

Welcome to Kern River's 2023 Customer Meeting

September 14, 2023
Carlsbad, California



Welcome

Mac McGuire

Vice President, Customer Service
& Business Development

Kern River Gas Transmission Company



A BERKSHIRE HATHAWAY ENERGY COMPANY

Operations Update

Bob Checketts

Vice President, Operations & Engineering
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

2023 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

Security Initiatives

- Enhance physical and cyber security protections

Physical Security

- Deploying intrusion systems throughout the pipeline system at all types of assets
- Continue building and maintaining relationships with local, state and federal security agencies

Cybersecurity

- Continue increasing employee awareness
- Internal and external audits
- Continue enhancing controls to minimize risks
- U.S. Department of Homeland Security/Transportation Security Administration Pipeline security directives

Significant Projects

- Pipeline replacements or upgrades due to population growth
- Risk mitigation for extreme events
 - Wildfires
 - Earthquakes
 - Water events

Delta Lateral Project

- Project scope
 - 36-mile, 24-inch-diameter lateral and meter station
 - Automated mainline valve
- Construction is nearing completion

Remaining 2023 Maintenance Projects

- Visit <https://services.kernrivergas.com> to see remaining 2023 maintenance activities



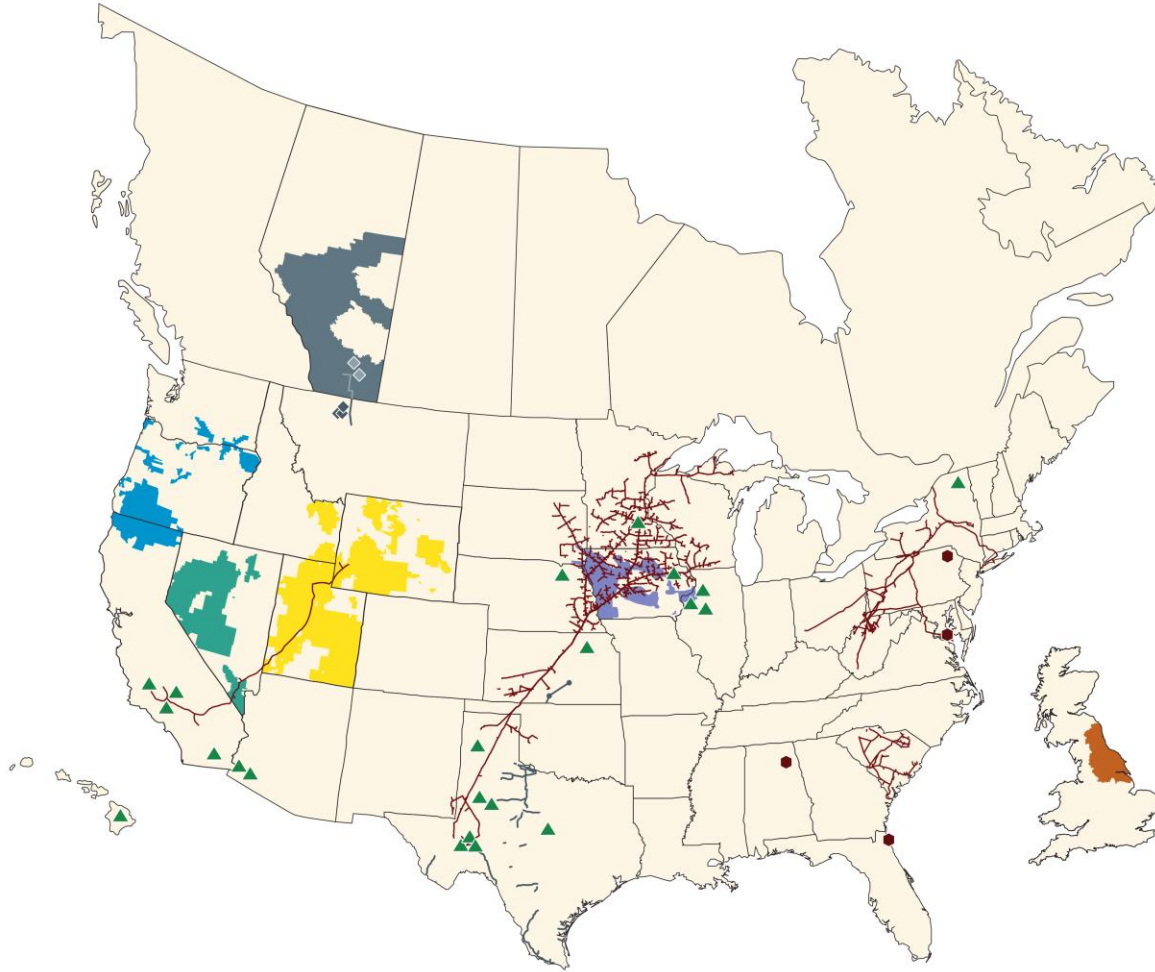
Questions?

