficiency and user experience
- Continue to evaluate and implement customer-suggested improvements
- Expedite the contracting process
- Evaluate opportunities to optimize scheduling model

Kern River
GAS TRANSMISSION COMPANY

2025 Customer Survey

- Mastio & Company 30th Edition Survey begins November 17, 2025
- Pre-survey items
  - Kern River will call survey participants prior to the survey to review the action items developed earlier in the year to assess our performance in 2025
  - Kern River will send an email before the survey begins soliciting your participation
  - Mastio will send 29th Edition Survey scores to those that participated
- Survey follow-up
  - Kern River will call participants after the survey is completed to review results and to develop action items to address concerns/issues
- Please disclose your identity so we can properly address your comments
- <u>Our goal – rank No. 1 and have continuous year-over-year improvement while delivering safe, reliable services to our customers!!!</u>

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Questions?
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Break

Kern River
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S&P Global
Commodity Insights

US Natural Gas Outlook

Kern River Customer Meeting

Matthew Palmer,
Executive Director, Head of Americas Gas Research

October 2025

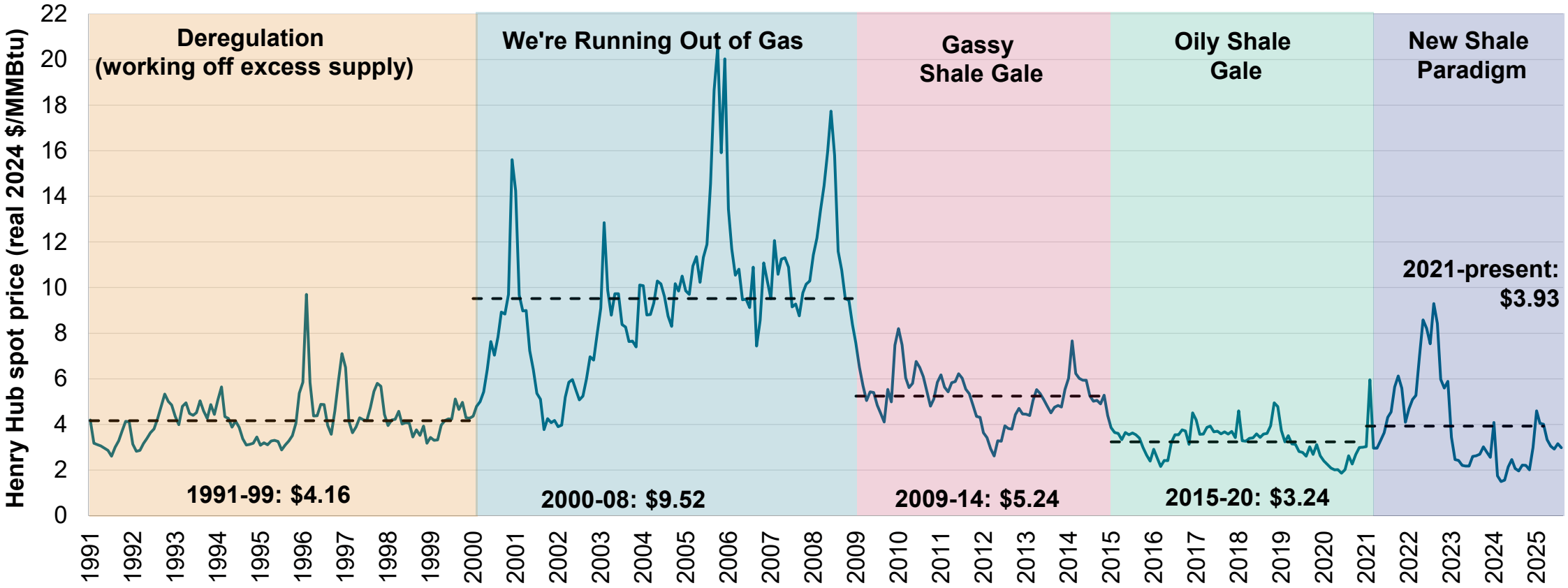
Agenda

- Brief discussion of the new shale paradigm
- US gas market fundamentals right now
- US Outlook through 2030 for supply, demand, and prices
- Western Markets

New Shale Paradigm

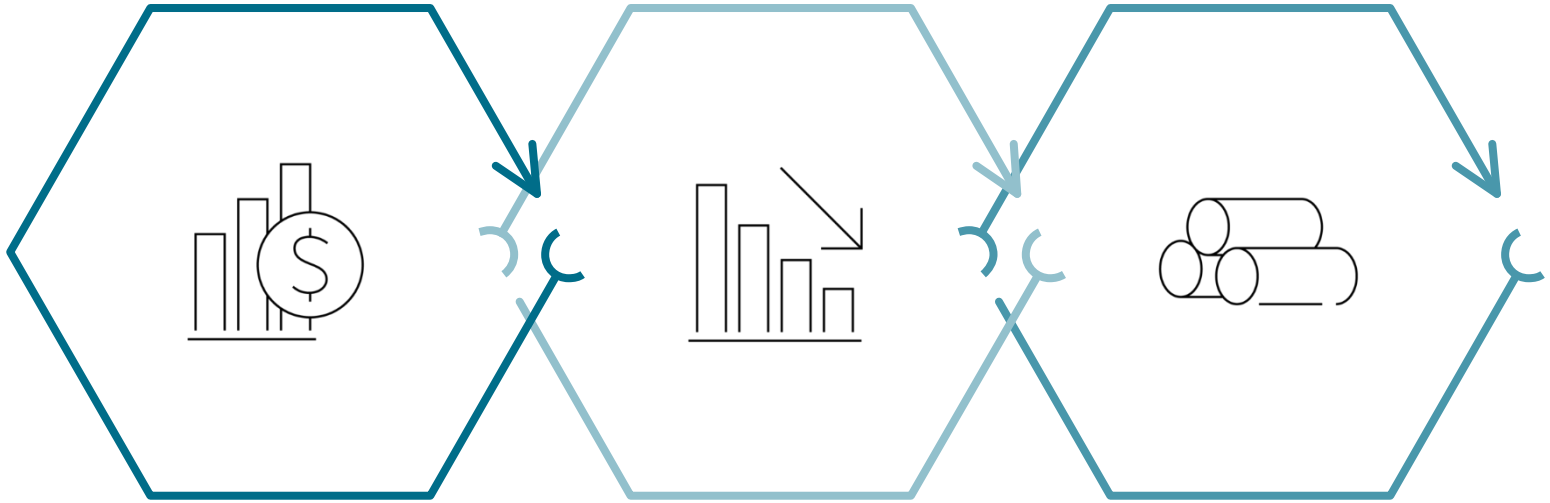
The US gas market has entered a new era this decade

US natural gas market pricing eras



Data compiled Sep. 3, 2025.
Sources: S&P Global Commodity Insights; Platts, a product of S&P Global Commodity Insights;

Elasticity of supply eroded over past few years as market transforms



E&P Capital Discipline

Shareholders have demanded living within cash flow, paying down debt, and returning money to them

E&P Consolidation

M&A activity has reduced the number of players

Lack of New Pipelines

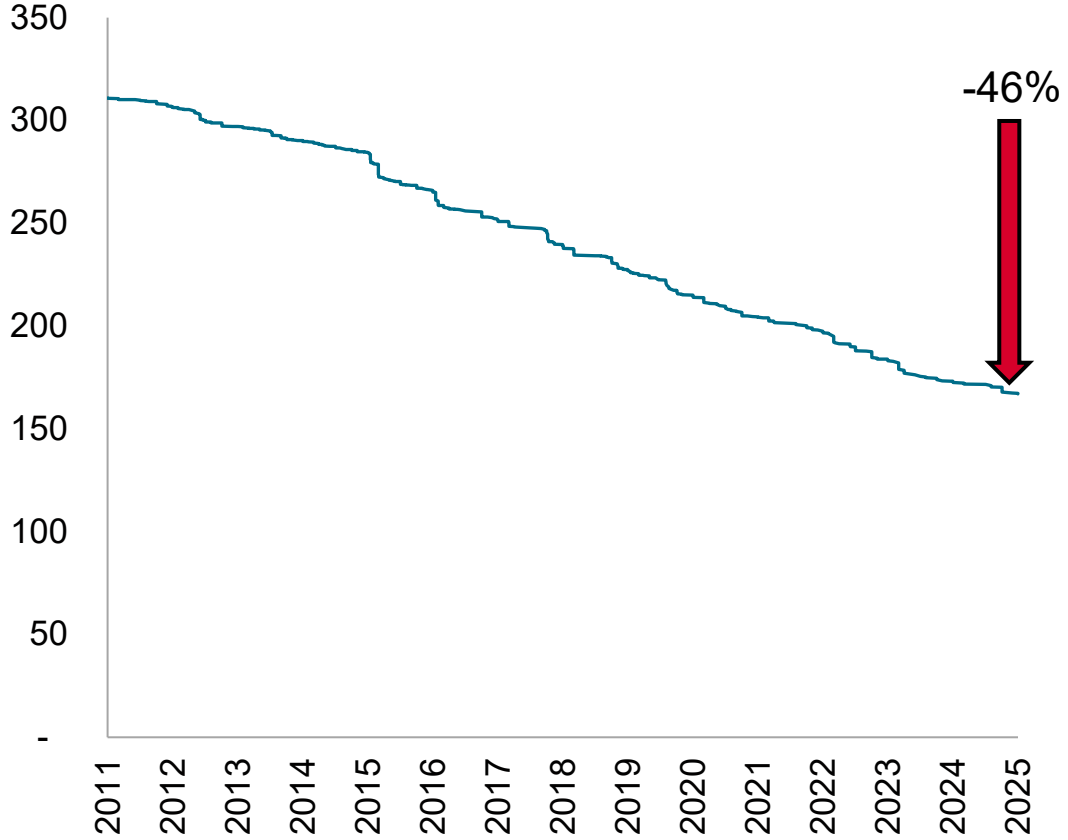
Long-haul pipe development ground to a halt (notably from the Northeast)

Source: S&P Global Commodity Insights.

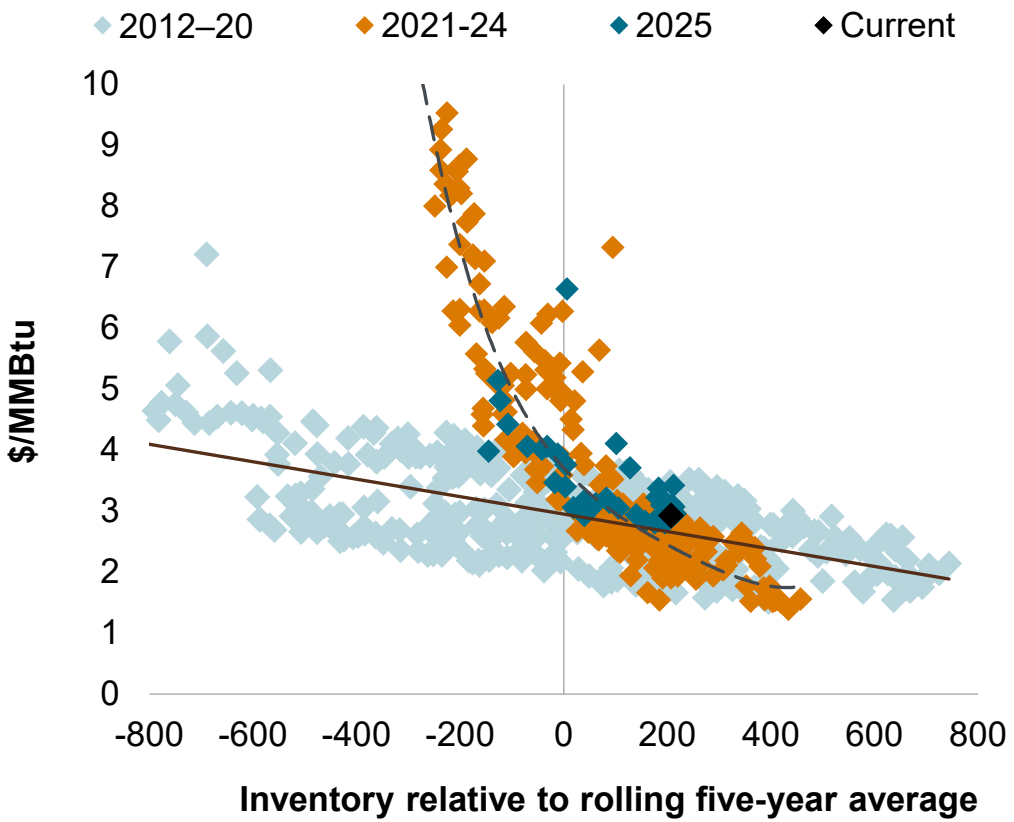
Demand elasticity eroded with coal unit retirements and conversions

Coal-to-gas switching in power sector provided tremendous flexibility for US gas market

US coal generating capacity (GW)



Henry Hub and natural gas storage yield curve

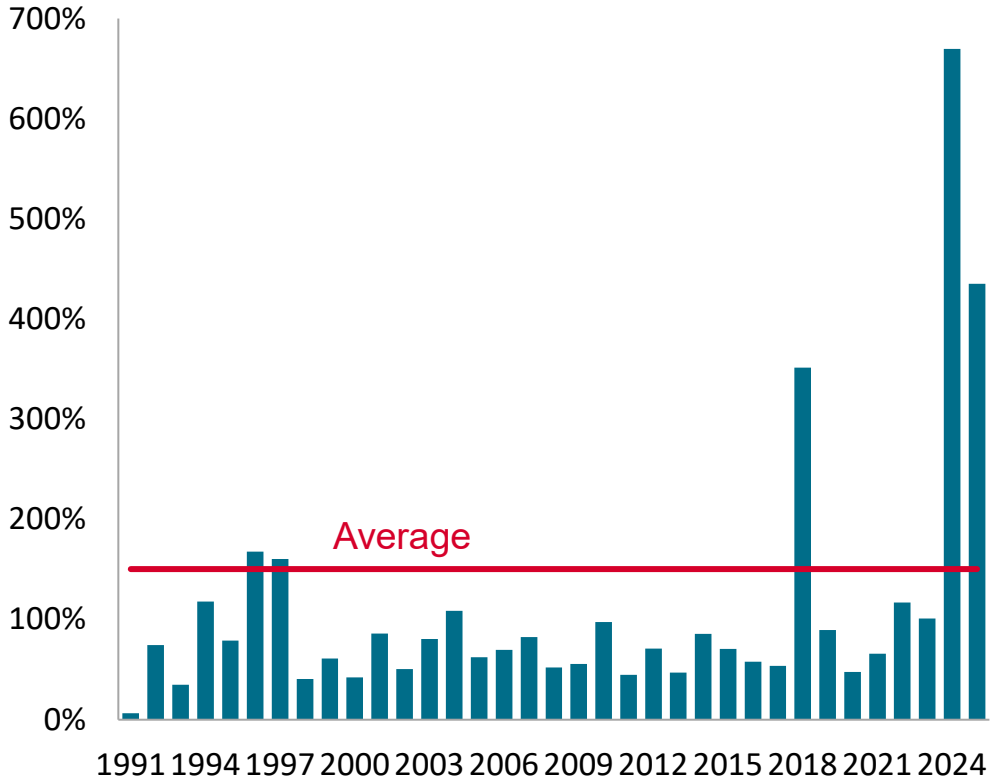


Data compiled Sep. 29, 2025.
Sources: S&P Global Commodity Insights; Platts, a product of S&P Global Commodity Insights, EIA.

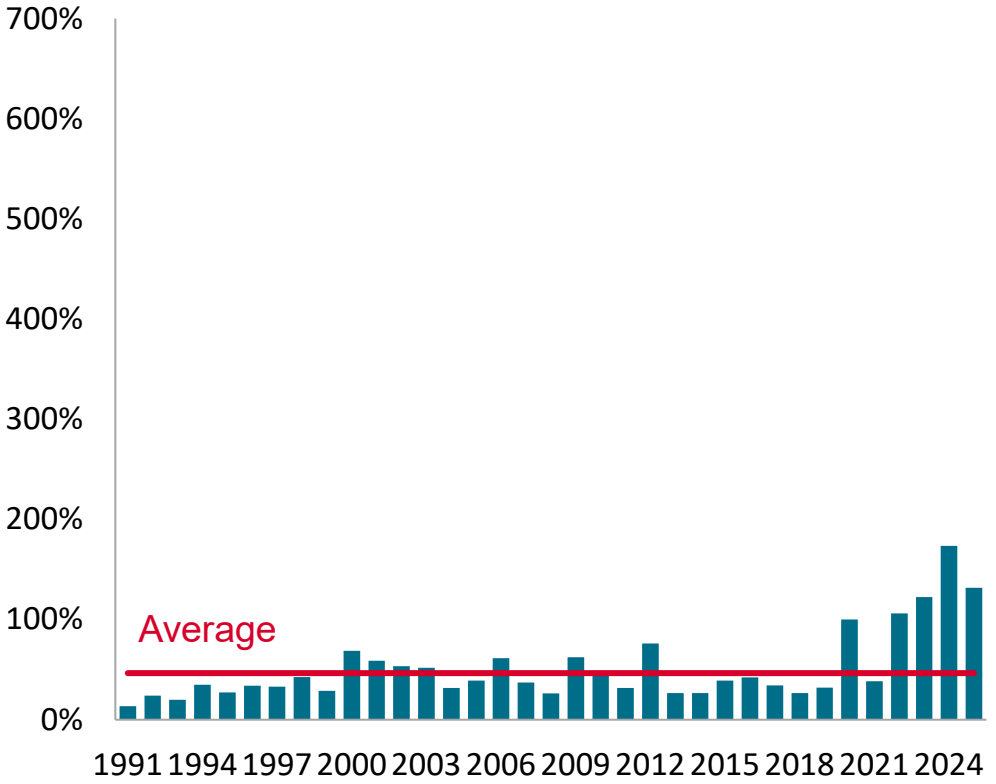
Volatility has returned to the US market exceeding previous time periods

January has exceeded the historical average by 2-4X and June by 2X over the last several years

Henry Hub annualized volatility of daily spot price during the month of January



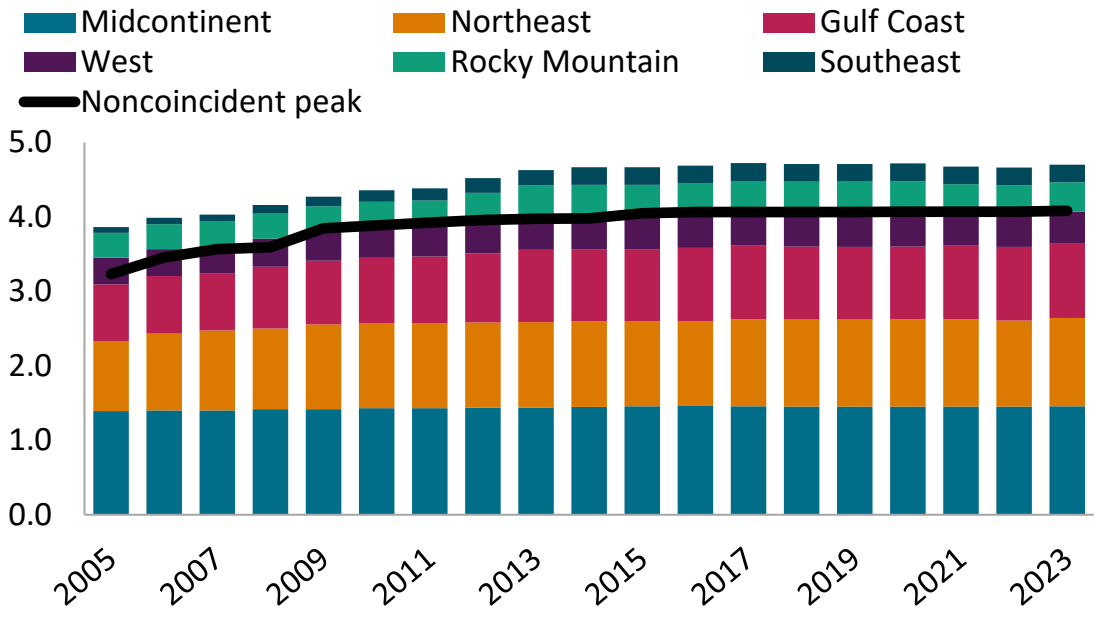
Henry Hub annualized volatility of daily spot price during the month of June



Data compiled Sep. 3, 2025.
Sources: S&P Global Commodity Insights; Platts, a product of S&P Global Commodity Insights;

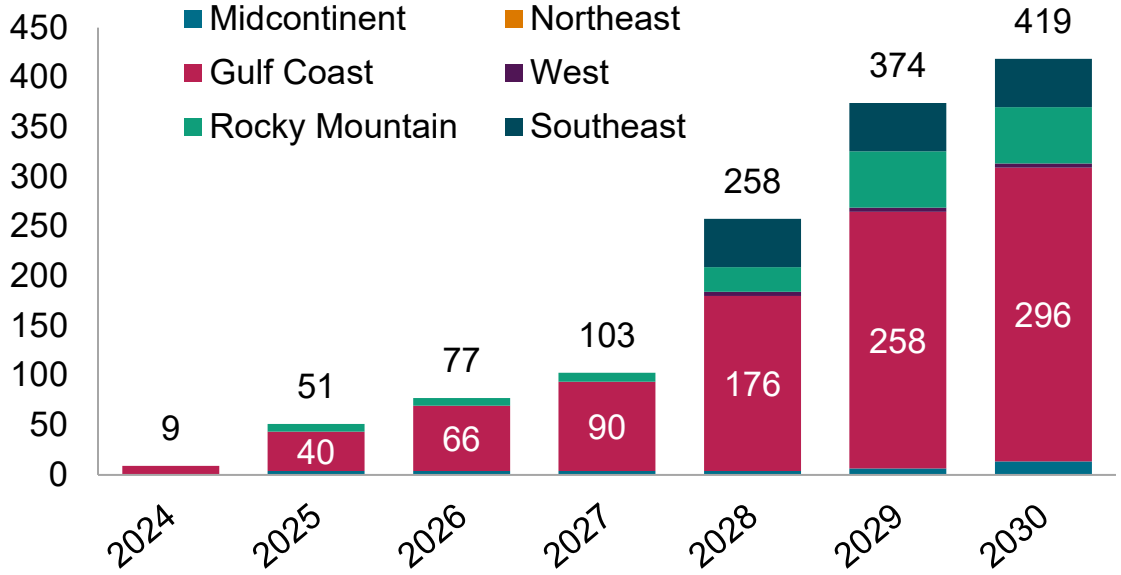
Over 400 Bcf of new US Lower 48 working gas storage capacity is proposed in 2024–30, with 71% located on the Gulf Coast

US Lower 48 working gas storage capacity (Tcf)



- Practical **working gas storage capacity is estimated to be 4.1 Tcf** based on the relationship between the noncoincident peak and theoretical capacity.

