

Kern River Gas Transmission Company  
Solicitation of Bids for Firm Transportation Service  
July 2, 2024

In accordance with Section 27.2(c) of the General Terms and Conditions of its FERC Gas Tariff (Tariff), Kern River Gas Transmission Company (Kern River) is soliciting bids for the firm transportation service described below.

**CAPACITY AVAILABLE FOR BID**

Kern River is posting a pre-arranged Transportation Service Agreement (TSA) for competitive bid. Kern River is soliciting bids for the entire package of capacity for the term from September 15, 2026, through September 14, 2031, and award of the capacity is subject to the pre-arranged Shipper's right to match a bid or bids for a longer term.

**2003/2010 EXPANSION PROJECTS**

Table 1 describes the Demand Maximum Daily Quantity (DMDQ) available for bid and the receipt and delivery point entitlements included in this solicitation. The service is offered under Rate Schedule KRF-1.

Table 1  
(Dth/day)

DMDQ: 96,576

<b>Receipt Point</b>	<b>Quantity</b>
Pioneer	96,576

<b>Delivery Point<sup>1</sup></b>	<b>Quantity</b>
New Delivery Point Upstream of Kern River's Muddy Creek Compressor	96,576

**DAILY RESERVATION/DEMAND RATE**

Capacity is subject to the maximum recourse rate on Kern River's pipeline system, as such rate may change from time to time. Kern River will accept discounted rates but not negotiated rates.

Kern River reserves the unilateral right, on a not unduly discriminatory basis, to not accept bids that are at less than the maximum recourse rate, or discounted rates that are less than Kern River's minimum acceptable rate. Kern River also reserves the right to not accept bids that are subject to contingencies other than those stated in this solicitation of bids notice.

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<sup>1</sup> To effectuate mainline capacity upstream of Kern River's Muddy Creek compressor station, Kern River must construct, own, and operate additional pipeline facilities in that area. Bidder(s) will be responsible for reimbursing Kern River for all costs associated with the necessary facilities, as outlined in Section 20 of the Tariff.

**ALL OTHER RATES, SURCHARGES AND FUEL**

The maximum commodity/usage rate, authorized overrun rate, surcharges and fuel reimbursement factors applicable to firm incremental rate service related to the 2003/2010 Expansion Projects under Kern River’s Rate Schedule KRF-1 will apply.

**BID EVALUATION AND AWARD PROCESS**

All bids submitted must match the term and DMDQ of the pre-arranged TSA. In order for a bidder to be awarded capacity, the total economic value of the Daily Reservation/Demand Rate bid must be greater than the total economic value of the Daily Reservation/Demand Rate provided in the pre-arranged TSA.

**PRE-ARRANGED SHIPPER’S RIGHT TO MATCH THE HIGHEST BID**

If Kern River receives a bid or bids with a higher total economic value, the pre-arranged Shipper will have 24 hours from the time of notification to match the higher competing bid(s). If the pre-arranged Shipper elects not to match the higher competing bid(s), the capacity will be awarded to the bidder(s) with the highest competing bid(s).

**RESERVATION OF RIGHTS**

In addition to all rights Kern River has in law, Kern River reserves the right to reject any bid that fails to meet Tariff requirements.

Kern River may withdraw or modify this posting at any time prior to the end of the bid period. Bidder may withdraw its bid at any time prior to the close of the bid period.

**BID PERIOD**

The bid period opens at 2:00 p.m. MT on July 2, 2024, and closes at 2:00 p.m. MT on July 19, 2024.

Bidder must submit a bid using Attachment 1, Solicitation of Bids for Firm Transportation Service.

All bids should be emailed to the attention of Esteban Lara, Transportation Sales and Risk Management, at [Esteban.Lara@KernRiverGas.com](mailto:Esteban.Lara@KernRiverGas.com). Please contact Esteban Lara at (801) 937-6128 with any questions regarding this notice and solicitation.

**CONTINGENCIES**

In the event Kern River awards capacity at a discounted rate, that rate will be voided under certain conditions. Instead, the Shipper or Replacement Shipper will pay an alternate daily reservation/demand rate equal to Kern River’s maximum rate for 2003/2010 Expansion capacity. This applies to the entire DMDQ under the transportation service agreement, from the first day of the month when any of the following occur until the end of the service agreement:

- a. Any primary delivery point is amended; and/or
- b. The total scheduled quantity on any day exceeds the DMDQ, excluding authorized overruns; and/or

- c. Any quantity is scheduled to any point other than the primary delivery point, or from any point located downstream of Kern River's Muddy Creek compressor station, and such event was not the result of shipper's oversight or scheduling error; and/or
- d. Any quantity is scheduled to a pool that delivers gas to a point other than the primary delivery point or receives gas from downstream of Kern River's Muddy Creek compressor station, and such event was not the result of shipper's oversight or scheduling error.

Attachment 1  
To Solicitation of Bids for Firm Transportation Service dated July 2, 2024  
Bid Form for Firm Transportation Service

**1. Bidder Information:**

Company Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip Code: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Phone Numbers: Office: \_\_\_\_\_  
Cell: \_\_\_\_\_ Fax: \_\_\_\_\_  
Email Address: \_\_\_\_\_

**2. Demand Maximum Daily Quantity (DMDQ): 96,576 Dth/day**

**3. Primary Delivery Point(s)**

- Location of Proposed Delivery Point:
  - Latitude (decimal): \_\_\_\_\_
  - Longitude (decimal): \_\_\_\_\_

**4. Term: September 15, 2026, through \_\_\_\_\_**

**5. Daily Reservation/Demand Rate:** Indicate whether bid is the maximum recourse rate, or a discounted rate by initialing (a), or (b) below and adding the rate bid, if applicable. Discounted rate bids must be in one-half cent increments.

(a) The maximum recourse rate on Kern River's pipeline system, as such rate may change from time to time, which is currently the rate applicable to the 2003/2010 Expansion Projects. (Bidder to initial here: \_\_\_\_\_)

Or

(b) A discounted rate bid of \$ \_\_\_\_\_ per Dth. (Bidder to initial here: \_\_\_\_\_)

**4. Binding Agreement:** Bidder agrees that Kern River's acceptance of this bid will constitute a binding agreement between Kern River and bidder. Upon Kern River's acceptance of the bid, bidder agrees to execute a precedent agreement within 15 days of receiving the final, negotiated version from Kern River (Agreement). Kern River will not accept changes to any terms or conditions in the Agreement.

**5. Credit Requirement:** As a condition precedent to contract execution, bidder agrees to comply with Kern River's creditworthiness requirements as set forth in Section 29 of Kern River's

FERC Gas Tariff and to maintain creditworthiness from that point through the end of the term of the Agreement.

**Submitted and Agreed to by:**

**Accepted/Rejected by:**

**Company:** \_\_\_\_\_

**Kern River Gas Transmission Company**

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: Mac McGuire

Title: \_\_\_\_\_

Title: Vice President, Customer Service  
and Business Development