Commercial Update

Esteban Lara

Transportation Sales & Risk Management Director
Kern River Gas Transmission Company

Berkshire Hathaway Energy Exceptional Businesses and Assets



Berkshire Hathaway Energy

Exceptional Businesses and Assets



CUSTOMER SERVICE

- 12 million customers and end-users
- BHE is the top-rated service provider within the industry
- Kern River was ranked #1 in the regional pipeline group for the 13th straight year and #1 or #2 out of all interstate pipelines for the 15th straight year



EMPLOYEE COMMITMENT

- Kern River achieved over one year without a preventable vehicle accident
- Kern River employees have worked more than five years without a recordable injury and over twelve years without a lost-time injury



ENVIRONMENTAL RESPECT

- BHE has 45% renewable/noncarbon generation
- Kern River's 2022 methane emissions was 0.0061% - much lower than the industry average of 0.26%



REGULATORY INTEGRITY

- BHE utility rates are below national averages
- Kern River rates are a cost-competitive option to Southern California and southern Nevada



OPERATIONAL EXCELLENCE

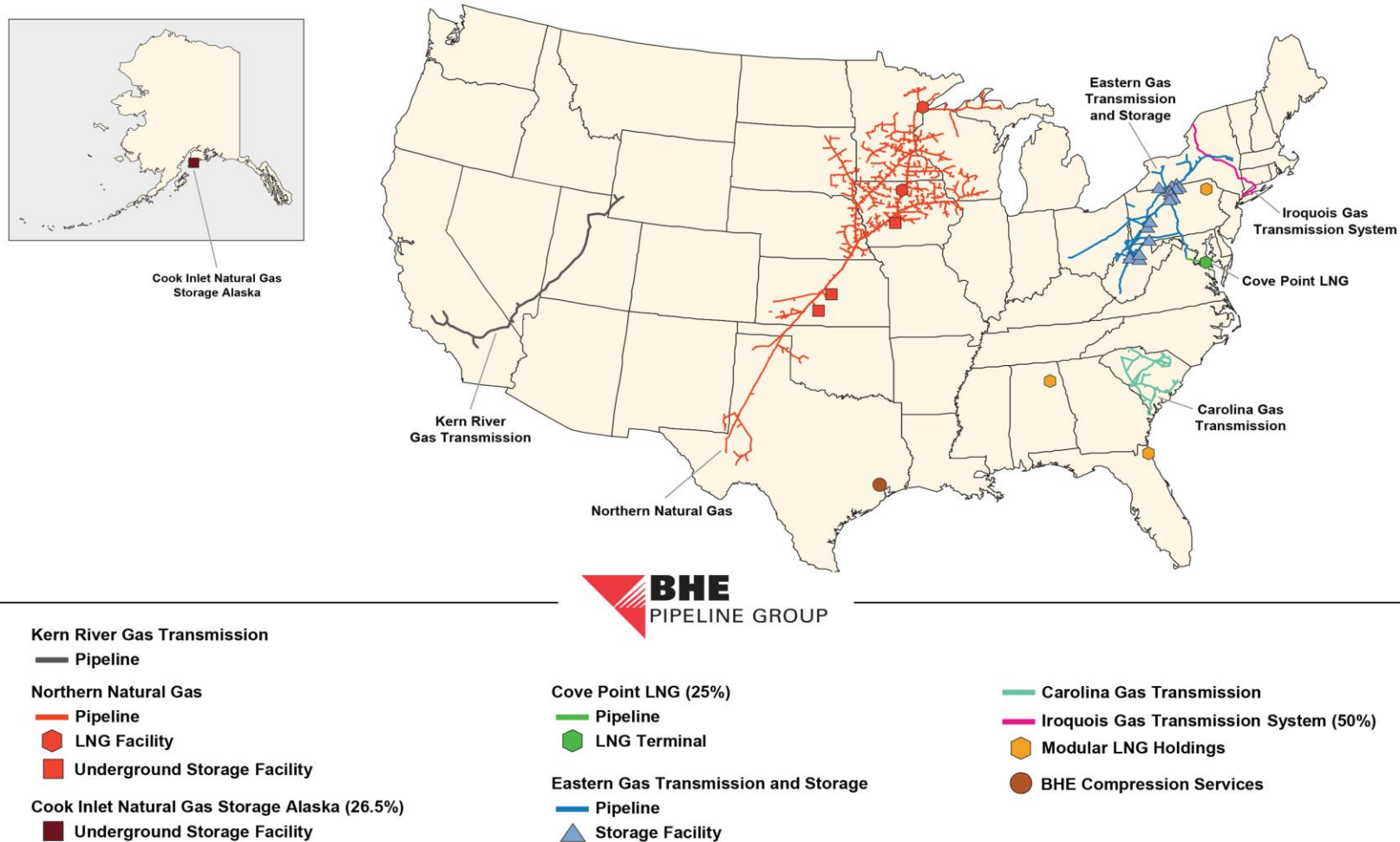
- BHE has \$133.8b in total assets
- Exceptional cyber and physical protection
- Kern River has had no unplanned interruptions to primary firm customers since May 2012