US Lower 48 cumulative working gas storage capacity additions (Bcf)



- **Capacity additions are concentrated in the Gulf Coast, and over 75% of proposed additions are high-deliverability salt dome storage.** High deliverability storage rates have increased since the early 2020s and can be 20-30 cents/Dth in some cases.

Data compiled Aug. 20, 2025.

Historical working gas storage capacity is available to 2023 and is based on EIA annual field-level storage data. The noncoincident peak is based on EIA monthly working gas storage inventories at the state level. It is calculated as the aggregate of maximum observed levels at the regional level up until the year listed on the x-axis. Working gas storage capacity additions are based on storage operator announcements. Cumulative additions planned by project sponsors are reported since 2024, given the last year of EIA annual field-level storage data is 2023.

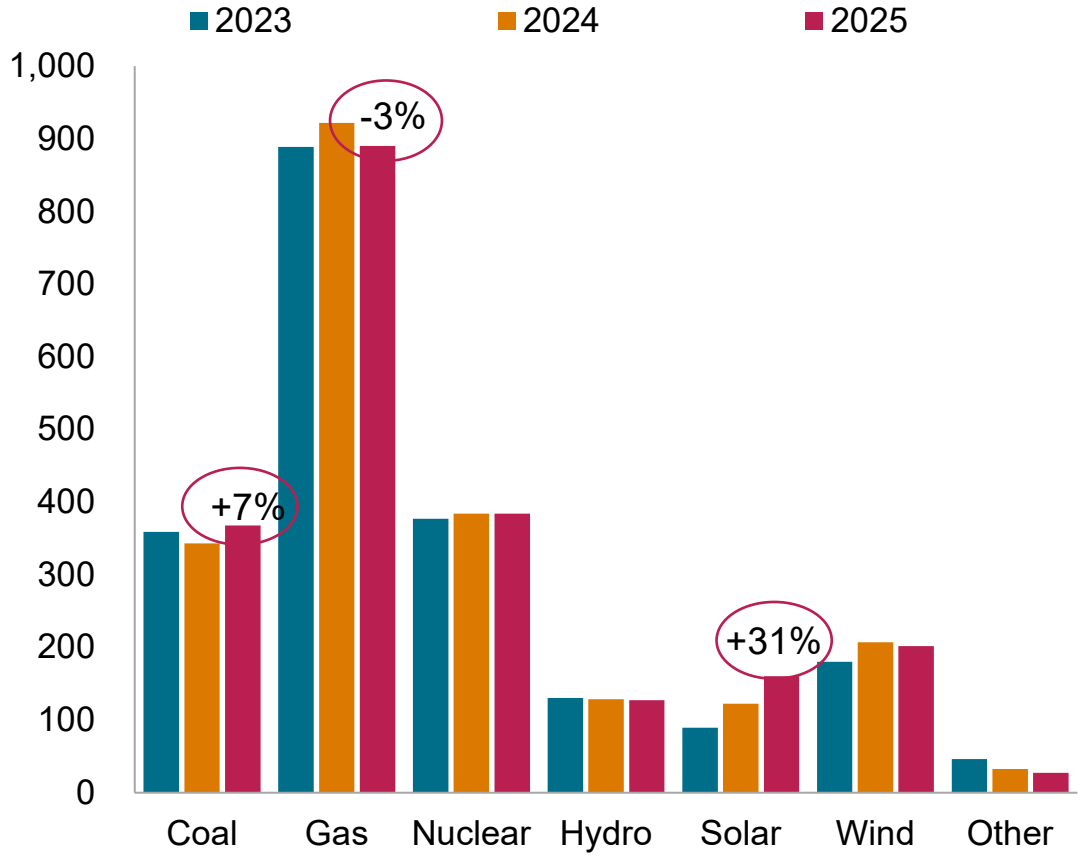
Sources: S&P Global Commodity Insights; US EIA.

State of the gas market: summer 2025

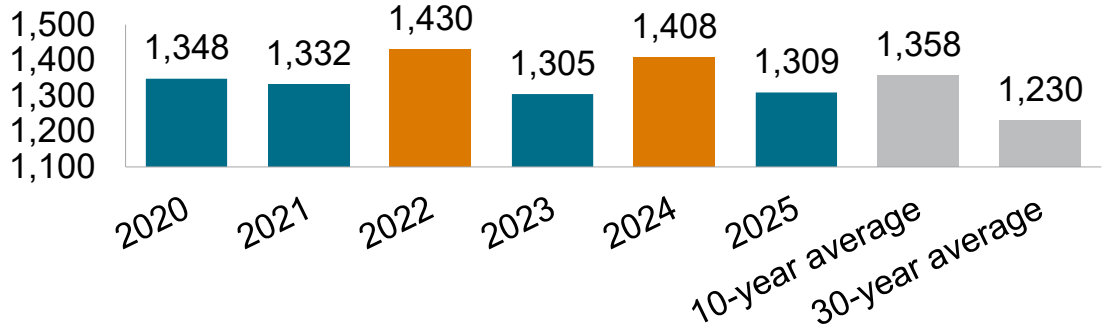
Buoyant production and lower power burns have allowed storage to surpass the five-year average, despite higher LNG exports this summer, sending prices back below $3/MMBtu

Higher gas prices, average temps, and strong solar generation reduce gas burn by nearly 3 Bcf/d compared to last summer

US Lower 48 power generation, April 1–Sept. 25 (TWh)



PWCDD tracker (May 1 to Sept. 28)

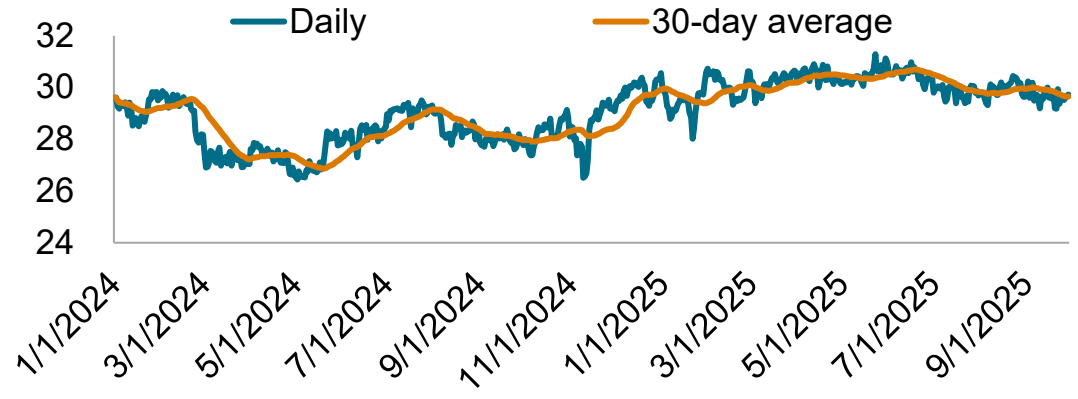


- Season-to-date temperatures have averaged 4% below the 10-year average.
- US Lower 48 electricity generation for April through September increased 1%
- Milder temperatures, higher solar generation summer over summer and higher gas prices have continued to weigh on power sector gas burns, which averaged 37.8 Bcf/d for April through September, down nearly 3.0 Bcf/d from year-earlier levels.

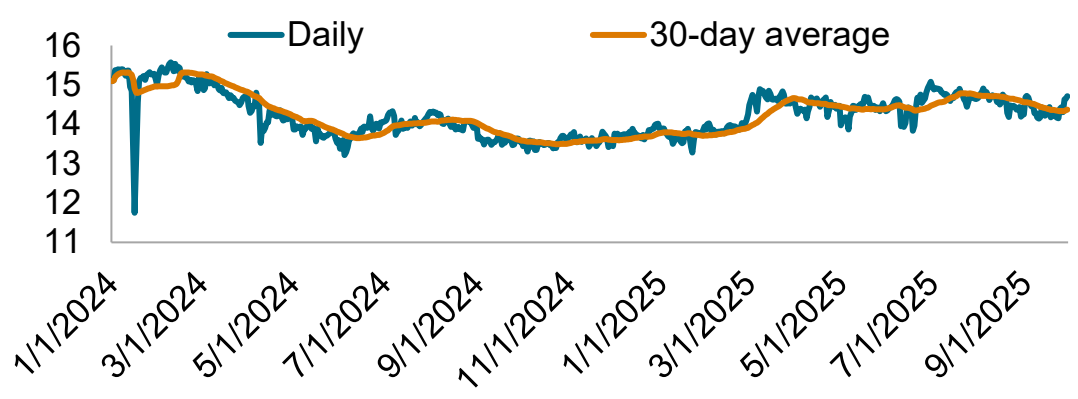
Data compiled Sep. 29, 2025.
Sources: S&P Global Commodity Insights; US EIA Hourly Grid Monitor.

US production edged lower in September after hitting a record high in August, driven by reduced Marcellus volumes amid Cove Point maintenance

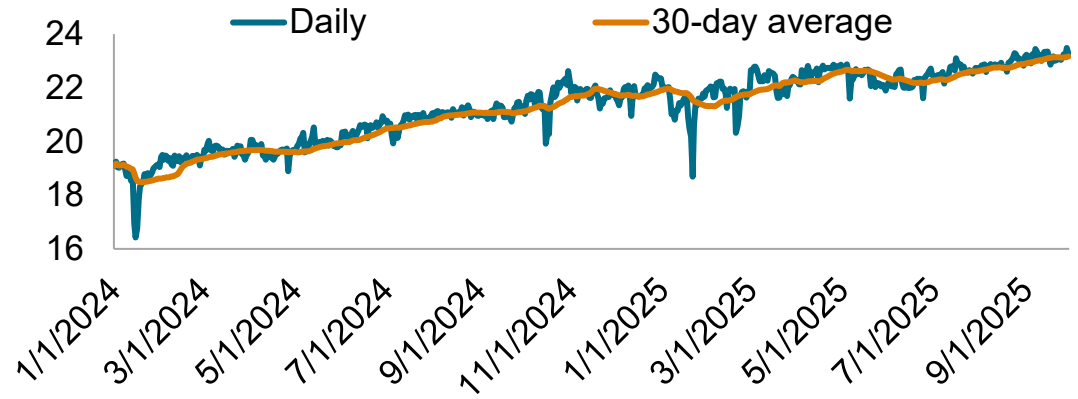
Marcellus (Bcf/d)



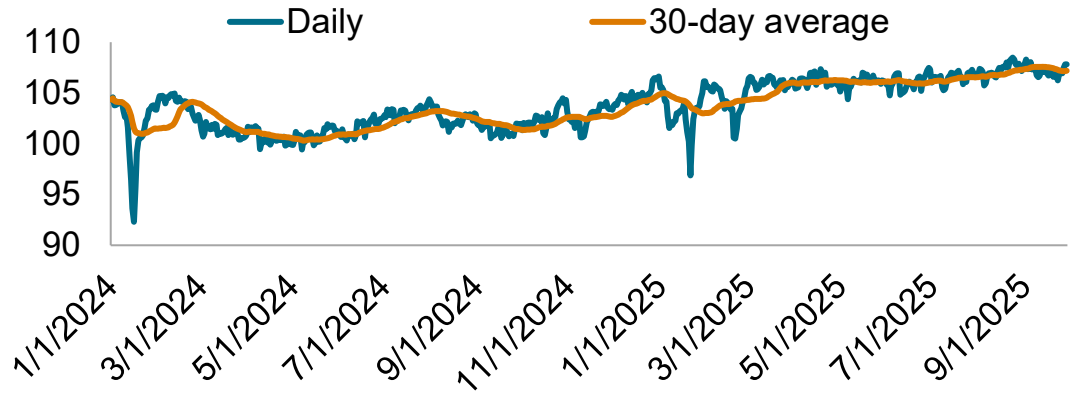
Haynesville (Bcf/d)



Permian (Bcf/d)



US Lower 48 gas production (Bcf/d)



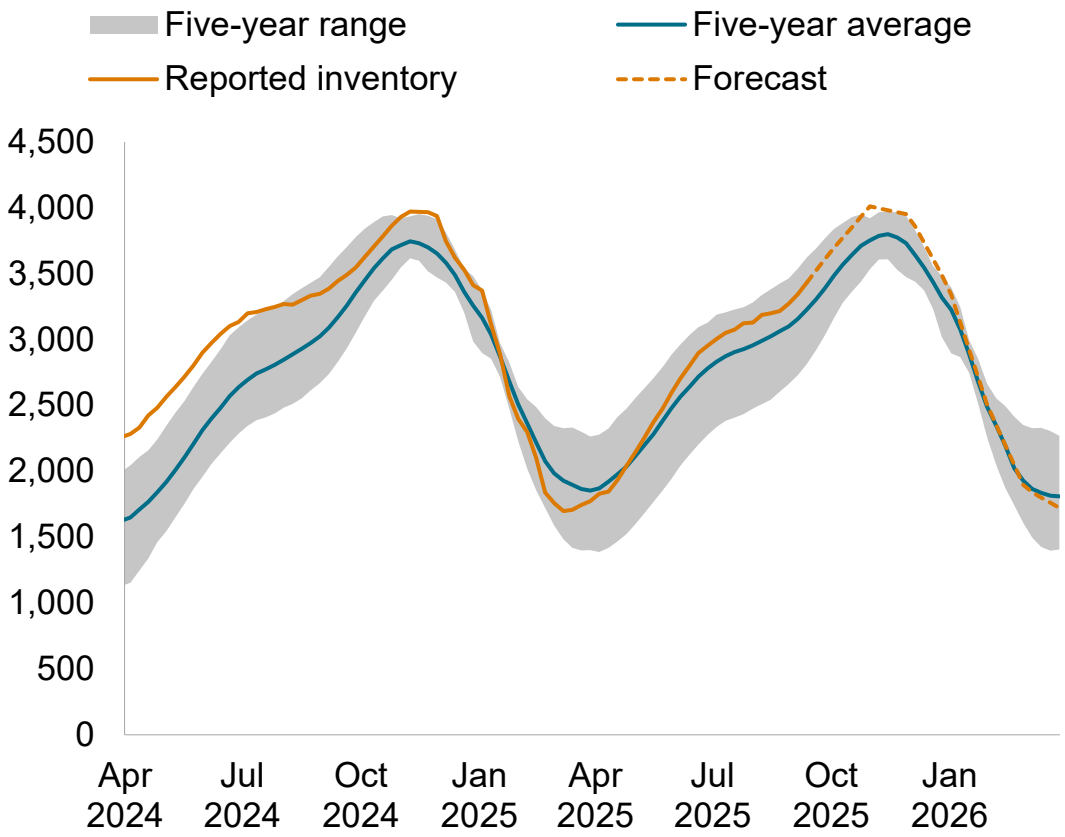
Data compiled Sept. 30, 2025.

Sources: S&P Global Commodity Insights; US EIA.

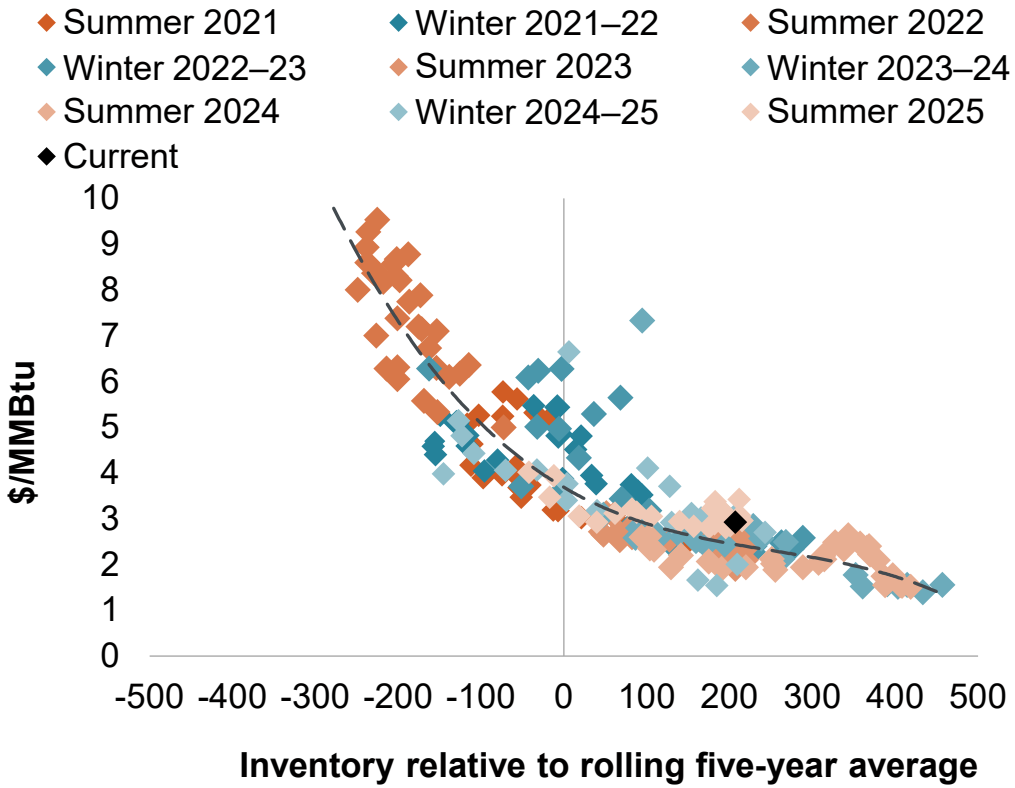
S&P Global
Commodity Insights

Inventory surplus hangs through peak summer, setting up path to above-average October inventories

US Lower 48 storage inventory (Bcf)



Henry Hub and natural gas storage yield curve (2021–present)

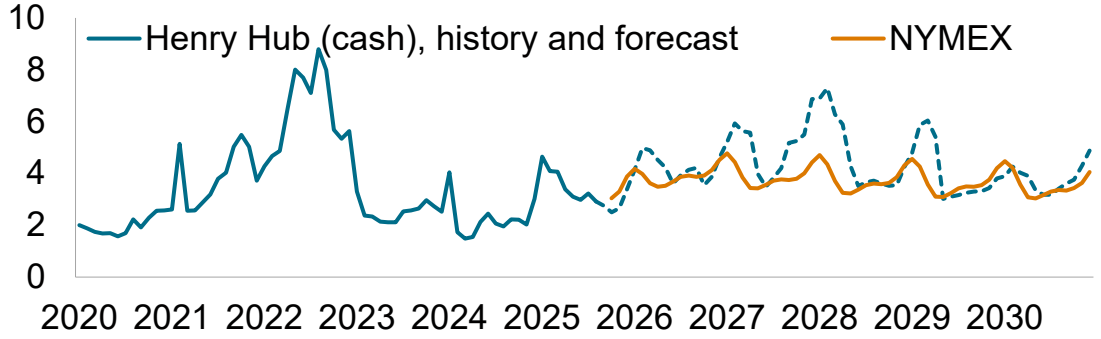


Data compiled Sep. 29, 2025.
Five-year data is 2020–24.
Sources: S&P Global Commodity Insights; US EIA.

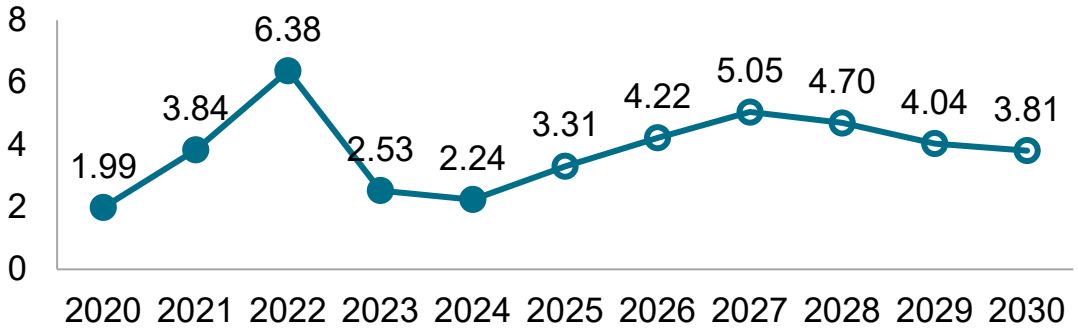
S&P Global
Commodity Insights

Henry Hub expected to average $3.31/MMBtu in 2025 as mild conditions and strong production have moved the inventory deficit to a surplus

Henry Hub prices and NYMEX futures ($/MMBtu)



Henry Hub annual average ($/MMBtu)



Bearish:

- Associated gas production is higher if oil prices are higher, or higher gas-to-oil ratios materialize
- Tariffs will result in a global and domestic economic slowdown, potential loss of LNG sales and purchase agreements, and delayed FIDs
- LNG export capacity commissioning delays
- Potential US LNG export capacity shut-ins
- Warmer-than-normal weather

Henry Hub ($/MMBtu)

Bullish:

- Production struggles to keep pace/timing with LNG/Mexican export growth
- Gas-fired generation serves a larger role in a fast-growing power sector
- Tariffs increase cost and investment uncertainty; some countries may accelerate new LNG offtake deals to lower potential tariffs
- Lower oil prices (lower associated gas) amid macroeconomic uncertainty
- Colder-than-normal weather

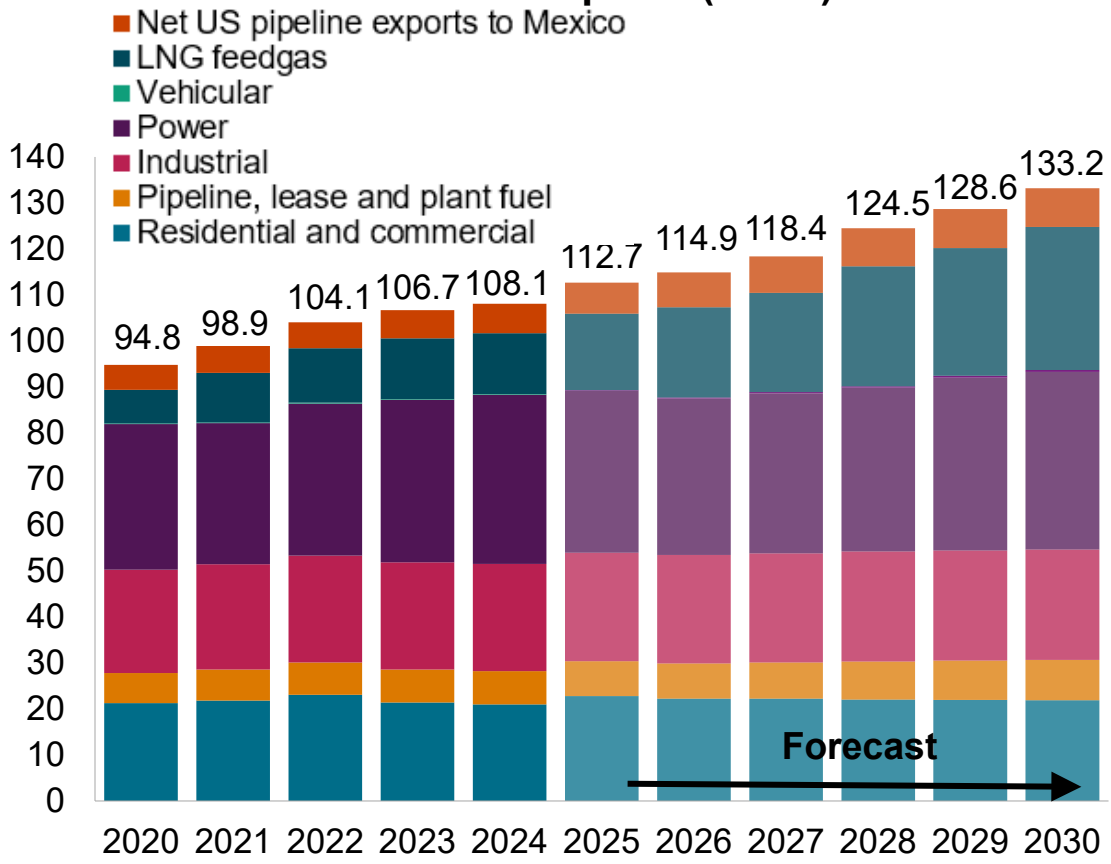
Data compiled Sep. 29, 2025.
Sources: S&P Global Commodity Insights; Platts, a product of S&P Global Commodity Insights.

