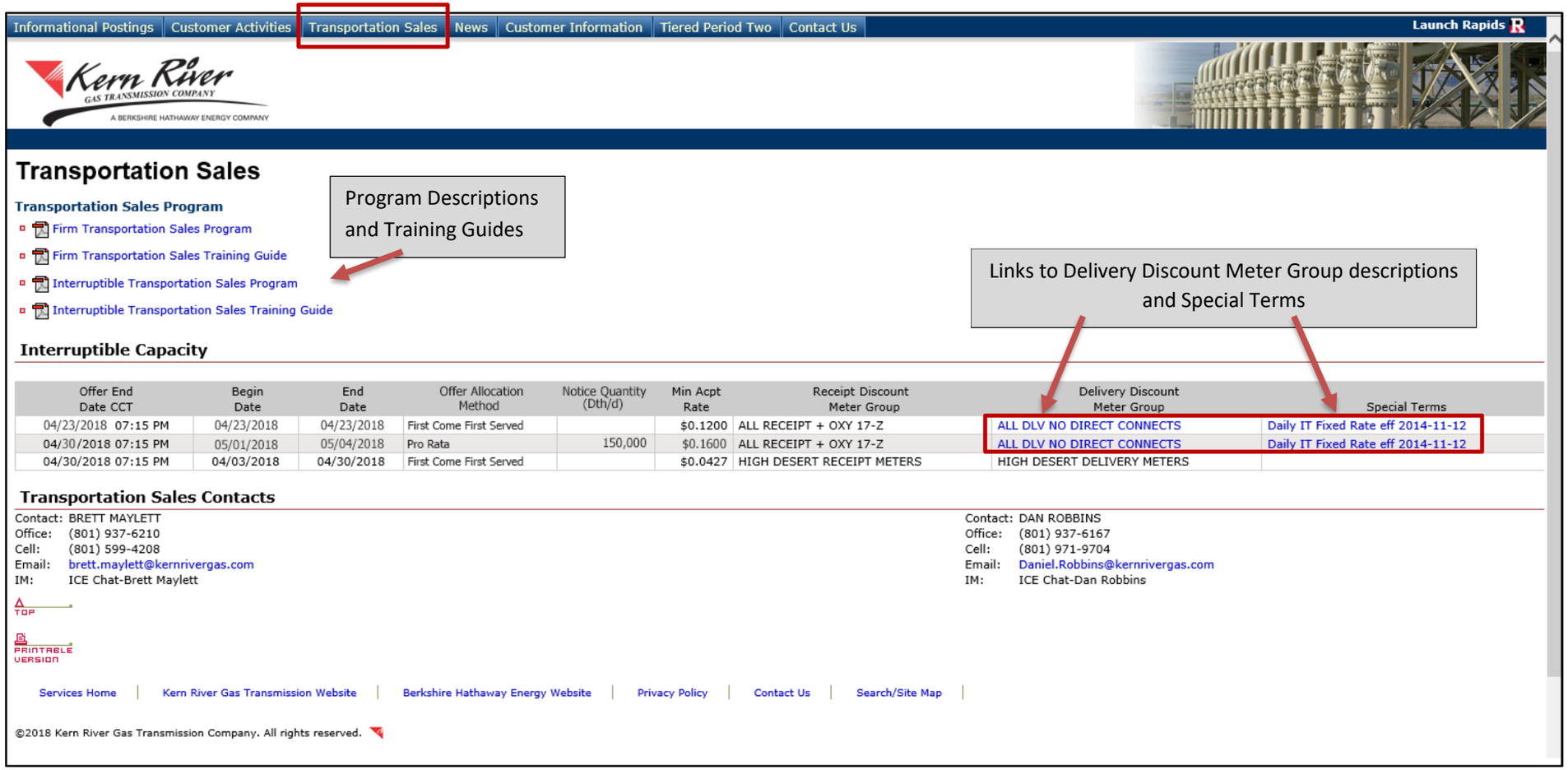
# Interruptible Transportation Sales Training Guide