FINANCIAL STRENGTH

- BHE 2022 earnings on common shares > \$4.2b
- BHE operating cash flows > \$9.3b
- Kern River reduced rates twice since 2014

Berkshire Hathaway Energy Exceptional Businesses and Assets



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 California Resources' Elk Hills supply

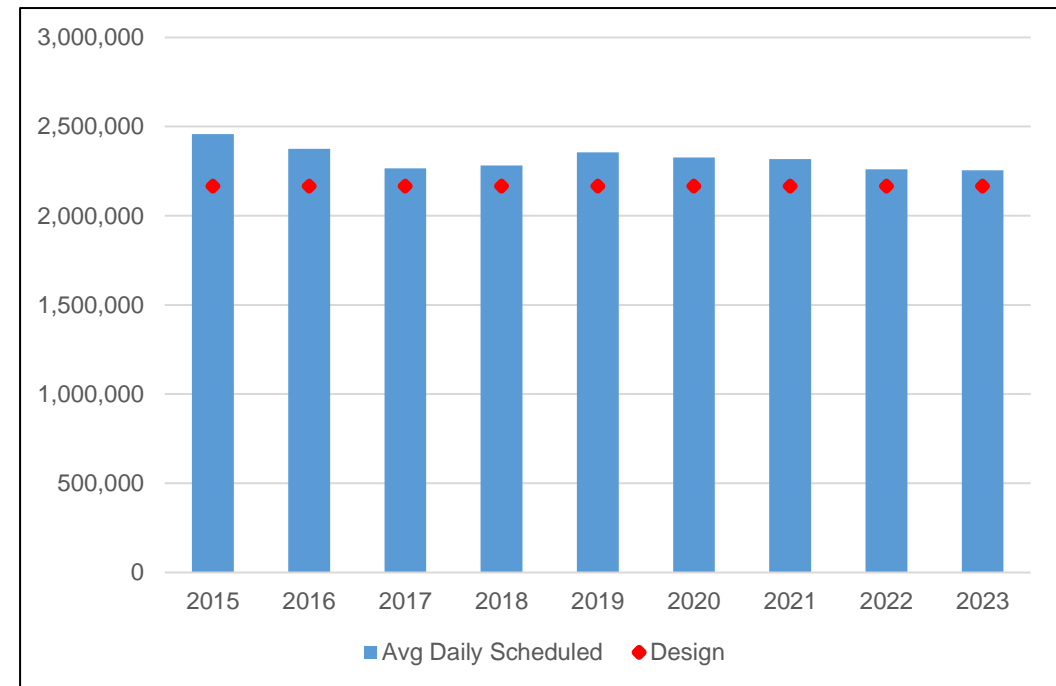
System Utilization

- Received approximately 25% of the natural gas sourced from Rockies production in 2022
- Delivered approximately 24%⁽¹⁾ of California's demand for natural gas in 2022, an average of 1,496,784 Dth/day
- Delivered approximately 80%⁽²⁾ of southern Nevada's natural gas in 2022, an average of 573,262 Dth/day
- Deliveries to Utah have increased by 56% since 2017 (169,142 Dth/day in 2022)
- Scheduled throughput averaged 104% of design capacity in 2022, and 104% in 2023 through August 31, 2023