Short-term outlook: demand and exports

US Lower 48 gas demand, including exports, is forecast to grow by 25.1 Bcf/d (23%) from 2024 levels, reaching 133.2 Bcf/d in 2030. If these projections materialize, the US Lower 48 market will have doubled in size in just 20 years (2010–30).

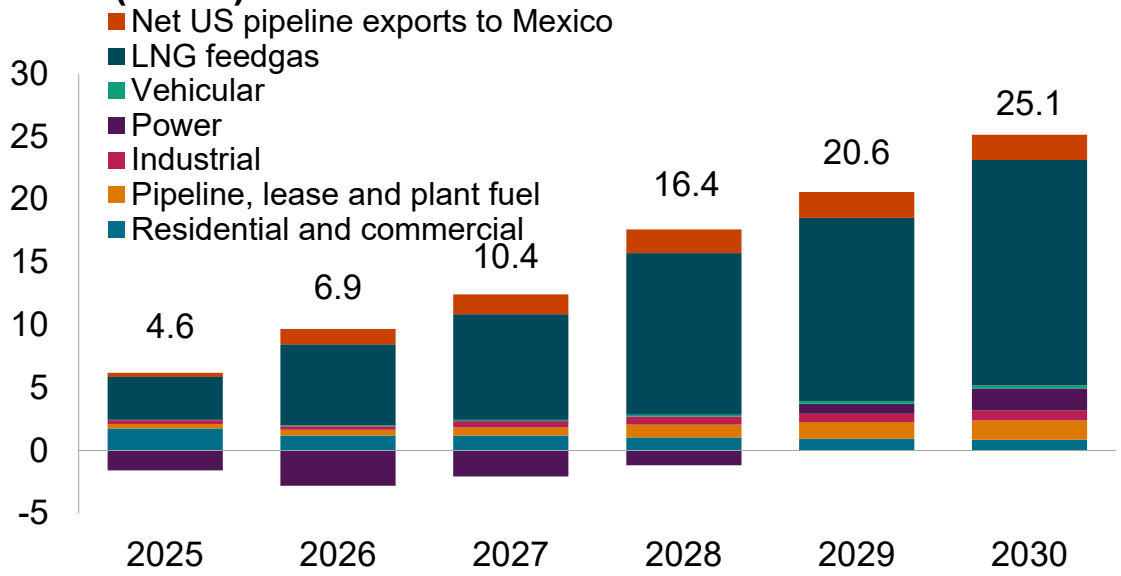
US LNG exports fuel demand growth through 2030, while datacenter demand lifts power sector gas burns post 2028

US Lower 48 demand and exports (Bcf/d)



- Total US Lower 48 gas demand (including exports) will rise to 133.2 Bcf/d in 2030, 25.2 Bcf/d higher than the 2024 average of 108.1 Bcf/d, primarily driven by LNG feedgas, exports to Mexico and power sector gas burns.

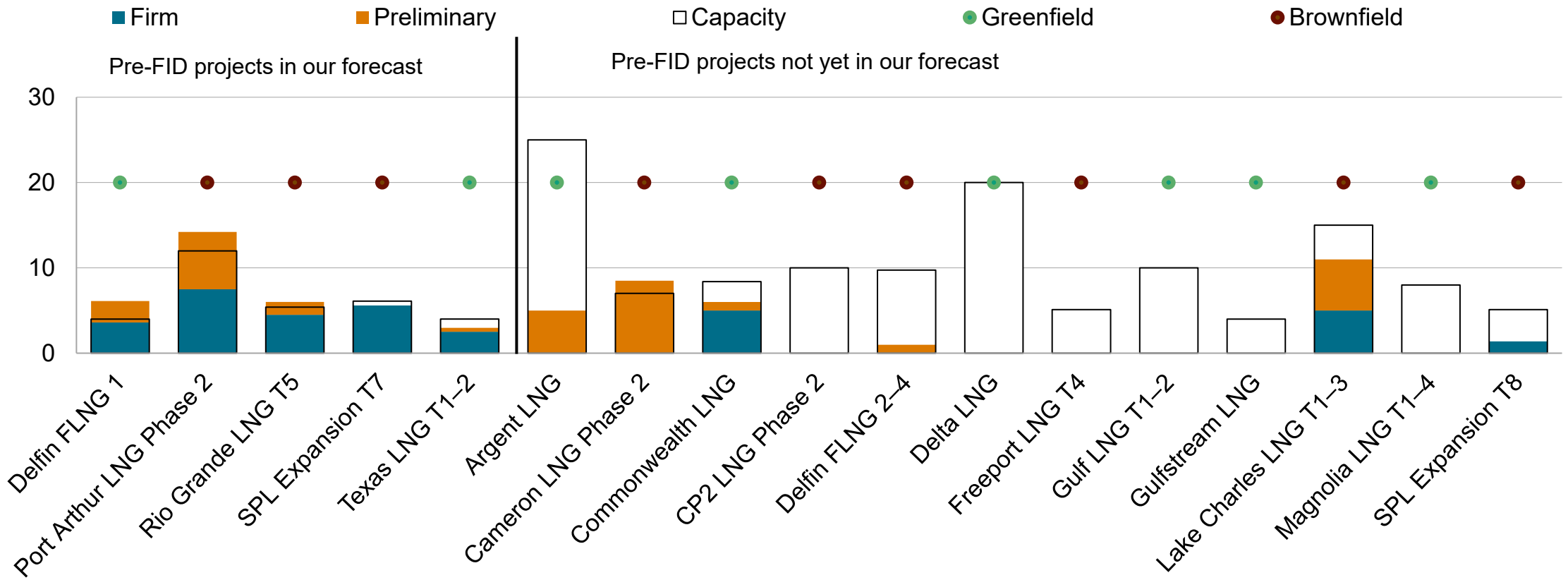
US Lower 48 demand and export growth relative to 2024 (Bcf/d)



Data compiled Sep. 29, 2025.
Sources: S&P Global Commodity Insights; US EIA.

Many US projects are seeking offtakers

LNG contracting progress at select pre-FID US LNG projects (MMtpa)



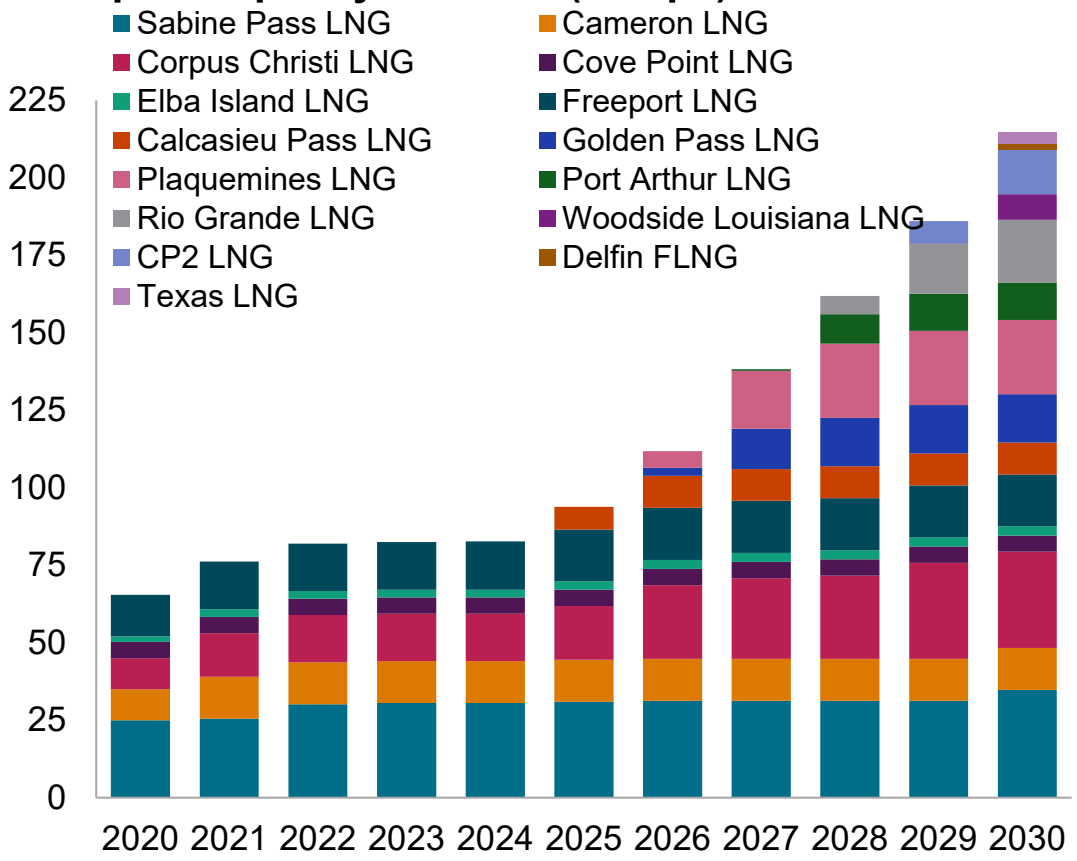
Data compiled Sept. 22, 2025.

SPL = Sabine Pass LNG. Brownfield includes expansions at existing regasification facilities as well as subsequent phases of yet-to-constructed greenfield projects. Excludes gas feedstock supply/Integrated Production Marketing (IPM) deals. .

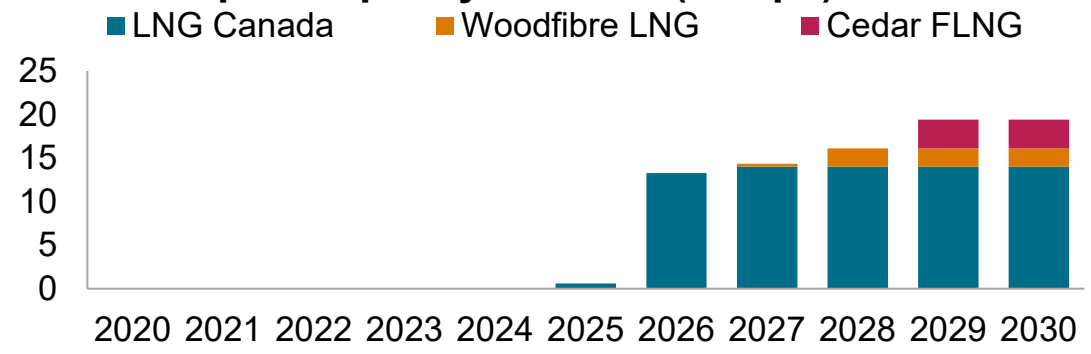
Source: S&P Global Commodity Insights.

North American LNG export development: substantial growth through the 2020s

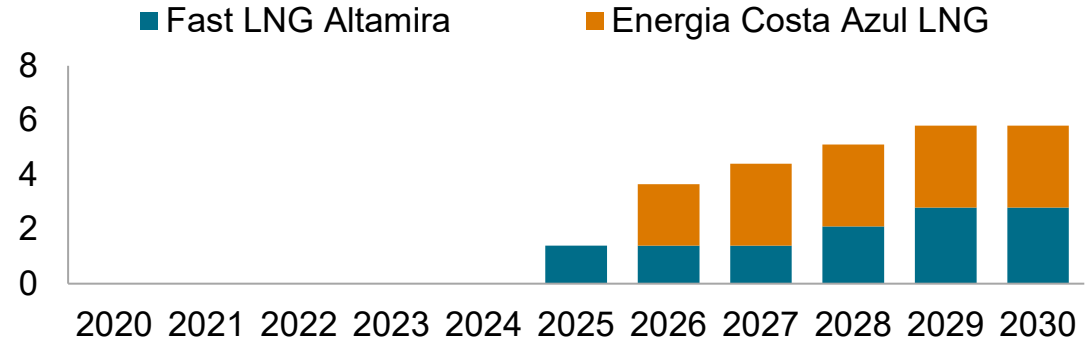
US export capacity forecast (MMtpa)



Canada export capacity forecast (MMtpa)



Mexico export capacity forecast (MMtpa)



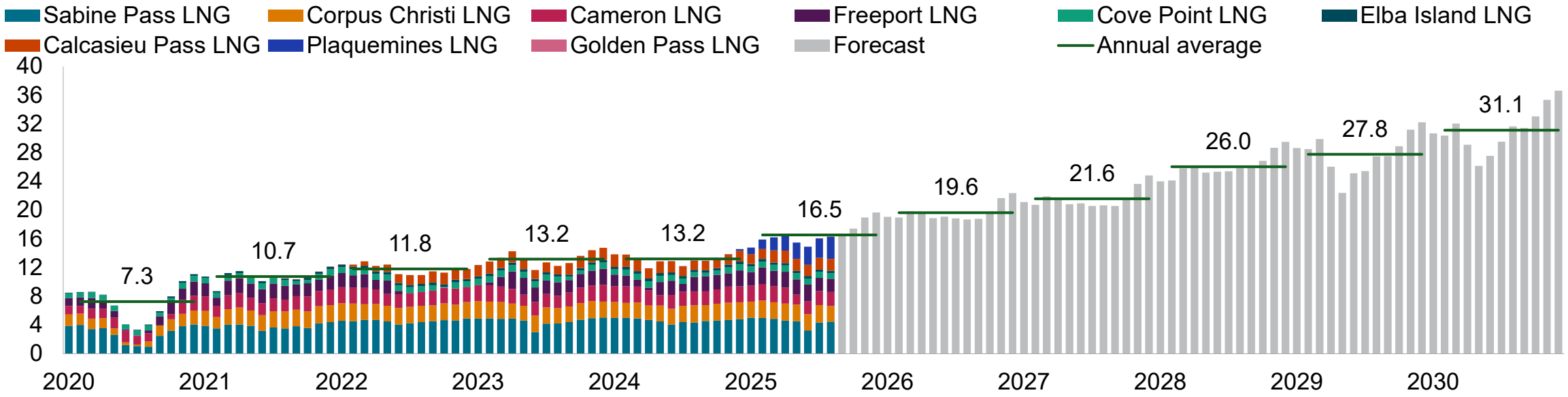
Data compiled Aug. 14, 2025.
Source: S&P Global Commodity Insights

US Lower 48 LNG feedgas again surging toward a record; a banner year for sanctioned capacity

- The higher global liquefaction capacity additions and the structural pressure on LNG demand in the short term are projected to lead to an LNG surplus emerging in 2029–31. US LNG export terminals are most likely to be the ones ramping down due to the flexibility of their contracts and the availability of a large liquid domestic market where the gas could be absorbed.

- Total US LNG feedgas demand is now expected to average 31.1 Bcf/d in 2030, 17.9 Bcf/d (or 136%) higher than 2024 levels.

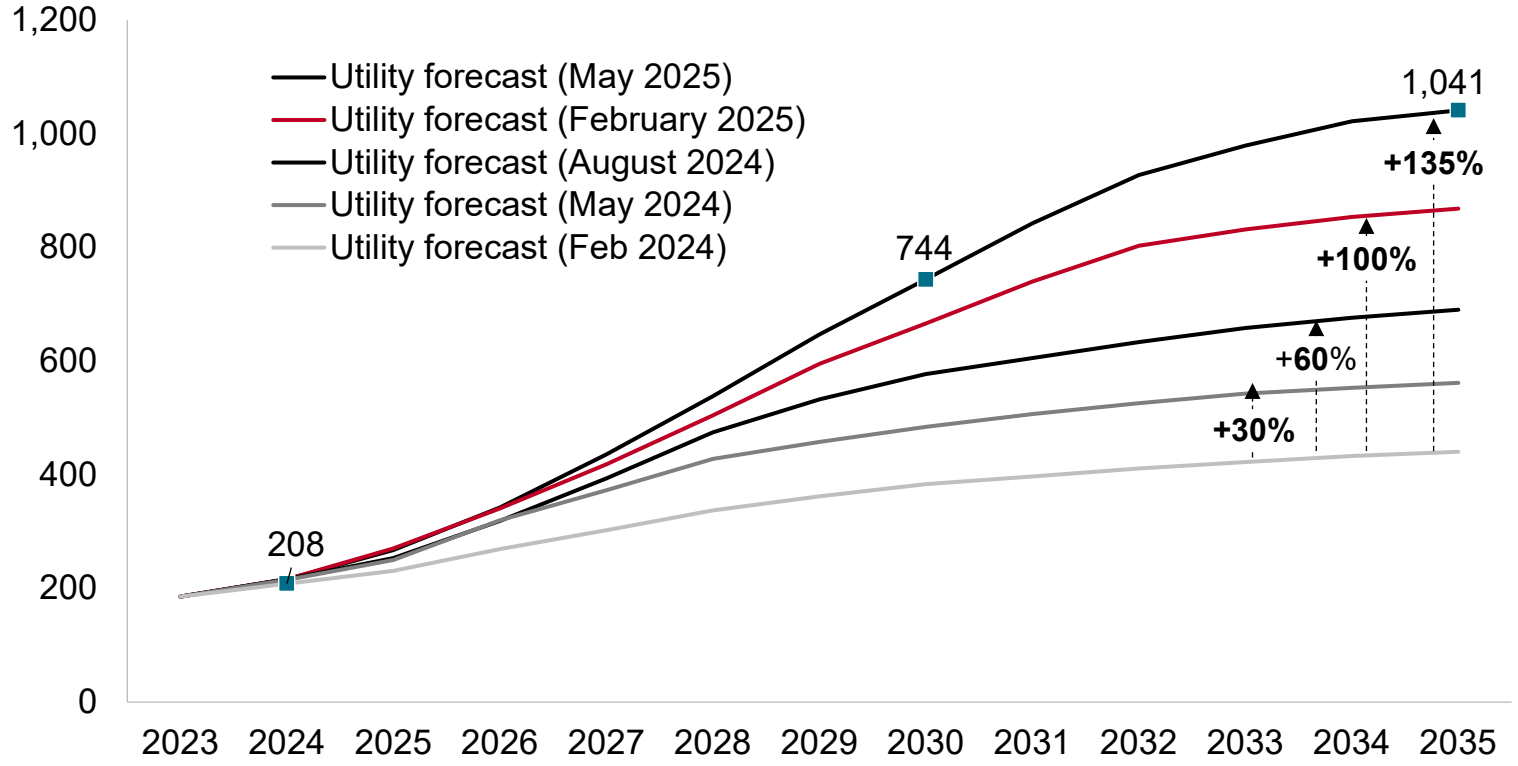
US Lower 48 LNG feedgas (Bcf/d)



Data compiled Sep. 14, 2025.
Source: S&P Global Commodity Insights.

Starting in late 2023, expectations for datacenter-driven load growth began to surge

US datacenter load forecast according to utilities, TWh



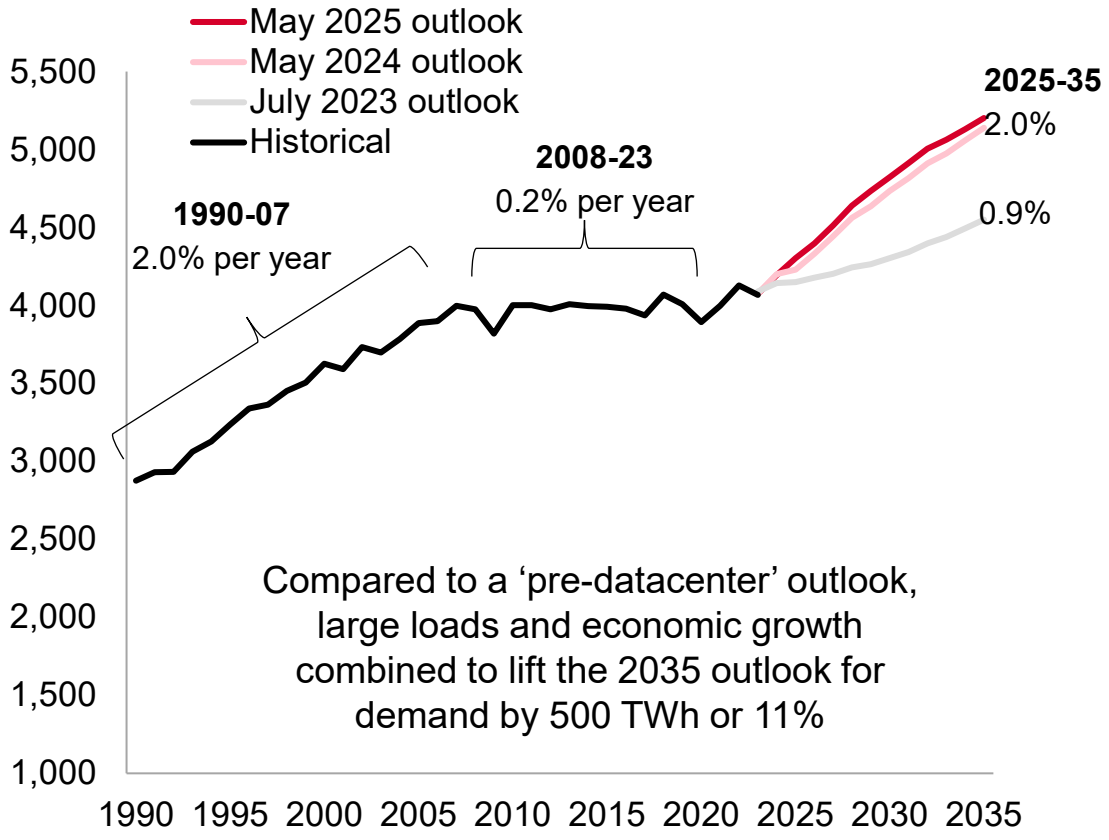
Data compiled June 2025.
Note: Utility forecast includes data center load forecasts from various ISO/RTOs and electric utilities. Excludes cryptocurrency mining datacenters
Source: S&P Global Commodity Insights

The House View assumes grid-based electricity demand from data centers will fall below forecast from utilities / RTOs for several reasons.

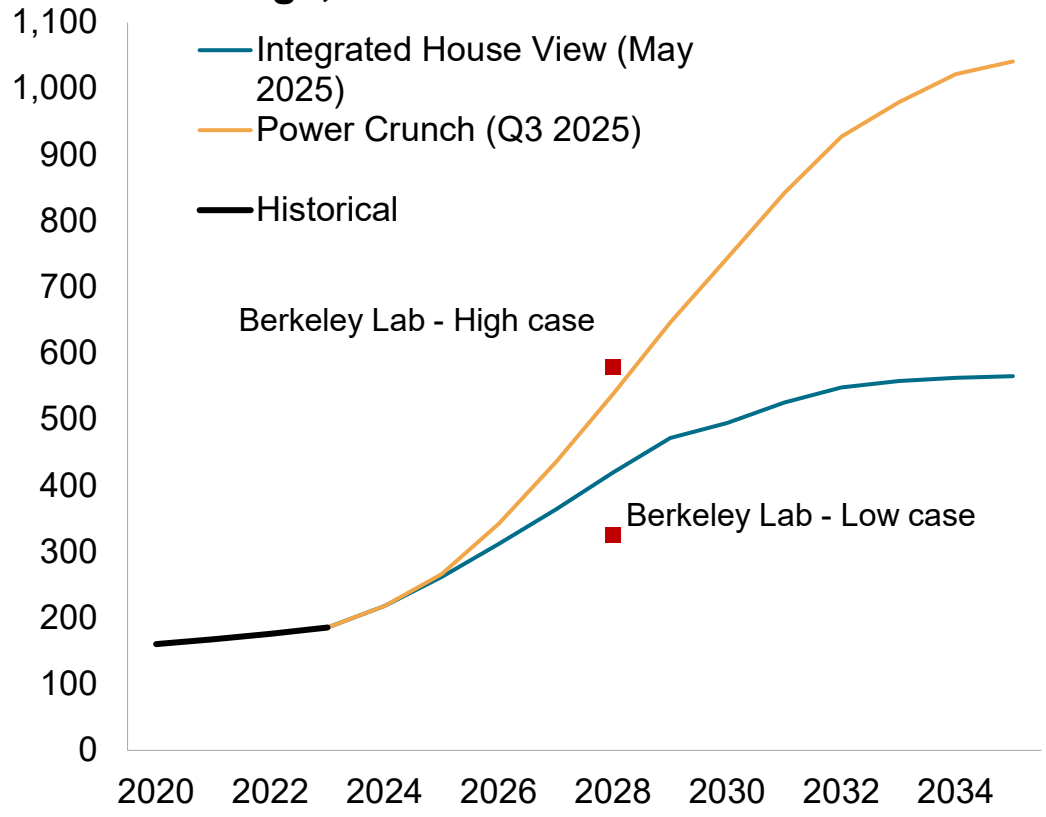
- Lingering project "accounting" questions
- In recent years, increases in datacenter electricity consumption have not driven a 1-1 increase in total US C&I demand.
- Grid infrastructure constraints
- Potential for algorithmic energy efficiency to exceed expectations
- Uncertainty around level and mix of AI services demand
- Potential for constraints in equipment, labor, and water resource availability to emerge.
- Financial viability questions
- Potential for behind-the-meter power supply to eat into grid-based demand.
- State PUCs increasingly focused on protecting affordability

Though datacenter-driven demand is expected to rise 25% this year, the near-term outlook remains highly uncertain

US lower-48 electricity demand by outlook vintage, TWh



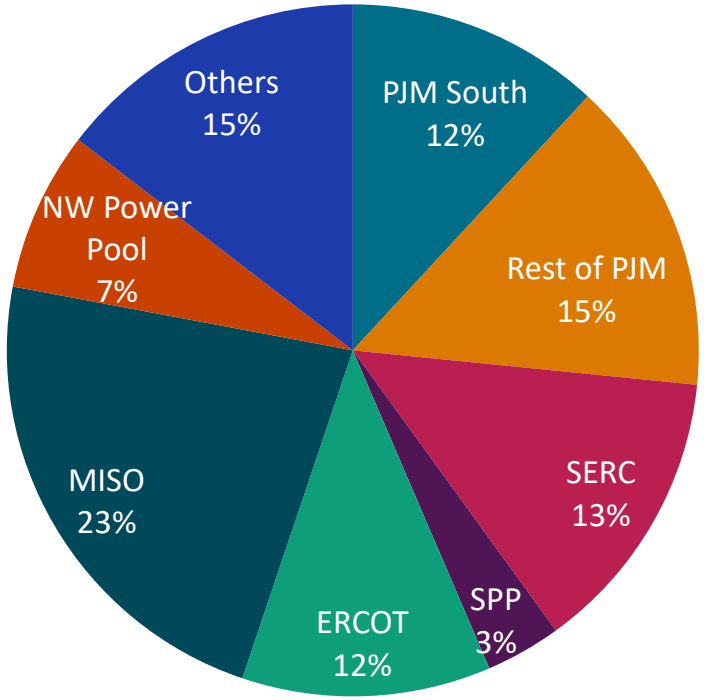
US data center net on-grid load projections by outlook vintage, TWh



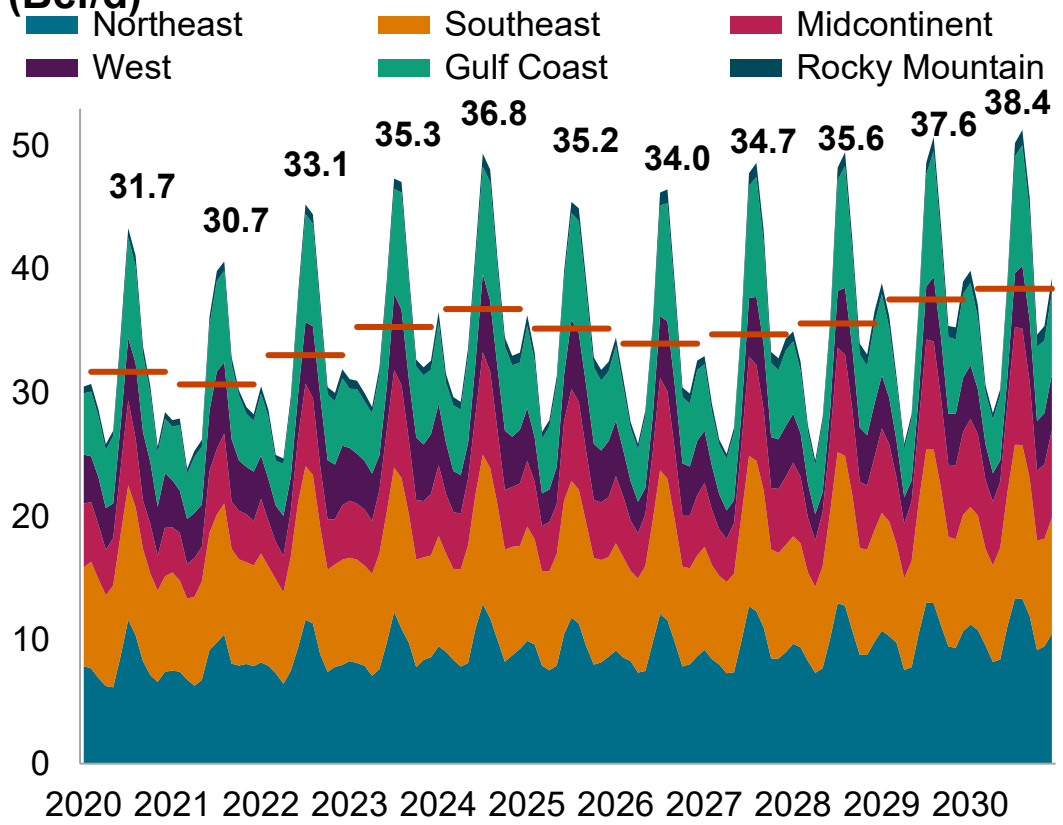
Data compiled June 2025.
Source: S&P Global Market Intelligence (451 Research), S&P Global Commodity Insights, Lawrence Berkeley National Laboratory (Berkeley Lab)

Power burns stay below 2024 levels through 2027 on delayed coal retirements, higher prices; datacenter growth spurs greater gas-fired generation from 2028–30

PJM, MISO, ERCOT and Southeast account for 74% of large industrial load growth by 2030



US Lower 48 power sector gas demand by region (Bcf/d)

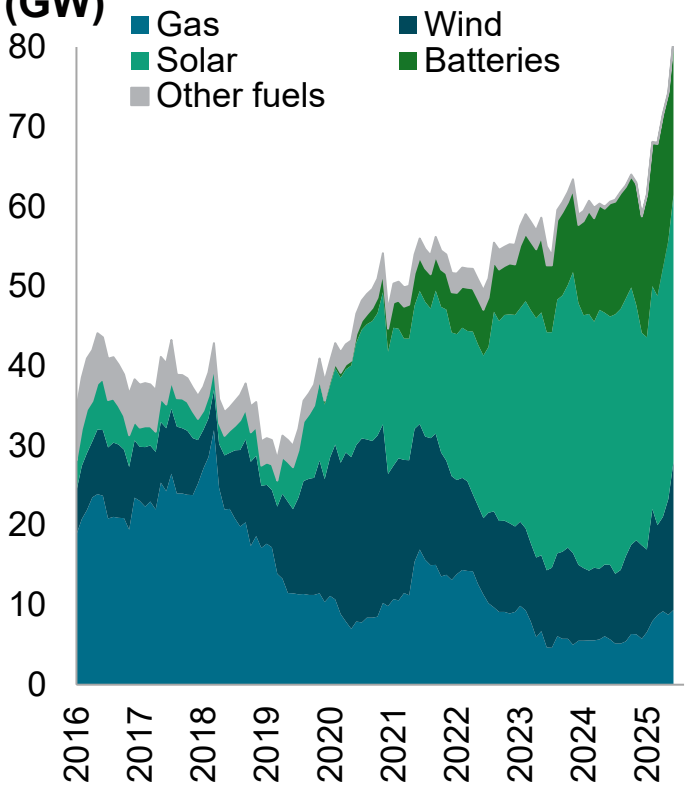


Data compiled Aug. 13, 2025.
Large industrial loads include datacenters, new manufacturing (e.g., battery, steel, semiconductors and others), and electrification of oil and gas operations.
Sources: S&P Global Commodity Insights; US EIA.

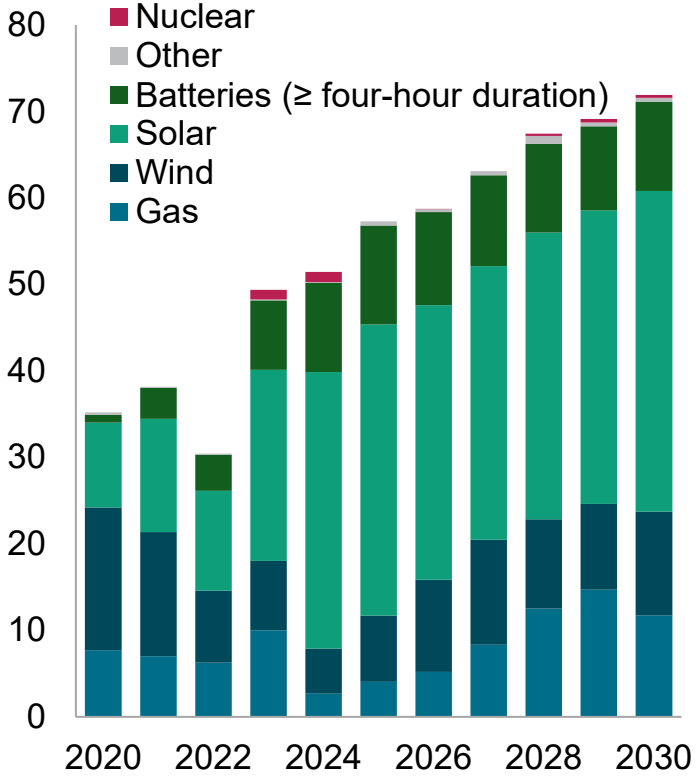
Capacity under construction increased by over 20 GW since December 2024

More gas capacity coming through 2030, much of it already on order ahead of data center boom, timelines for new turbines put new capacity beyond 2030 today.

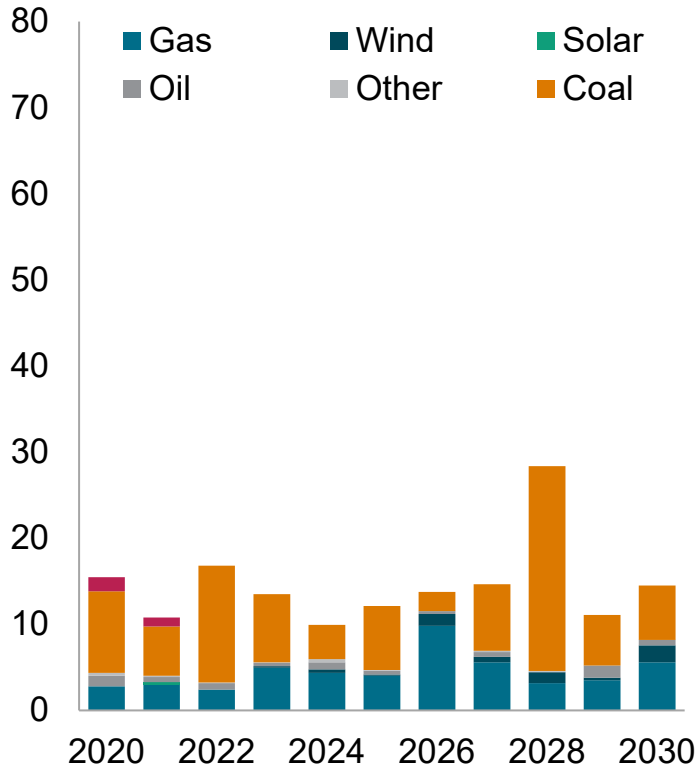
US capacity under construction (GW)



US Lower 48 power capacity additions (GW)



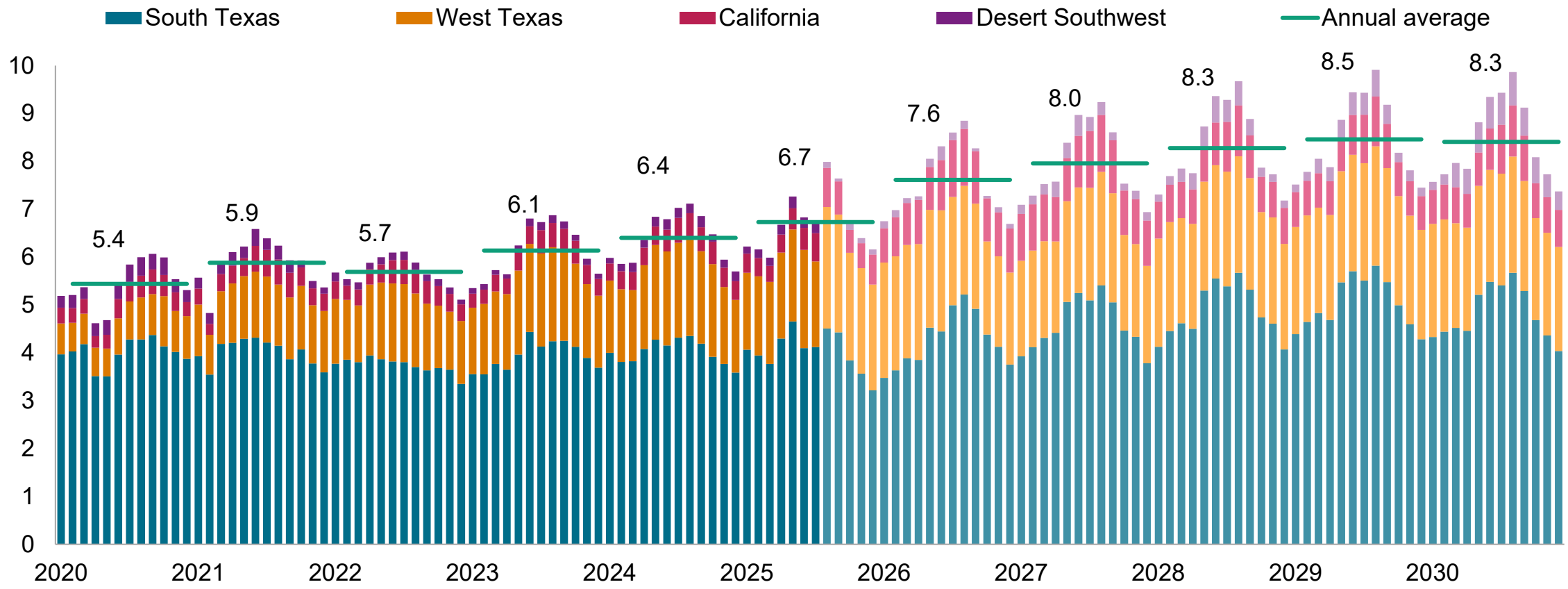
US Lower 48 power capacity retirements (GW)



Data compiled Aug. 13, 2025.
Other = oil, concentrating solar power, pumped storage, batteries (≥ four-hour duration). Additions/retirements capacity charts exclude behind-the-meter solar capacity. Solar generation includes PV (grid-facing) and solar CSP.
Sources: S&P Global Commodity Insights; S&P Global Market Intelligence; US EIA.

This summer's exports to Mexico disappoint, but structural trends point to continued growth

Net pipeline exports to Mexico (Bcf/d)



Data compiled Aug. 15, 2025.
*Sources: S&P Global Commodity Insights; US EIA; SENER; Pemex.

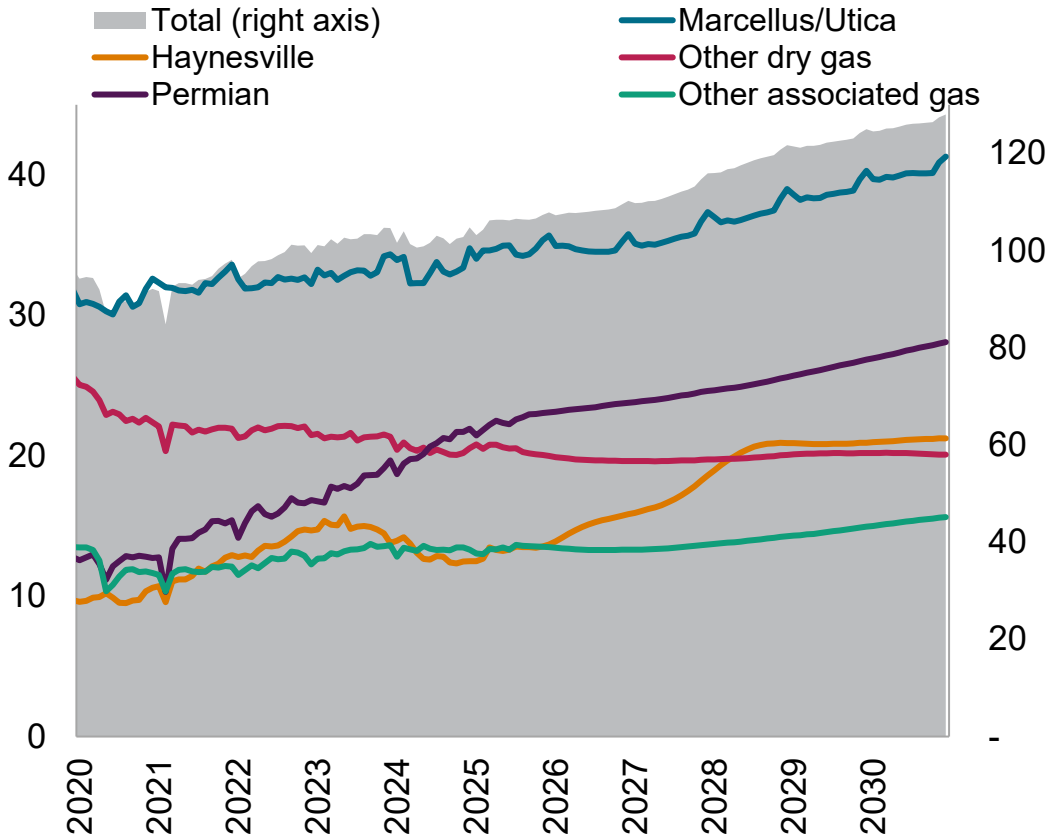
S&P Global
Commodity Insights

Short-term Outlook: production and infrastructure

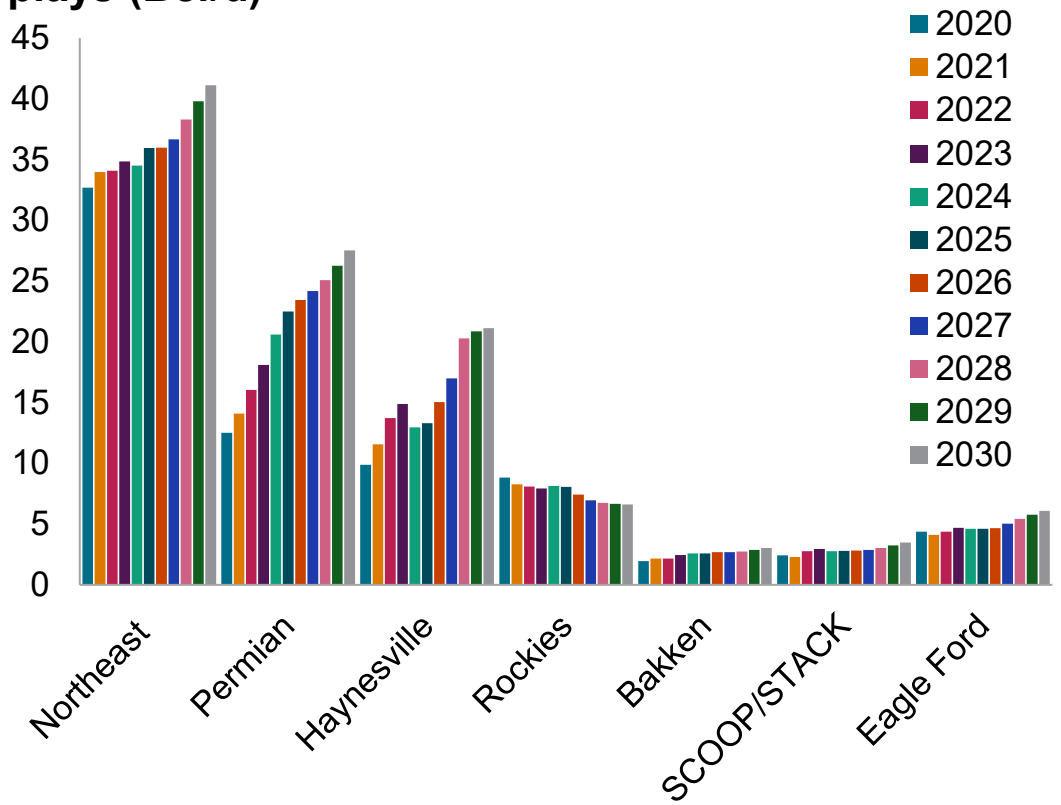
Production growth will come from the Haynesville, associated gas plays (Permian, Eagle Ford and SCOOP/STACK) and the Appalachian Basin, aided by infrastructure expansions and higher gas prices.