(1) Based on the 2023 California Gas Report.

(2) Based on Kern River's average scheduled volumes to Nevada and Southwest Gas Transmission Company's system capacity served by El Paso Natural Gas and Transwestern Pipeline

Average Scheduled Volume (Dth/day)



2023 – through August 31

Business Development Updates

Nevada Projects

- Constructing a new delivery meter station with a design capacity of ~115,000 Dth/day
- Prospecting the development of a new lateral and delivery meter station with a design capacity of ~17,000 Dth/day

California Projects

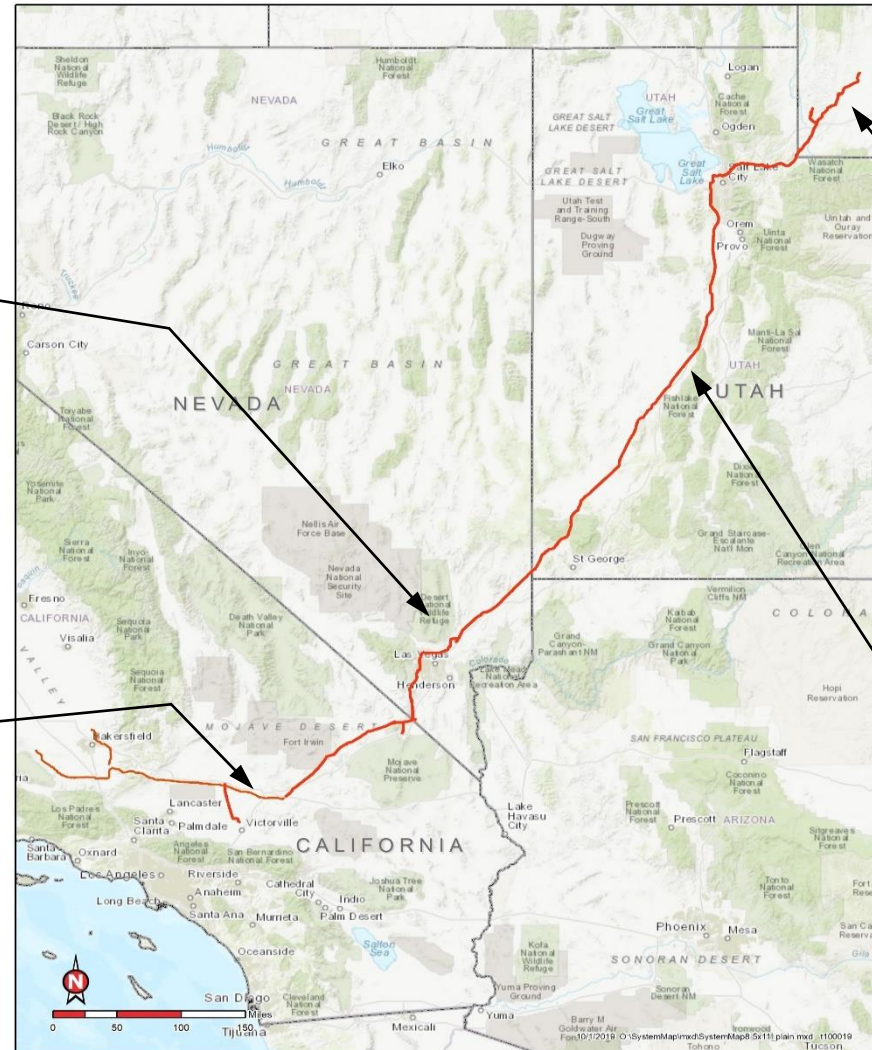
- Constructing a new delivery meter station with a ~6,000 Dth/day
- Prospecting the development of a new delivery meter station with a capacity of ~14,000 Dth/day

Wyoming Projects

- Prospecting the development of a new receipt meter station with a design capacity of ~480,000 Dth/day

Utah Projects

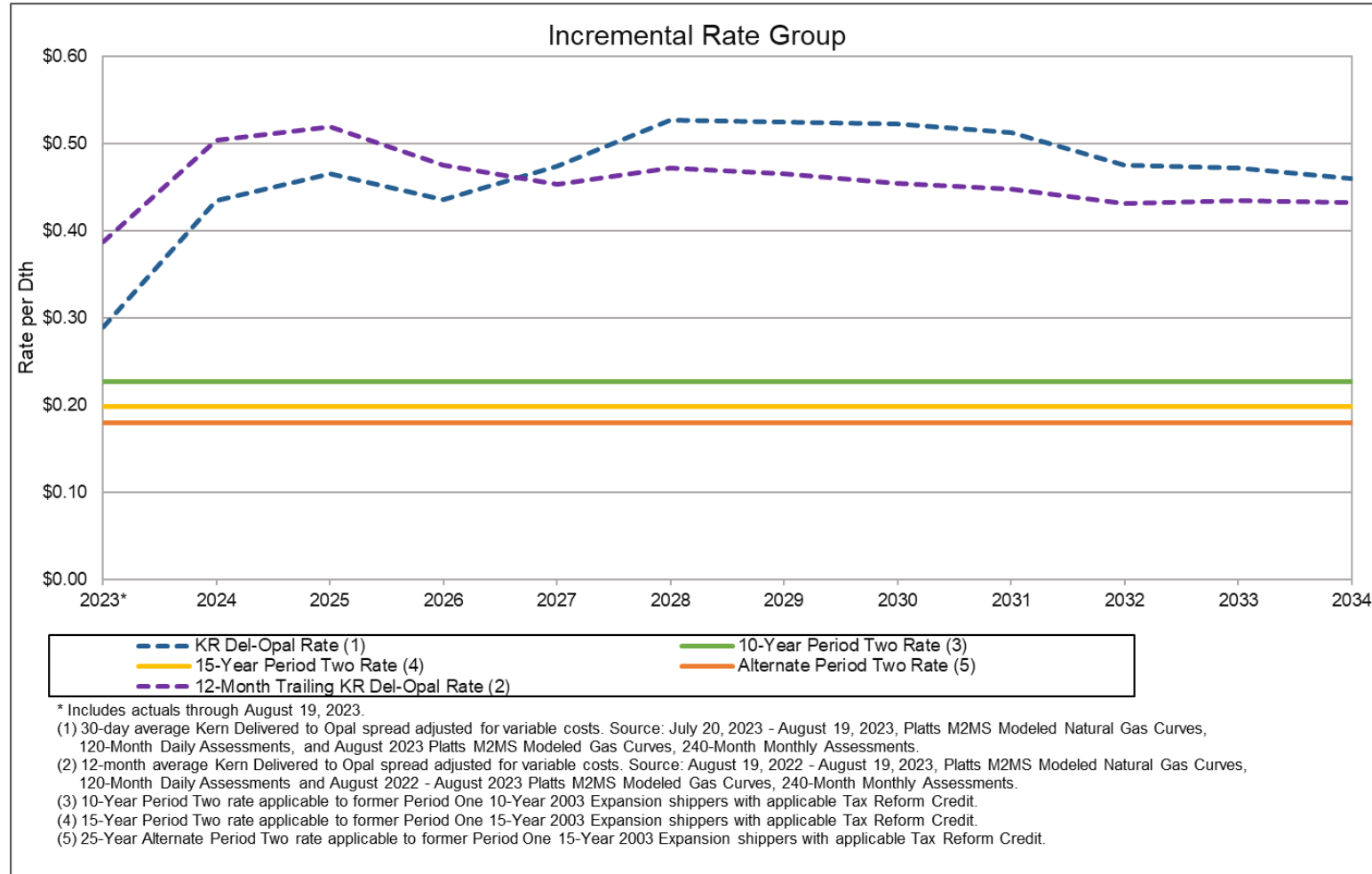
- Constructing a new RNG receipt meter station with a design capacity of ~3,000 Dth/day
- Constructing new lateral and delivery meter station with a design capacity of ~140,000 Dth/day