Stronger demand and higher price expectations boost production outlook beyond 2027

US Lower 48 production by source (Bcf/d)

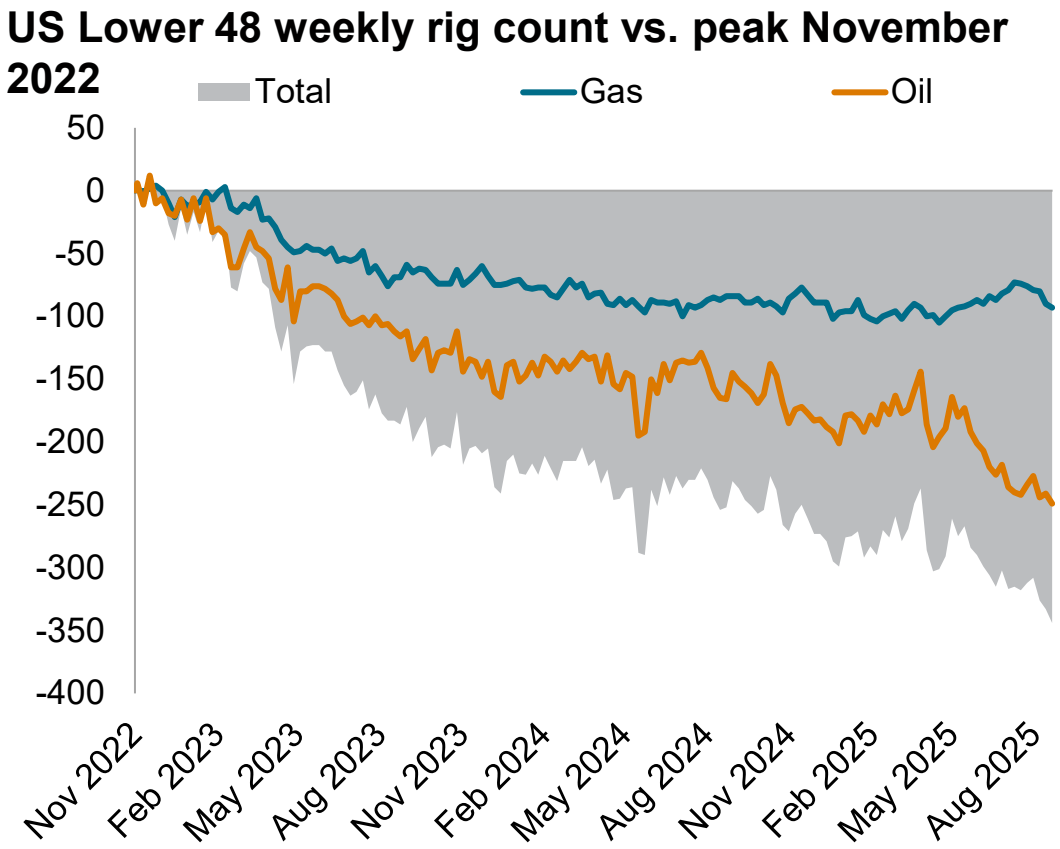


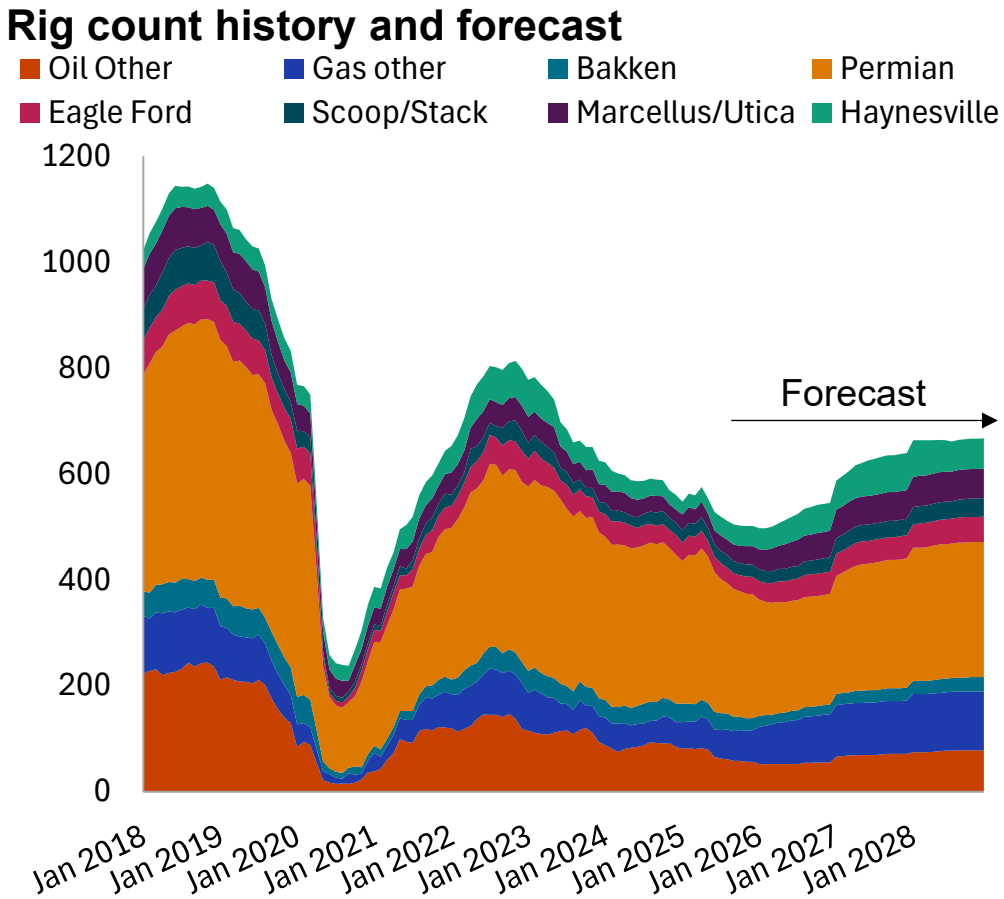
Annual average production for select regions and plays (Bcf/d)



Data compiled Aug. 13, 2025.
Sources: S&P Global Commodity Insights; US EIA.

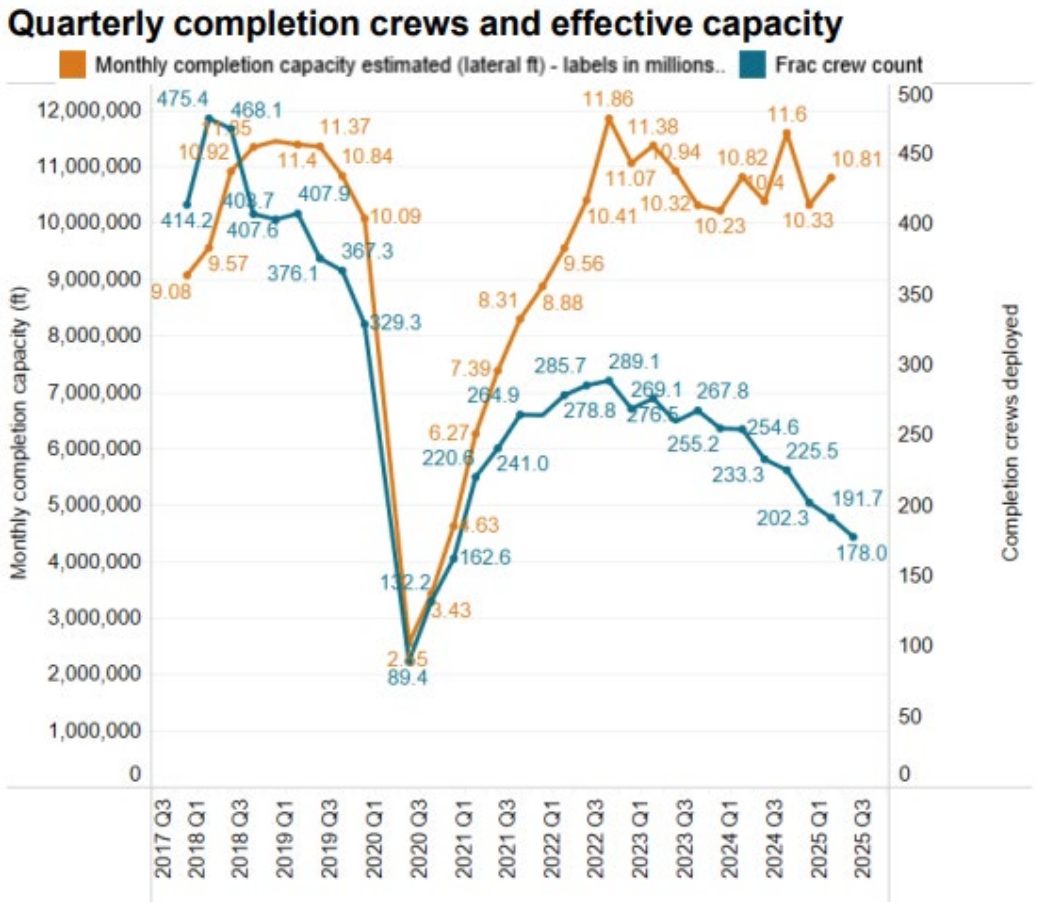
Oil price uncertainty leads to oil rig count drop in 2025 while higher gas prices brings some gas rigs back

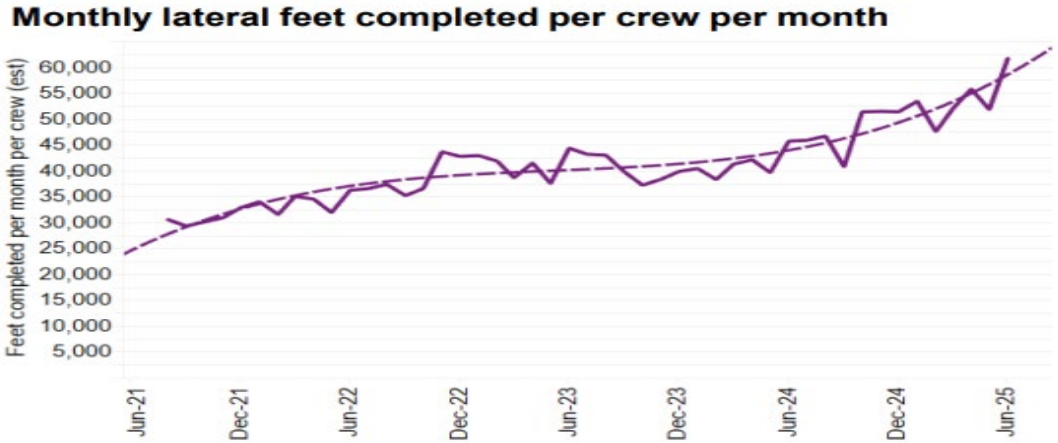




Data compiled Aug. 8, 2025.
Data includes all rig orientations (horizontal, vertical and directional wells).
Source: S&P Global Commodity Insights.

Operators maintained 51,000 ft per month in Q2-2025; April and June indicate a further 5-9% efficiency growth offset completion drops



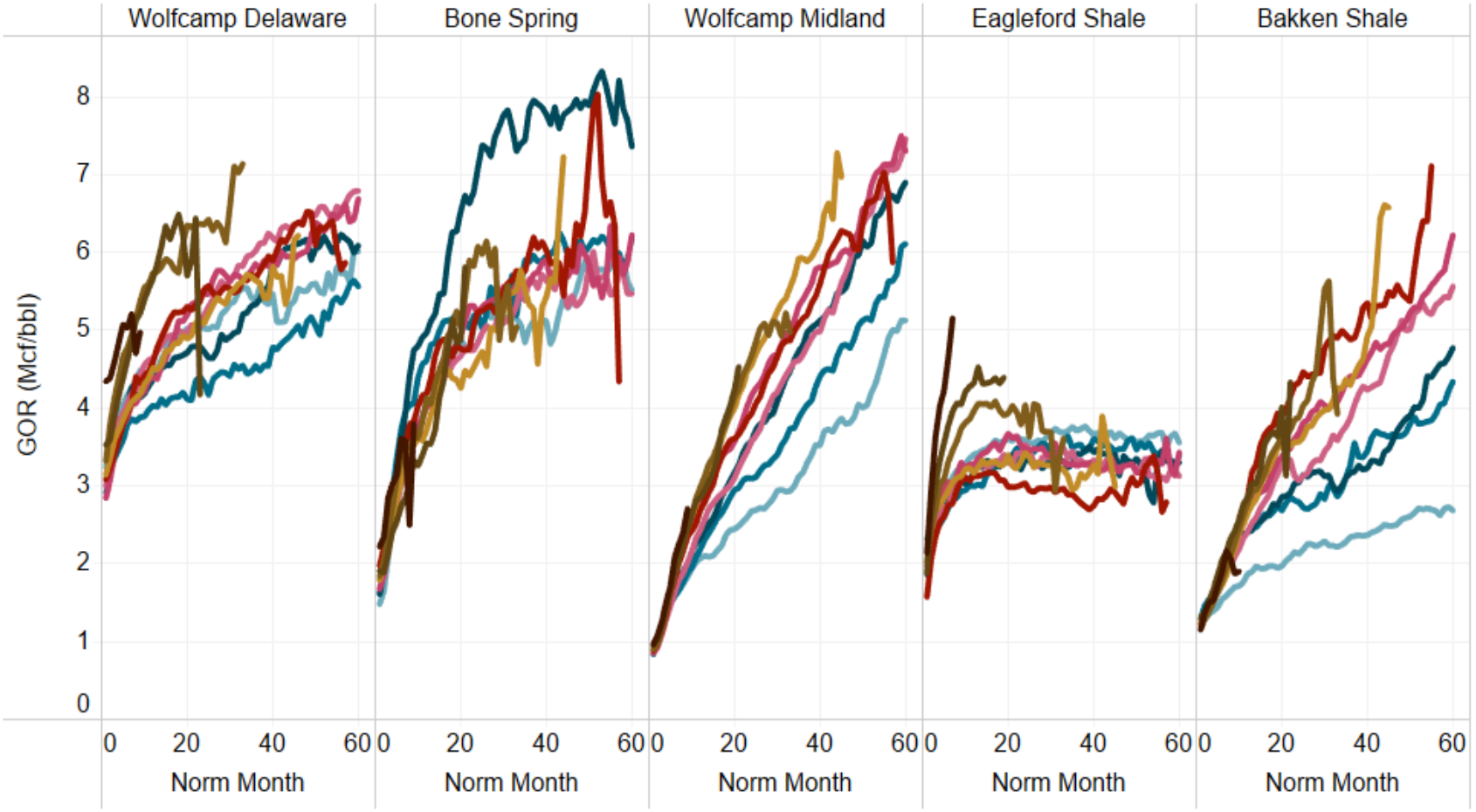


- Crew drops in Q1 2025 were overcome by efficiency.
- July 2025 drop to 178 crews will be challenging to overcome.

Data compiled: July 12, 2025.
Presumed completions are 3 months delayed from spud date and a percentage of spuds.
Source: Data taken from S&P Global upstream E&P content (Rig History); Primary Vision.

Per well GOR has increased in recent years outside of the Bone Spring, the effect is most notable after month 24

GOR by vintage year by play (class-1 to class-3 only)



The color pattern reveals the state of GOR in the play, if blue is on the bottom, magenta in the middle, and brown on top, GOR is accelerating in newer wells; when mixed, GOR is steady over vintages

Wolfcamp Delaware and Wolfcamp Midland clearly have an accelerating GOR in newer wells

Bakken GOR acceleration stalled in recent (brown) years

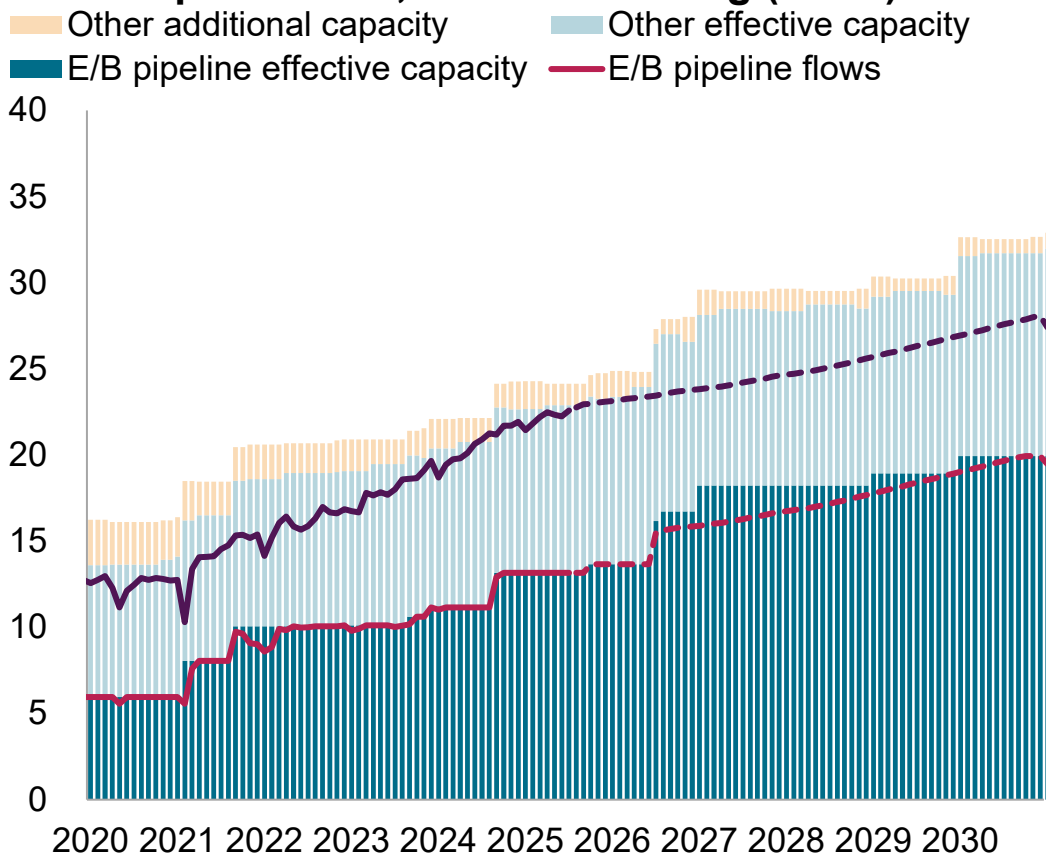
Bone Spring has been steady (mixed colors); Eagle Ford was steady until 2021/22

Screenshot as of June 11, 2025

Source: Data taken from S&P Global Commodity Insights upstream E&P content (Energy Studio: Impact).

Permian egress pipeline constraints will continue to depress Waha basis discounts at times, while middle-mile plans improve downstream connectivity

Permian production, uses and ceiling (Bcf/d)



Data compiled Aug. 18, 2025.

E/B = eastbound.

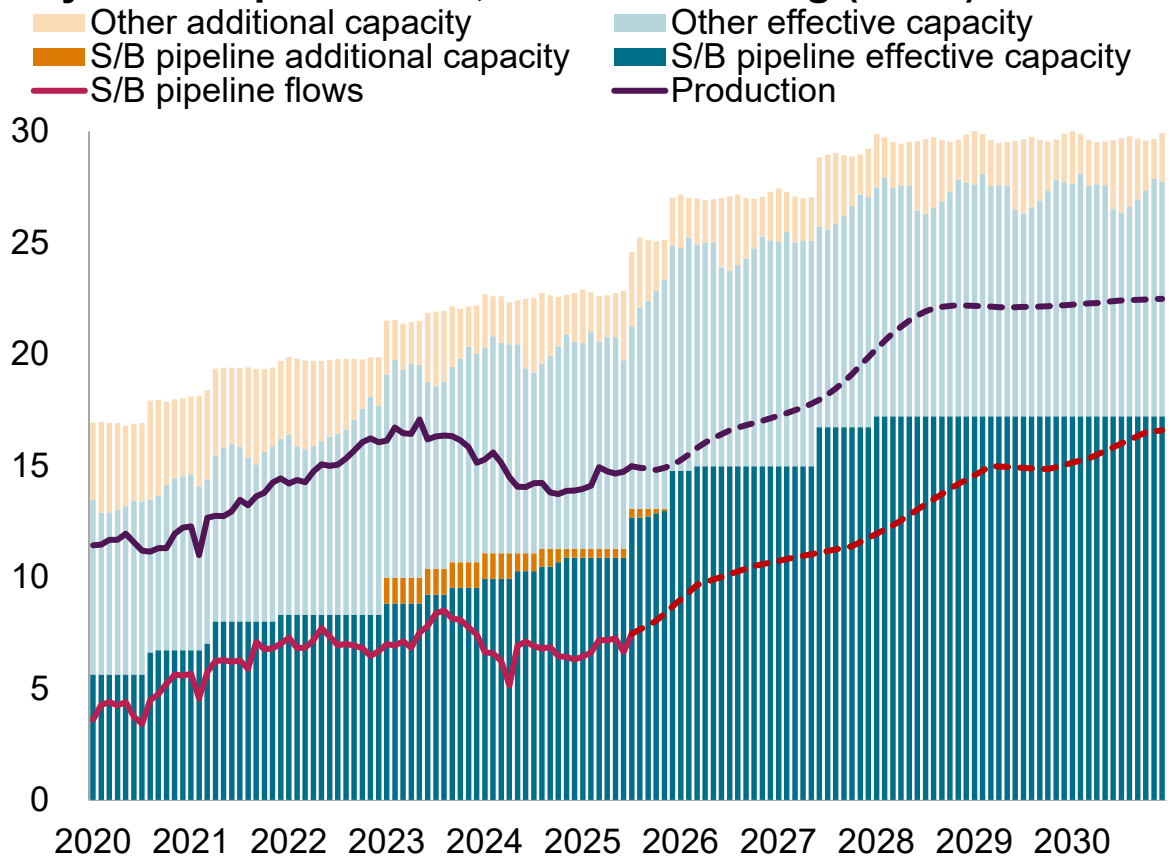
Solid and broken lines reflect history and outlook, respectively. The sum of effective capacity bars reflects our production ceiling estimate and can be lower than the total capacity. "Additional capacity" is not included in the ceiling estimate because of downstream demand and pipeline connectivity limitations. The E/B pipeline flow outlook is based on its historical share of production growth.

Sources: S&P Global Commodity Insights; Platts, a product of S&P Global Commodity Insights; US EIA.

- **Despite lower WTI prices at $55/b in 2026 and $64/b in 2027, higher gas-to-oil ratios support production growth in 2026 and 2027.** Heightened oil price volatility still presents downside risk to production in 2025–26 amid periodic constraints.
- **Downstream demand growth will require middle-mile pipeline expansions at the tailgate of Permian egress pipelines. Several middle-mile pipelines will ease Permian downstream constraints near the Katy and Agua Dulce hubs.**
- **A total of 6.8 Bcf/d of new easterly pipeline egress capacity is expected in 2025–30.** Projects in this outlook include:
  - Matterhorn Pipeline Compression Expansion (October 2025, 0.5 Bcf/d)
  - Blackcomb Pipeline (July 2026, 2.5 Bcf/d)
  - Gulf Coast Express Expansion (August 2026, 0.6 Bcf/d)
  - Hugh Brinson (January 2027, 1.5 Bcf/d) and Hugh Brinson Phase 2 (January 2029, 0.7 Bcf/d).
  - Two small-scale expansions to the Lower Midcontinent (2025–26, 215 MMcf/d)
  - Transwestern Desert Southwest expansion (2030, 1.5 Bcf/d)

Haynesville southbound flows expected to increase and informed by downstream LNG feedgas demand growth

Haynesville production, uses and ceiling (Bcf/d)



Data compiled Aug. 14, 2025.

S/B = southbound.

Solid and broken lines reflect history and outlook, respectively. The sum of effective capacity bars reflects our production ceiling estimate and can be lower than the total capacity. "Additional capacity" for S/B and others is not in our ceiling estimate, given downstream demand and pipeline connectivity limitations. The S/B pipeline flow outlook is based on an allocation of new capacity, production and demand growth.

Sources: S&P Global Commodity Insights; US EIA.

- **A total of 6.4 Bcf/d of new pipeline egress capacity is expected in 2025–30.** Expansions primarily run toward southerly demand growth. Named projects in this outlook include:
  - Increase in Gulf Run Transmission LLC's practical capacity (second half 2025, 0.5 Bcf/d)
  - Louisiana Energy Gateway (July 2025, 1.8 Bcf/d)
  - New Generation Gas Gathering [NG3] (December 2025, 1.7 Bcf/d)
  - Louisiana Energy Access Pipeline (LEAP) Phase 4 expansion (March 2026, 0.2 Bcf/d)
  - Pelican Pipeline (June 2027, 1.8 Bcf/d)
  - Another 0.5-Bcf/d expansion is expected in 2028 (January), although Pelican's recent upsizing to 2.5 Bcf/d (July 30) would preempt this expectation.

Western Market

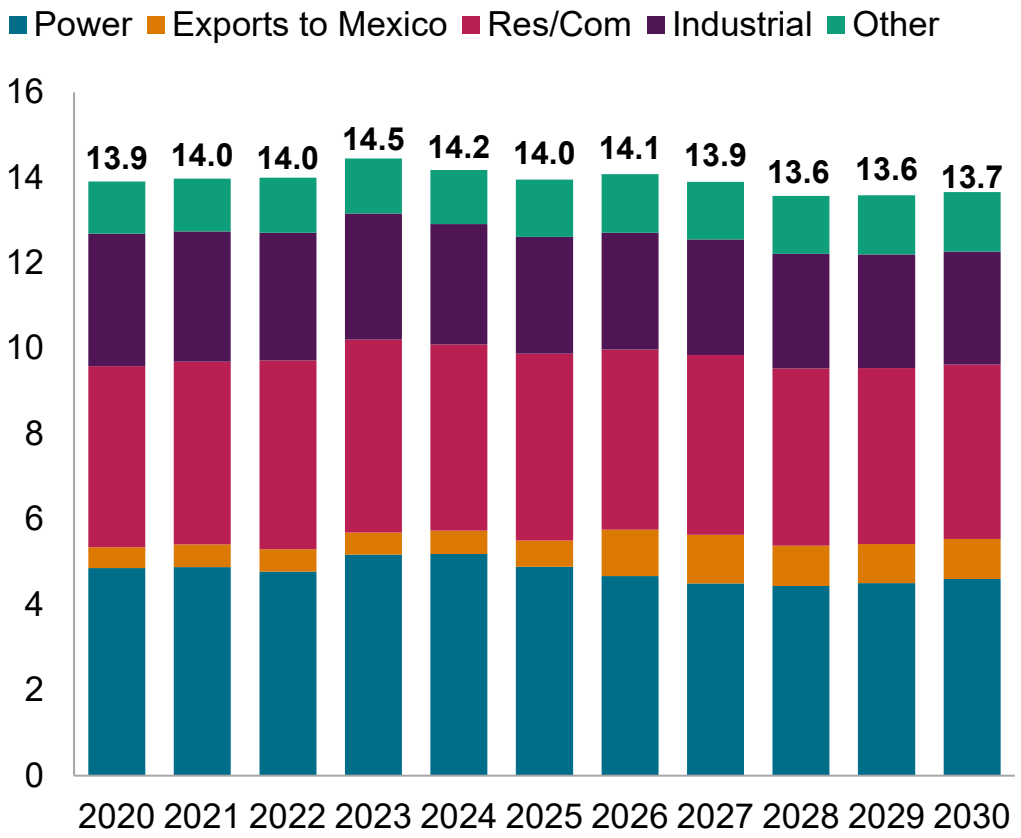
(Pacific Northwest, Rockies, California, and Desert Southwest)

S&P Global
Commodity Insights

Western demand expected to decline modestly through 2030

Upside potential from off-grid data centers a possibility

Western natural gas demand (Bcf/d)

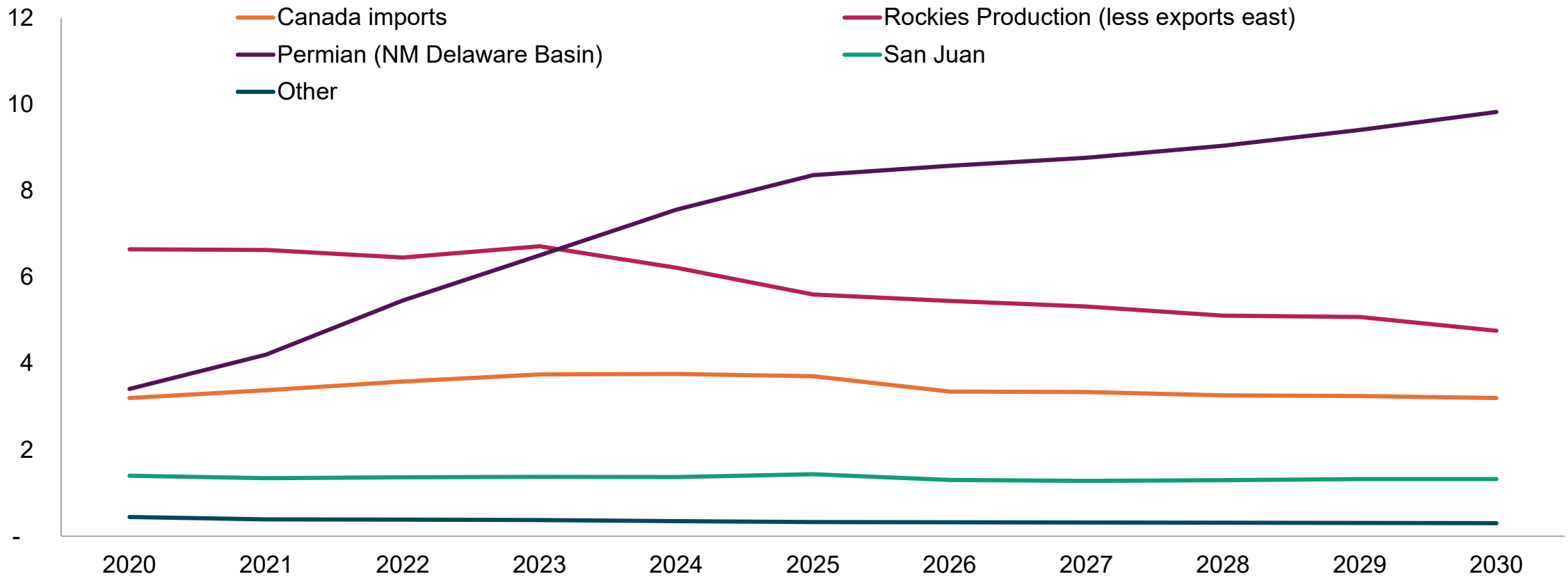


- Western gas consumption is expected to decrease by 0.5 Bcf/d by 2030.
- Despite California's aggressive decarbonization efforts, electricity demand is projected to rise, driven by data centers, altering the state's consumption trajectory.
- Local consumption in the Rockies is anticipated to remain steady at around 3.0 Bcf/d.
- Despite significant renewable expansion gas demand from power only declines slightly, while exports to Mexico backfill most of the loss.

Data compiled Sep. 30, 2025.
Sources: S&P Global Commodity Insights; US EIA.

Permian growth more than offsets declining Rockies production

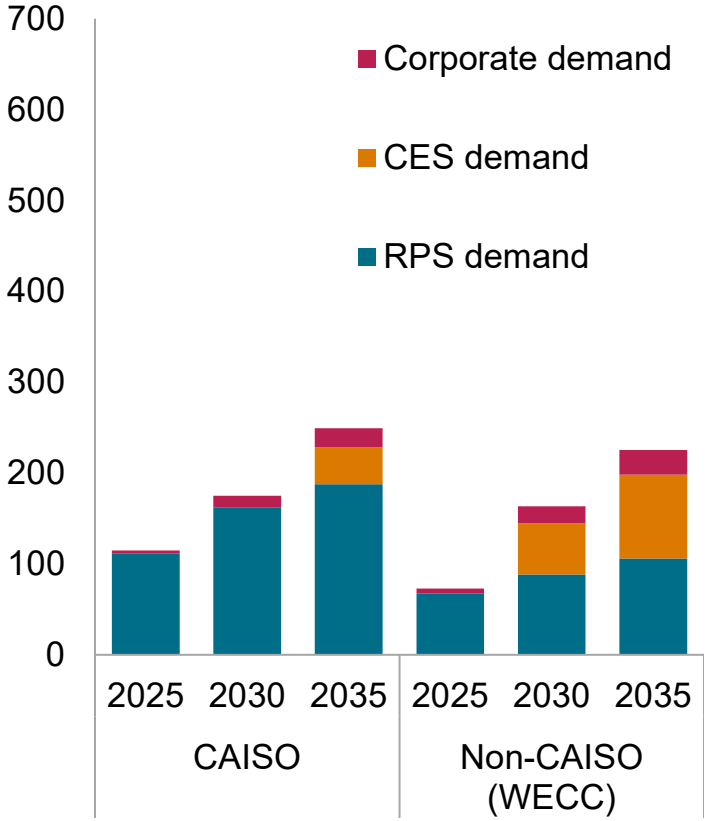
Western supply sources (Bcf/d)



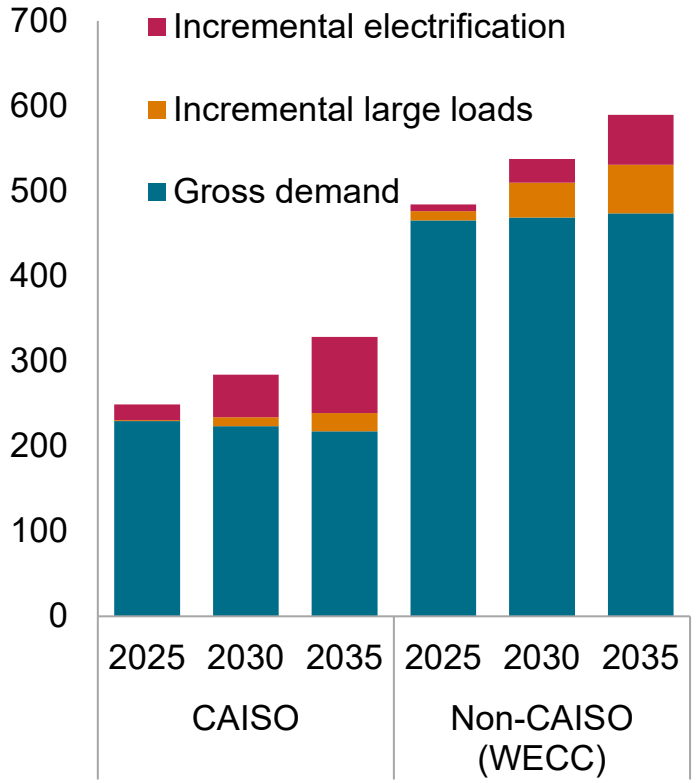
Data compiled Sep. 30, 2025.
Sources: S&P Global Commodity Insights; US EIA.

Load growth and demand for clean energy make transmission expansion a critical issue in the WECC

US WECC clean energy demand, TWh



Load growth, TWh



- Aggregate demand for clean energy grows to 474 TWh by 2035, an increase of over 150% from 2025. Transmission expansion is widely considered critical to achieving this scale-up.
- Total load growth is projected to reach 918 TWh by 2035, a 25% increase from 2025. This growth is driven by large loads in the near term and electrification in the long term.

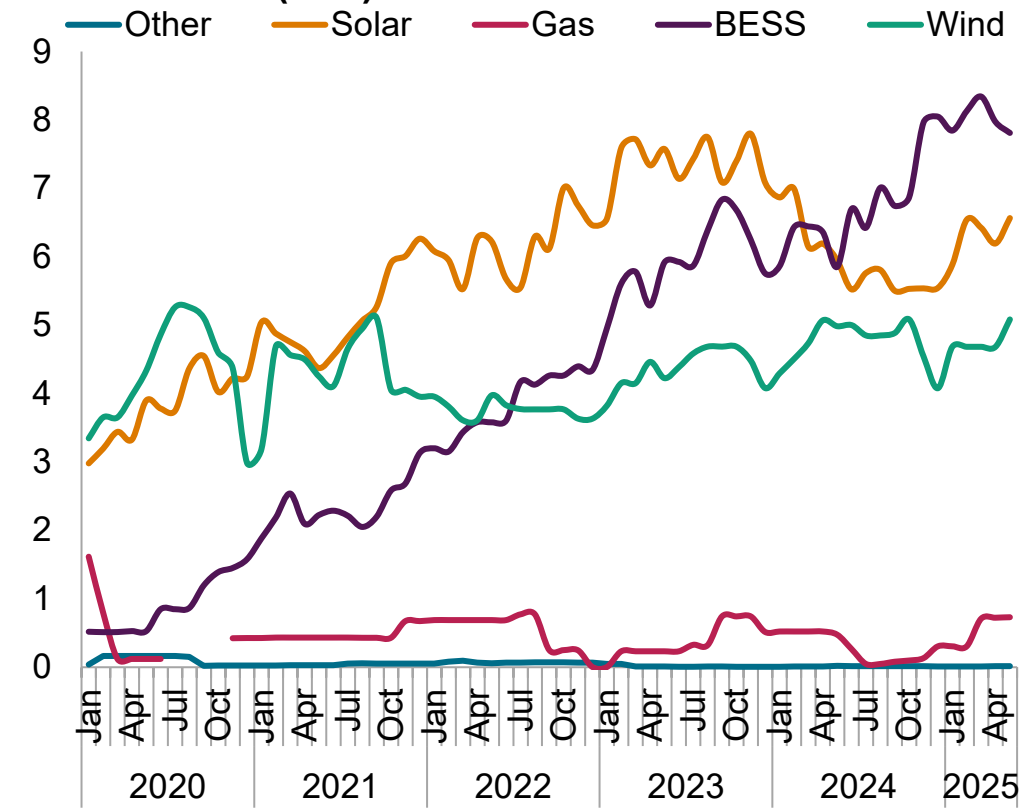
Data compiled January 2025.

Gross demand is net of behind-the-meter solar generation; incremental large loads include new data centers, new manufacturing for solar, batteries and semiconductors, new large flexible loads including crypto mining facilities, and hydrogen electrolyzers; incremental electrification includes new heat pumps and electric vehicles.

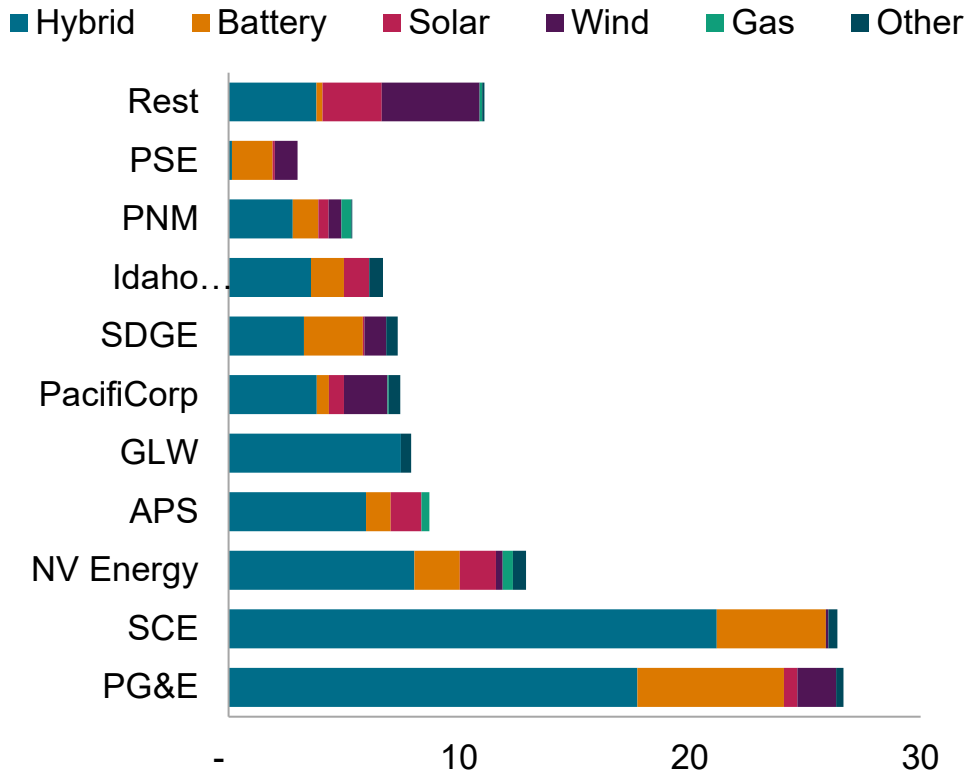
Source: S&P Global Commodity Insights.