Market Dynamics

- California intrastate pipeline maintenance
- El Paso Line 2000 force majeure resolved
- California storage regulations
- Renewables and other alternative energy sources
- Hydroelectric generation
- Coal, nuclear and natural gas power plant retirements
- Deliveries to Mexico
- LNG projects and exports
- Changing production/shifting pipeline paths
- FERC's project approval process
- Pipeline capacity de-contracting

Period Two Rates vs. Future Net Spread



Current Firm Capacity

- No current firm capacity available
 - Contact Esteban Lara for any capacity inquiries
 - Office: 801-937-6128
 - Email: Esteban.Lara@KernRiverGas.com

Transportation Sales and Risk Management

- Esteban Lara, Director
 - Office: 801-937-6128
 - Email: Esteban.Lara@KernRiverGas.com
- Kevin Armstrong, Sales Desk
 - Office: 801-937-6167
 - Email: Kevin.Armstrong@KernRiverGas.com
- Brian Ludwig, Sales Desk
 - Office: 801-937-6270
 - Email: Brian.Ludwig@KernRiverGas.com
- Richard Seiger, Senior Business Development Representative
 - Office: 801-937-6137
 - Email: Richard.Seiger@KernRiverGas.com



Questions?

Customer Service Update

John Joosten

Director, Marketing & Customer Services
Kern River Gas Transmission Company

Customer Satisfaction

Mastio & Company 27th Edition Natural Gas Pipeline Study

- Kern River ranked No. 1 out of all interstate pipelines
- Kern River has ranked No. 1 in the regional pipeline group for the past 13 years
- Scores increased in 22 of 29 attributes
- Thank you for participating

Customer Satisfaction

Kern River's top five attributes (by importance)

Rank	Question	Customer Importance	Kern River Score
1	Firm gas transportation is highly reliable	9.75	9.95
2	Scheduled gas volumes are accurate	9.52	9.88
3	Accuracy of invoices	9.50	9.97
4	Communicates in an honest and forthright manner	9.48	9.89
5	Representatives are accessible when needed	9.42	9.87

Customer Satisfaction

Kern River's top five attributes (by score)

Rank	Question	Customer Importance	Kern River Score
1	Accuracy of invoices	9.50	9.97
2	Firm gas transportation is highly reliable	9.75	9.95
3	Financial Stability of the pipeline	8.86	9.91
4	Communicates in an honest and forthright manner	9.48	9.89
5	Scheduled gas volumes are accurate	9.52	9.88

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



2023 Accomplishments

- No scheduled quantity PPAs
- No invoice PPAs
- No measurement PPAs

2023 Accomplishments

- Rapids
 - System availability 99.996% (goal is 99.975%)
 - Continued updates to improve efficiency, security and maintain regulatory compliance
 - Improvements to EDI exchange
 - Credit waiver option for non-biddable capacity releases

Pipeline System Management

Line Pack Notices¹

<u>Line Pack Level</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023²</u>
Low	6	3	3	2	6	4
High	12	10	9	17	8	10

- Kern River manages line pack through effective coordination and communication with customers
- Kern River has not issued a scheduling or imbalance penalty since 1996

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

² 2023 notices through August 31

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

2023 Customer Focus

- Proactive communication with customers throughout the year
- Offer in-person training to customers
- Continue customer service training for Marketing & Customer Services staff
 - Mentors assigned to new representatives
- Kern River commercial personnel available by ICE Chat IM, office phone, cellphone, texting and email

2023 Updates & Beyond

- Streamline Rapids setup and password change for customers
- Automate contracting/agency processes
- Continue to evaluate and implement customer requested changes to improve user experience

2023 Customer Survey

- Mastio & Company 28th Edition Survey begins late November 2023
- 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 2023
 - Kern River will send an email before the survey begins soliciting your participation
 - Mastio will send 2023 (27th 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
- Our goal – rank No. 1 and have continuous year-over-year improvement while delivering safe, reliable services to our customers!!!



Questions?