Solar, wind and storage dominate capacity under construction and project pipelines across the WECC

US WECC power supply capacity under construction (GW)



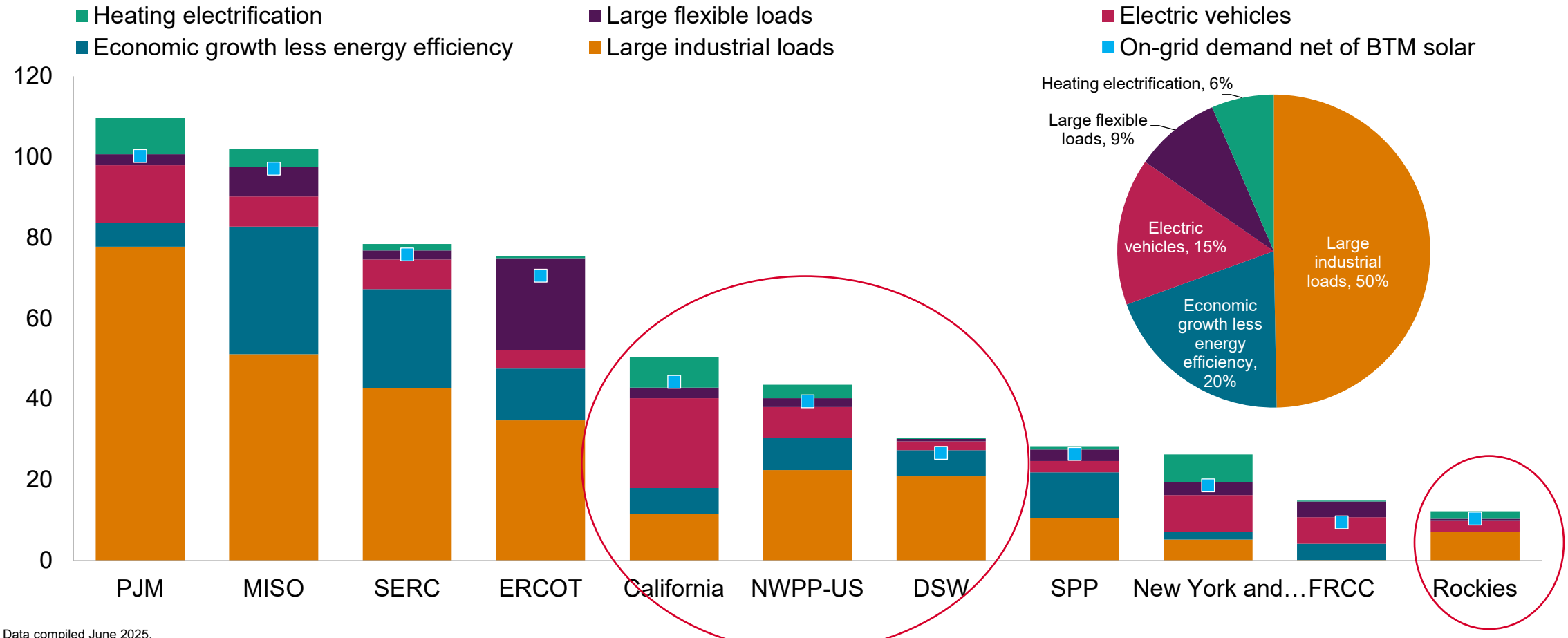
US WECC capacity with signed interconnection agreements (GW)



Data compiled September 2025
Notes: Under construction data as of June 2025; interconnection data as of year-end 2024
Source: S&P Global Commodity Insights and the US Energy Information Administration.

Large loads account for half of new demand growth expectations, but new manufacturing, electrification, and economic growth also contribute

Projected electricity demand growth by driver and US region, 2025-30 (TWh)

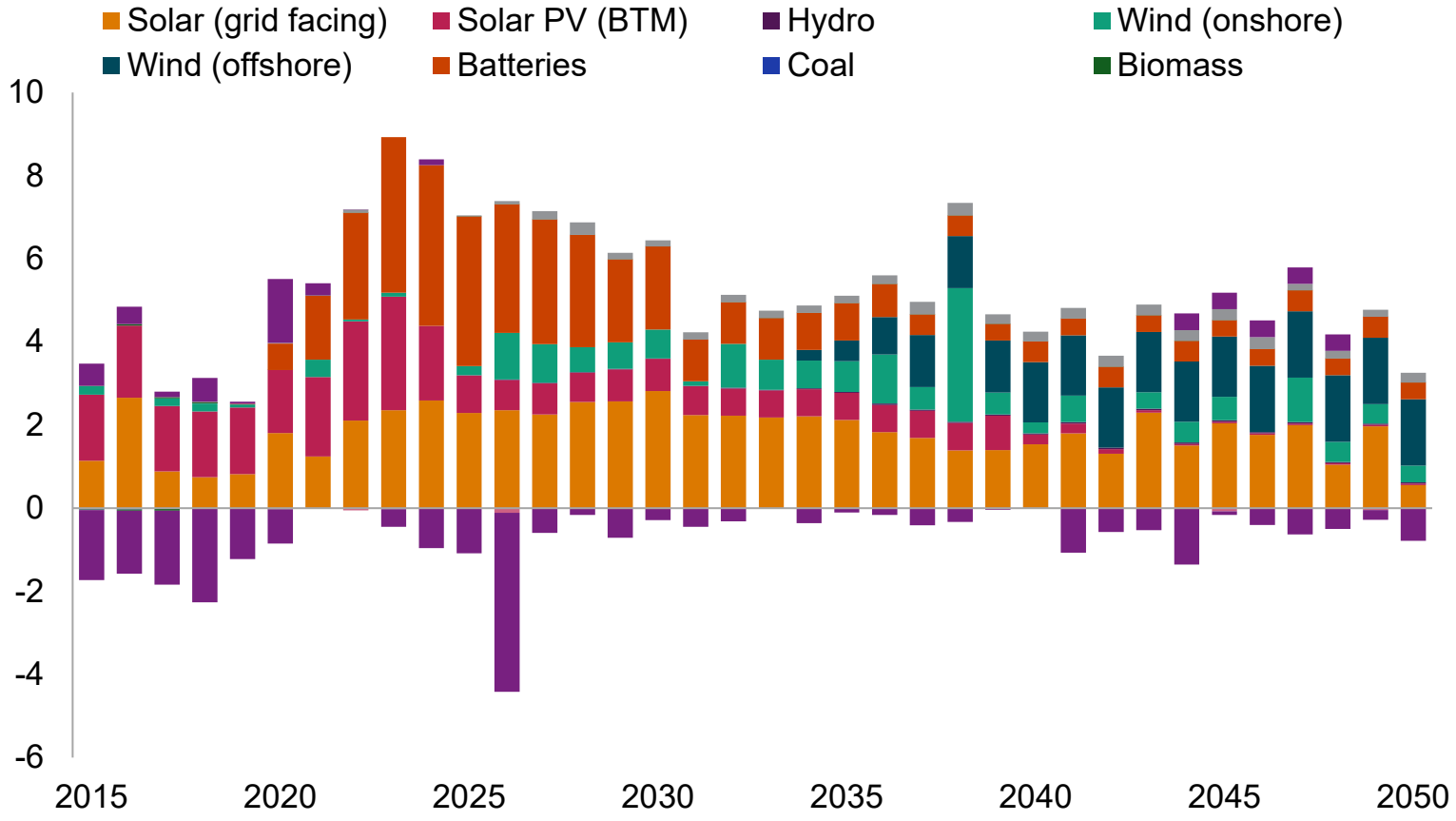


Data compiled June 2025.

Notes: Large industrial loads include incremental demand from datacenters, new manufacturing (e.g., battery, steel, semiconductors, and others), and the electrification of oil and gas operations. Large flexible loads includes demand from electrolysis and cryptocurrency mining.
Source: S&P Global Commodity Insights

California additions and retirements

California capacity additions and retirements (GW)

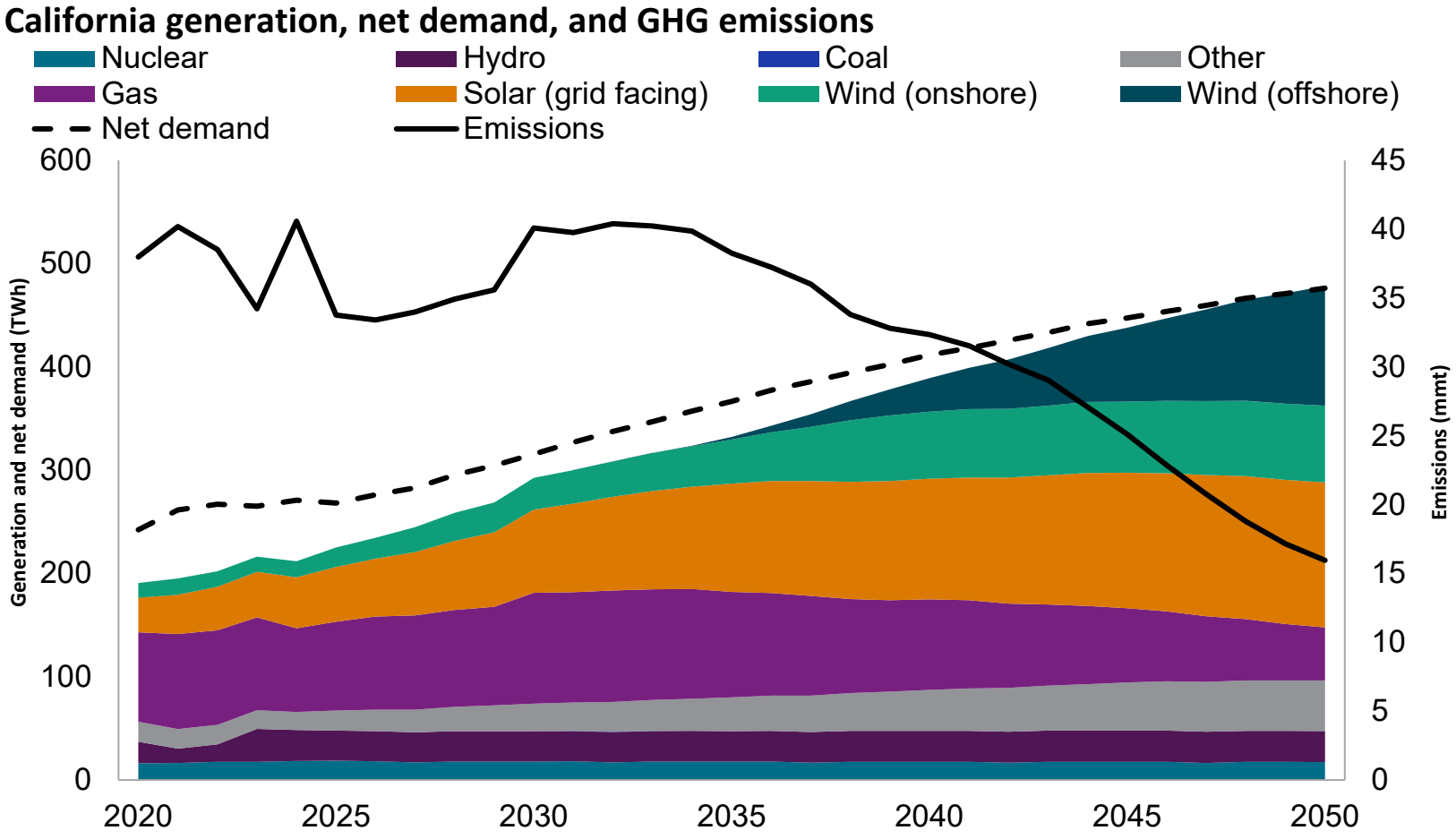


Data compiled June 2025.
Solar (grid facing) includes PV and CSP. Solar and wind additions are net of repowerings.
Source: S&P Global Commodity Insights.

California's power supply additions are dominated by wind, solar and batteries, while gas retirements are limited by reliability concerns.

- Solar additions remain strong throughout the outlook to meet state RPS and greenhouse gas targets. Virtually all new solar will be co-located with battery storage.
- Battery additions peak in the mid to late 2020s in response to the California Public Utilities Commission's (CPUC) clean capacity procurement orders totaling 15.5 GW from 2023 to 2028.
- The gas fleet contracts 35% by 2050, largely through age-based retirements. The remaining fleet sticks around for reliability and operates at lower capacity factors.

California generation, demand and emissions



Data compiled June 2025.

Other includes oil, biomass and geothermal.

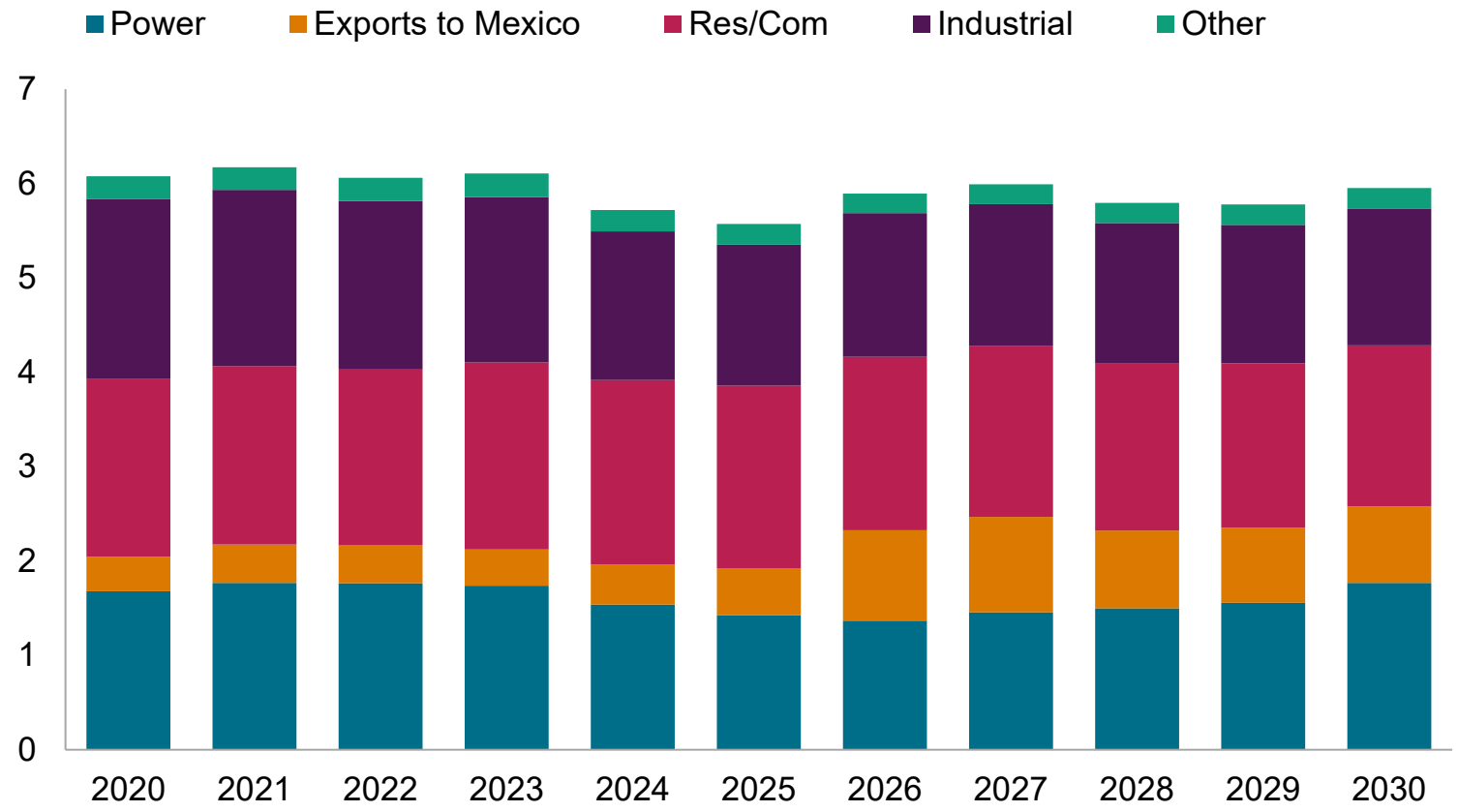
Source: S&P Global Commodity Insights.

Wind and solar ramp up to meet RPS and GHG-reduction goals, driving down gas generation and emissions.

- Demand growth picks up post-2030 driven by EVs and hydrogen production, and to a lesser extent, electric heating. This growth is partially offset by strong energy efficiency and BTM solar.
- Solar generation increases quickly through 2030 to meet the state's RPS target of 60% of retail sales. After 2030, GHG reduction targets require greater reliance on wind, which is largely out of state imports or floating offshore wind.
- California's GHG emissions are on a steady decline after 2032 as gas generation is replaced by renewables.
- Gas CC capacity factors fall from 45% in 2025 to 26% by 2050 as the role of gas shifts to backup.
- California becomes a net exporter of power in the late 2030s as the offshore wind fleet ramps significantly and demand growth slows through the 2040s.

California demand to remain relatively flat though 2030, including exports to Mexico

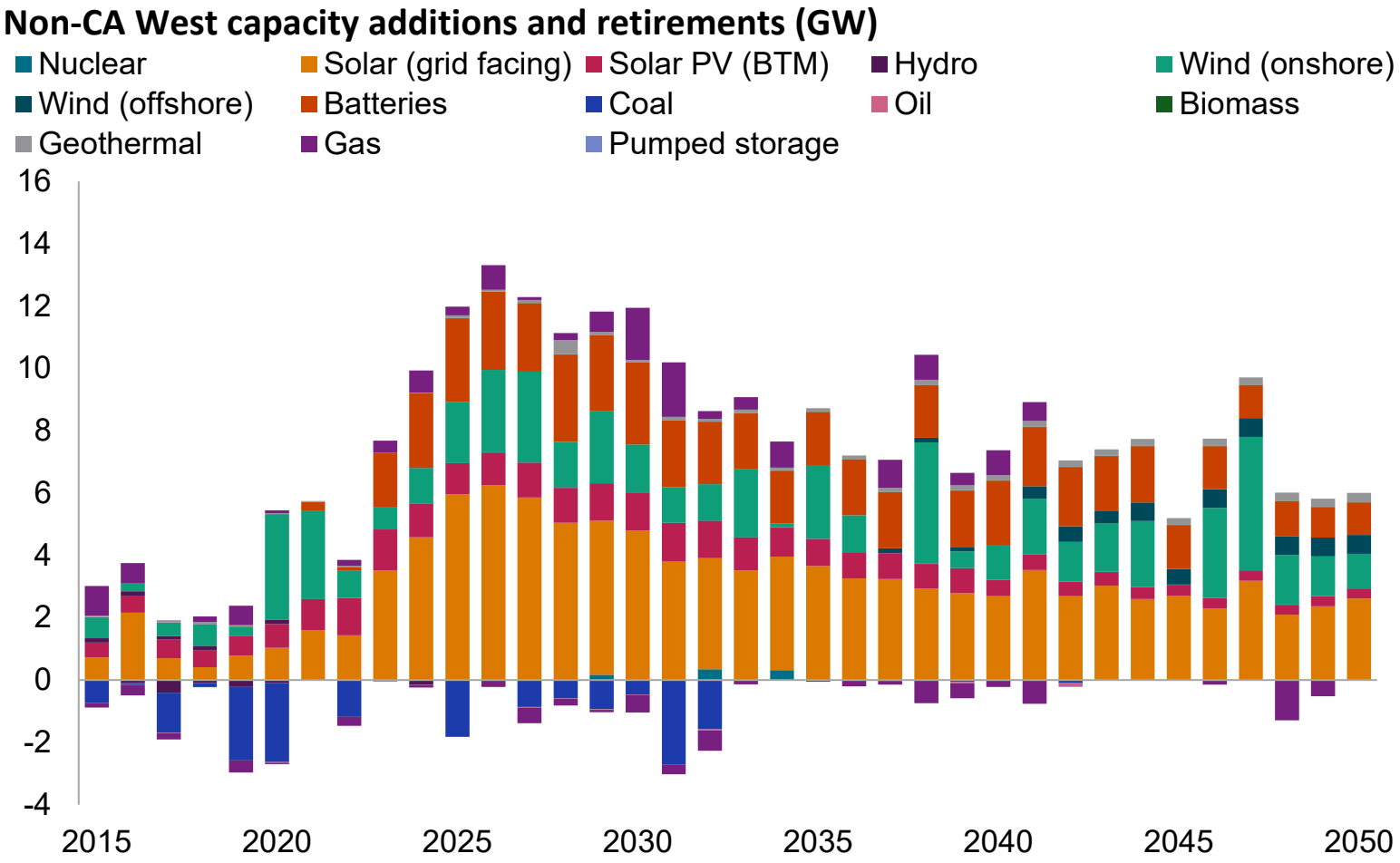
California natural gas demand (Bcf/d)



- Local demand expected to decrease 0.25 Bcf/d, offset by an increase in Mexico exports of nearly 0.4 Bcf/d.
- Statewide building codes promoting the transition away from gas-fueled appliances are projected to reduce residential and commercial gas demand by 0.2 Bcf/d by 2030.
- Industrial gas demand is also expected to decline by 0.1 Bcf/d by 2030, with additional reductions in pipeline, lease, and plant fuel demand.
- From 2025 to 2030, California is expected to add 41 GW of non-gas-fired capacity, while retiring 7.2 GW of gas-fired capacity, shifting the energy mix towards renewables.
- Significant growth is anticipated in solar (19.5 GW) and battery capacity (16.4 GW), contributing to the renewable energy transition.

Data compiled Sep. 30, 2025.
Sources: S&P Global Commodity Insights; US EIA.

Non-CA West additions and retirements



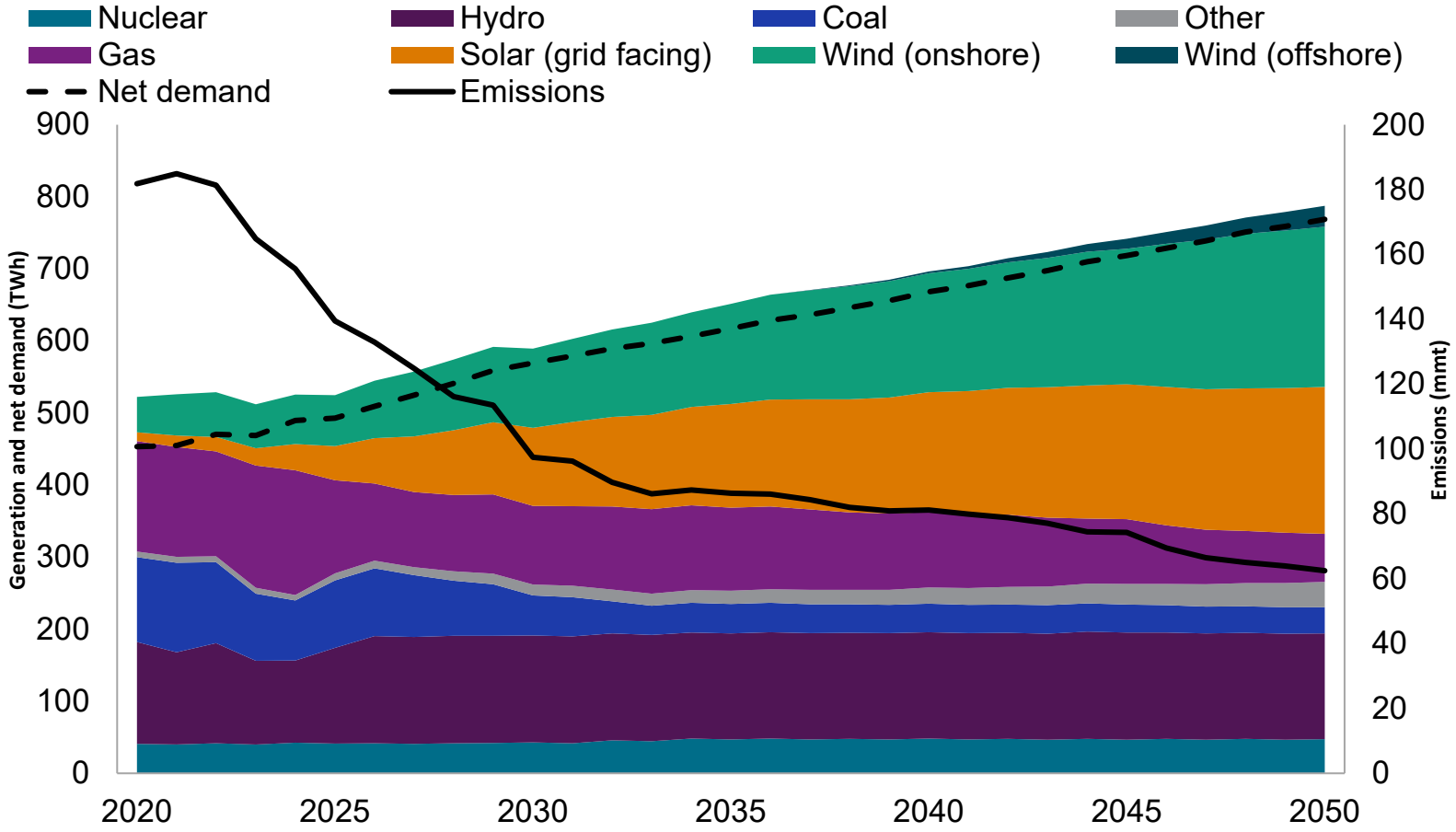
Data compiled June 2025.
Solar (grid facing) includes PV and CSP. Solar and wind additions are net of repowerings.
Source: S&P Global Commodity Insights

Solar leads supply additions, complemented by wind, batteries, and some new gas.

- Through 2035, the West adds over 100 GW of renewable capacity.
- Complementing the growth in solar are about 25 GW of new batteries through 2035—a five-fold increase from 2024's fleet.
- Over 6 GW of new gas-fired capacity is added to the grid through 2035 to address reliability concerns—almost all of it CTs.

Non-CA West generation, demand and emissions

Non-CA West generation, net demand, and GHG emissions



Data compiled June 2025.

Other includes oil, biomass and geothermal.

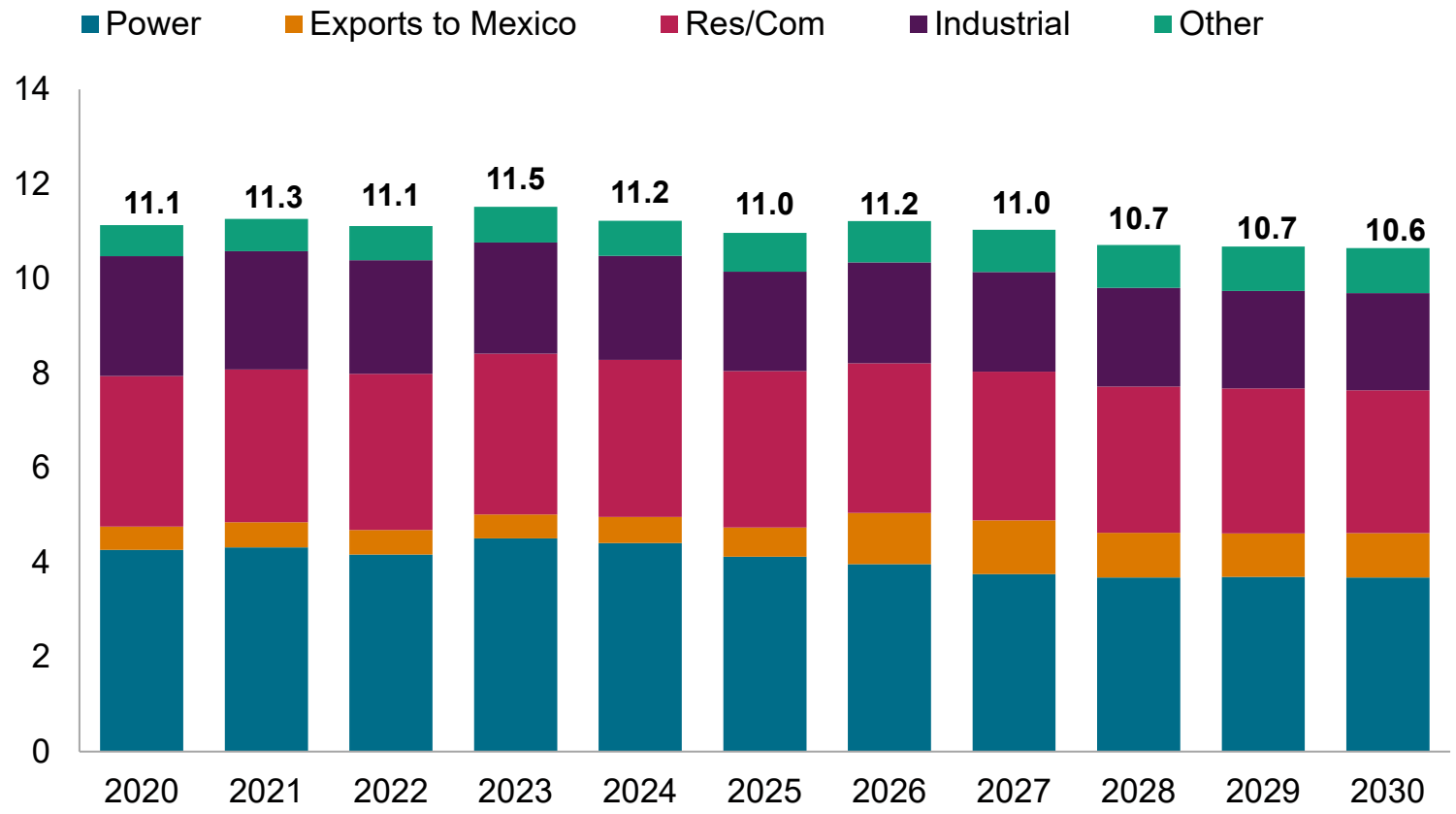
Source: S&P Global Commodity Insights

Despite rising net on-grid demand, rapid growth from solar and wind lead to an 82% decline in emissions from 2024 levels by 2050.

- Over the next decade, rapid demand growth and coal retirements are offset by new renewables, keeping gas generation roughly flat. After 2035, gas generation begins to slowly contract as renewable additions outpace rising power demand.
- As the region continues its exit from coal, emissions fall dramatically by 2035 and then enter a period of slower decline as the region will still depend on the gas fleet as a key source of firm capacity.

Small decline in demand expected western markets outside of California

Non-CA West natural gas demand (Bcf/d)

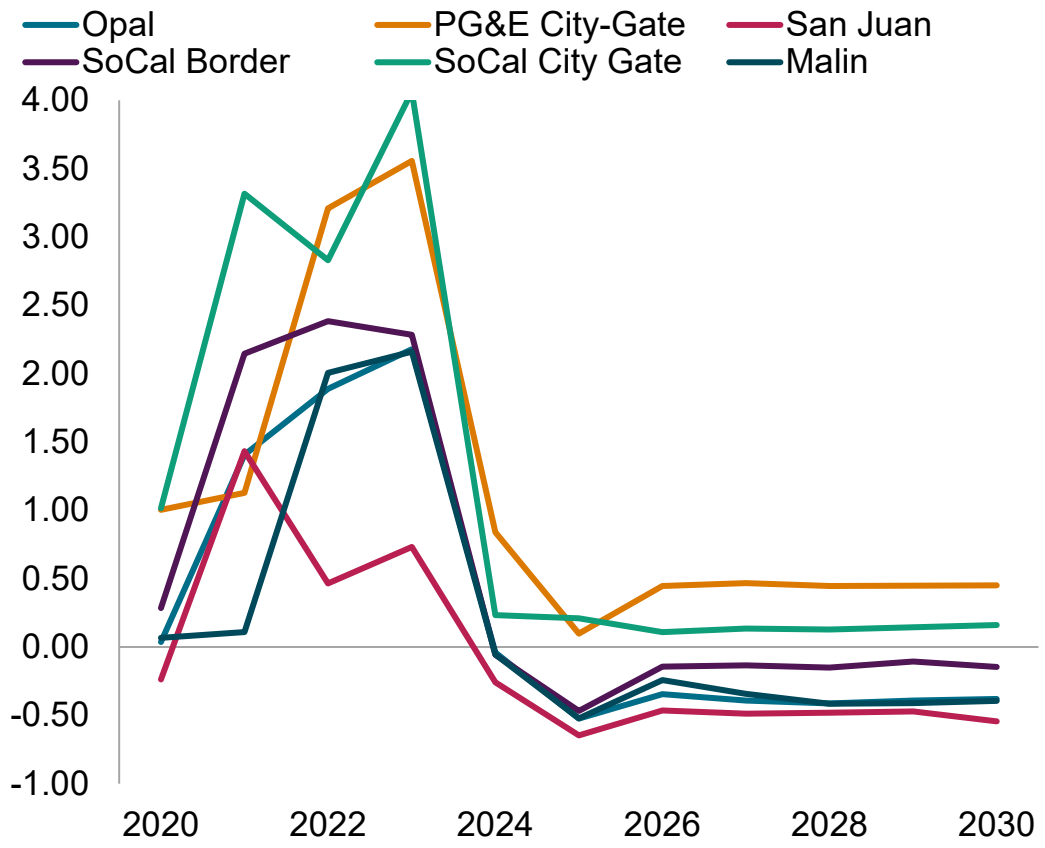


- Gas consumption is expected to decline by 5% from 2024 to 2030, while exports to Mexico are projected to nearly double, driven by power sector growth and LNG.
- The Desert Southwest and Pacific Northwest are experiencing declines in gas-fired power generation due to substantial renewable capacity additions, with gas-fired generation's share dropping significantly.
- Despite declines in power sector gas demand, the Desert Southwest anticipates potential upside risk with the Transwestern Expansion and data center developments, while the Pacific Northwest sees a shift from hydroelectric to renewable energy sources.

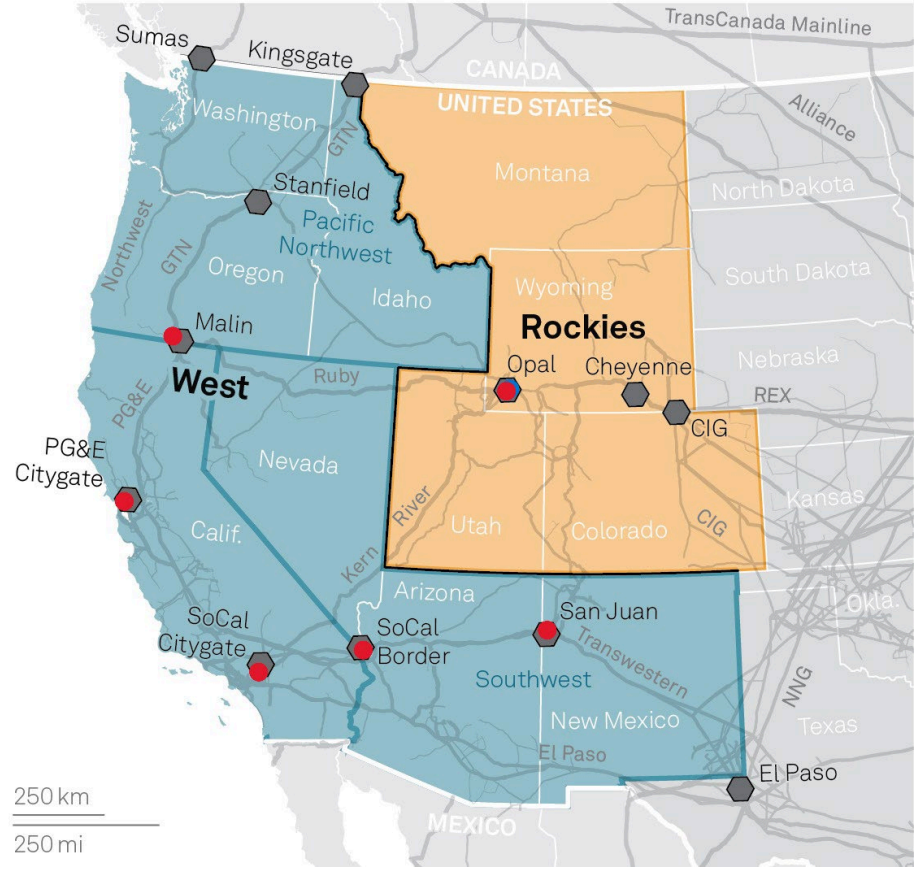
Data compiled Sep. 30, 2025.
Sources: S&P Global Commodity Insights; US EIA.

But for city-gate prices, basis is forecast to remain at a discount Henry Hub

Select basis differentials to Henry Hub ($/MMBtu)



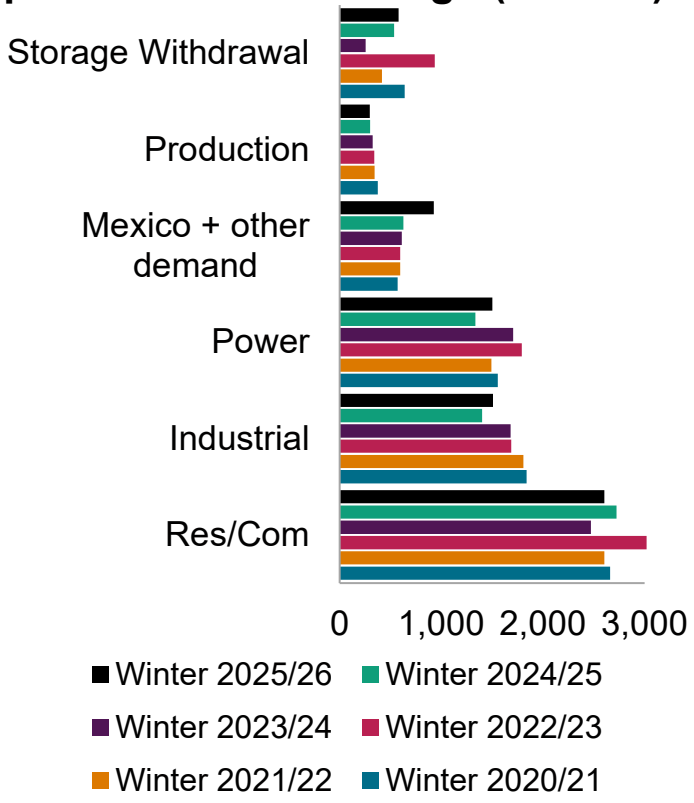
West and Rockies gas regions



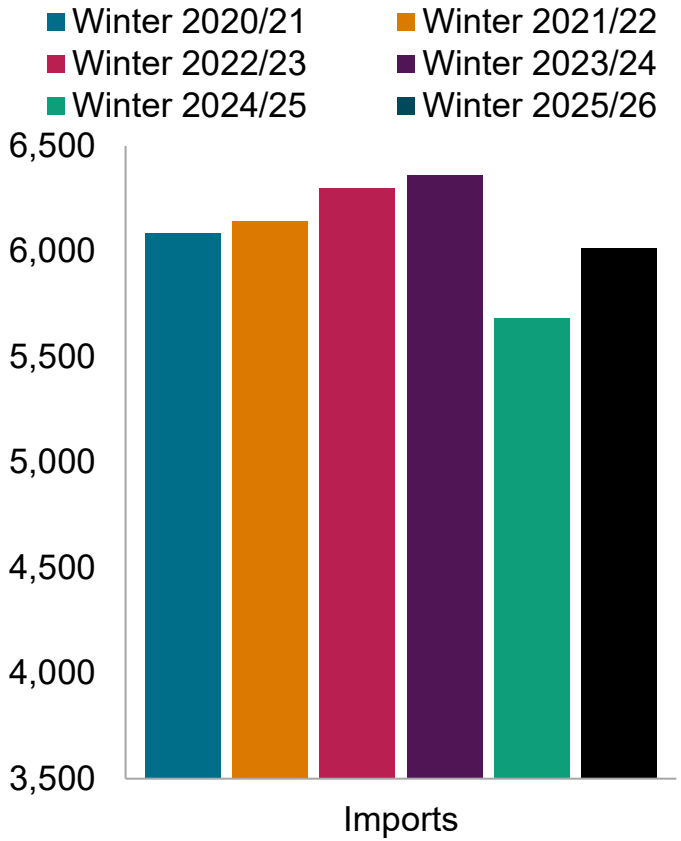
Data compiled Sep. 30, 2025.
Sources: S&P Global Commodity Insights; US EIA.

With above average storage, less imports are required–assuming an average winter and no pipeline disruptions

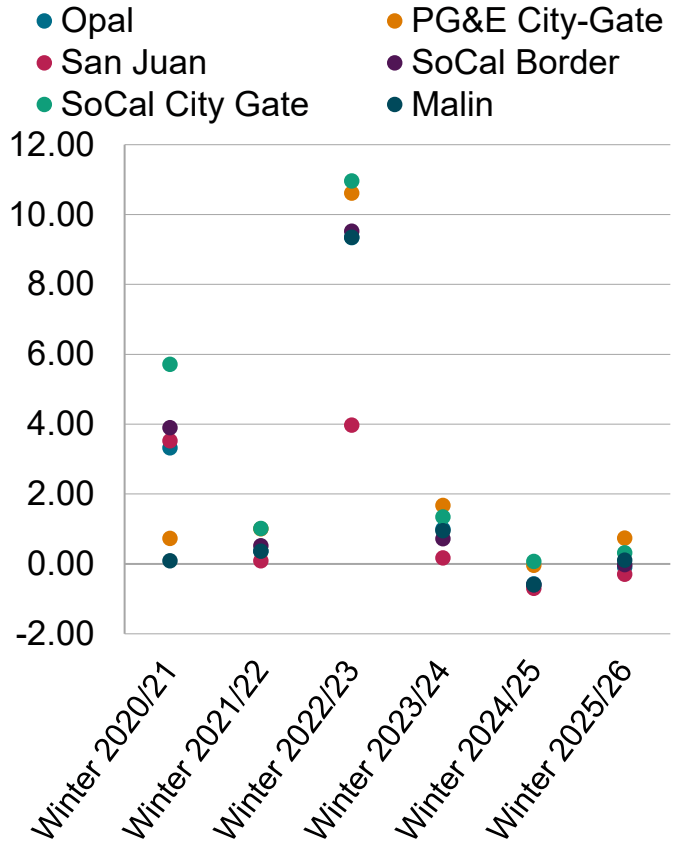
California winter demand, production and storage (MMcf/d)



California winter imports (MMcf/d)



Select US West basis



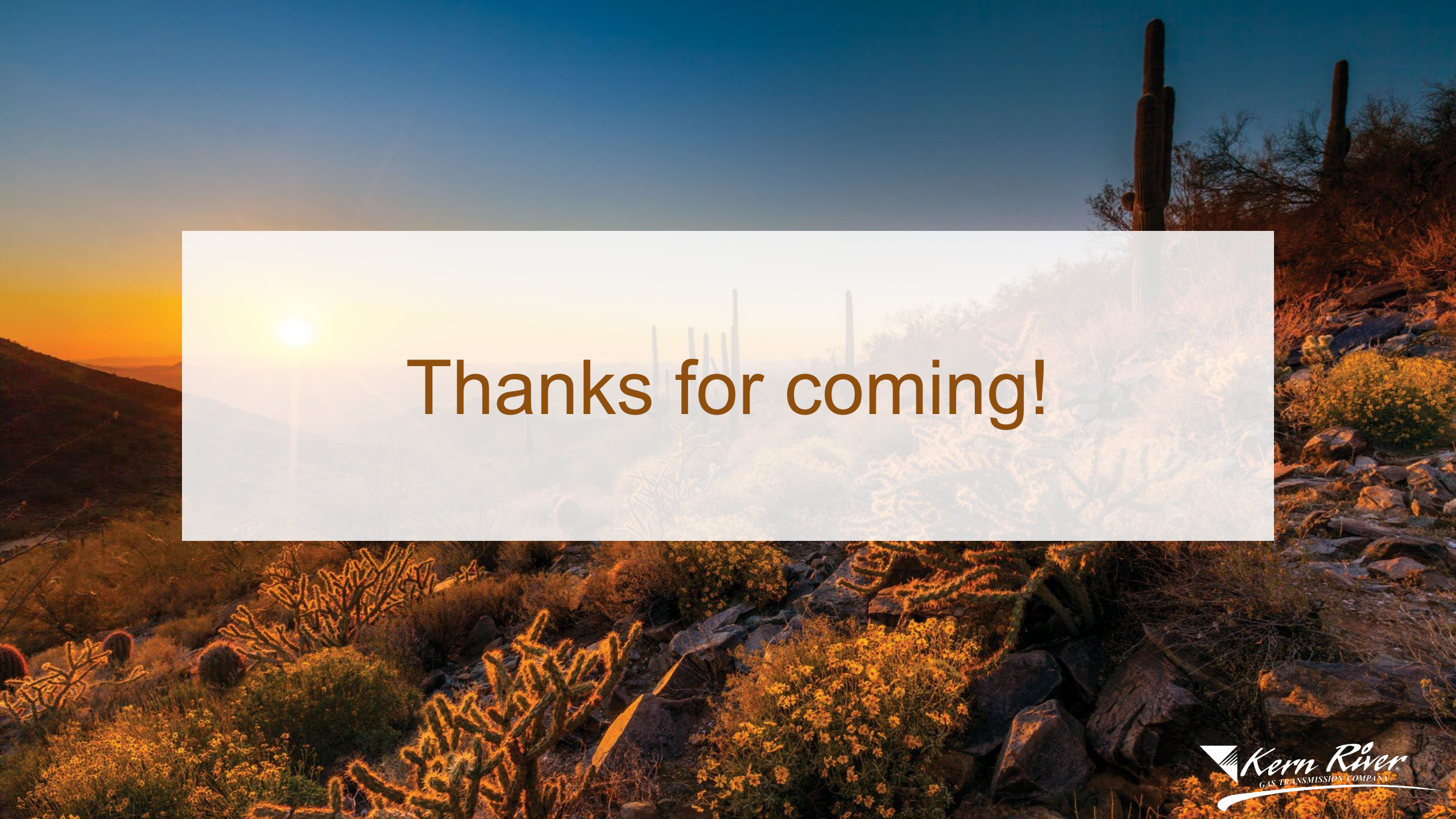
As of Sept. 30, 2025.
Source: S&P Global Commodity Insights, EIA.

Closing Comments

Mac McGuire

Vice President, Customer Service
& Business Development

Kern River Gas Transmission Company


Thanks for coming!
Kern River
GAS TRANSMISSION COMPANY