Kern River Posts IT Notices to Kern River's Web Site - Transportation Sales Tab.

http://services.kernrivergas.com/portal/Transportation-Sales






Updated 05/01/2018 MDM

If you have elected to receive Transportation Sales notifications, you will receive an email when notices are posted by Kern River. This service is currently active today for Interruptible Capacity and Special Path Firm Capacity notice postings. See sample notification below:

Fri 4/20/2018 10:23 AM

Daniel.Robbins@kernrivergas.com

Kern River Transportation Sales Capacity

Kern River has posted to its website the following capacity for sale. If you are interested in submitting an offer, please click on the following link http://services.kernrivergas.com/portal/Transportation-Sales.aspx.

| Interruptible Capacity - Fixed Rate | |
|---|---|
| Notice # | 1503 |
| Offer End Date | Monday, April 23, 2018 7:15:00 PM CCT |
| Begin Date | 04/23/2018 |
| End Date | 04/23/2018 |
| Offer Allocation Method | First Come First Served |
| Quantity (Dth/d) | N/A |
| Min Acpt Rate | $0.1200 |
| Receipt Discount Meter Group | ALL RECEIPT POINTS |
| Delivery Discount Meter Group | ALL DLV NO DIRECT CONNECTS |

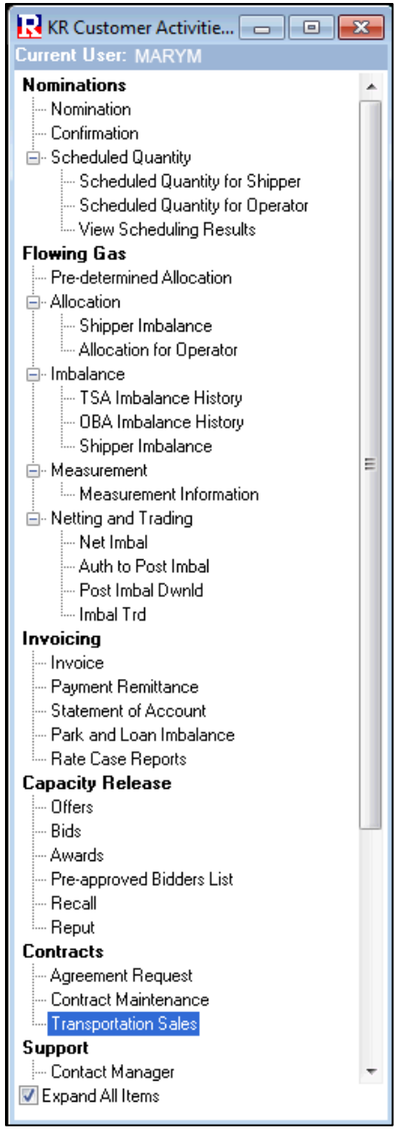
| Interruptible Capacity - Fixed Rate | |
|---|---|
| Notice # | 1491 |
| Offer End Date | Monday, April 30, 2018 9:30:00 AM CCT |
| Begin Date | 05/01/2018 |
| End Date | 05/04/2018 |
| Offer Allocation Method | Pro Rata |
| Quantity (Dth/d) | 150,000 |
| Min Acpt Rate | $0.1600 |
| Receipt Discount Meter Group | ALL RECEIPT POINTS |
| Delivery Discount Meter Group | ALL DLV NO DIRECT CONNECTS |

| Interruptible Capacity - Fixed Rate | |
|---|---|
| Notice # | 1452 |
| Offer End Date | Monday, April 30, 2018 7:15:00 PM CCT |
| Begin Date | 04/03/2018 |
| End Date | 04/30/2018 |
| Offer Allocation Method | First Come First Served |
| Quantity (Dth/d) | N/A |
| Min Acpt Rate | $0.0427 |
| Receipt Discount Meter Group | HIGH DESERT RECEIPT METERS |
| Delivery Discount Meter Group | HIGH DESERT DELIVERY METERS |

If you have any questions, please contact:

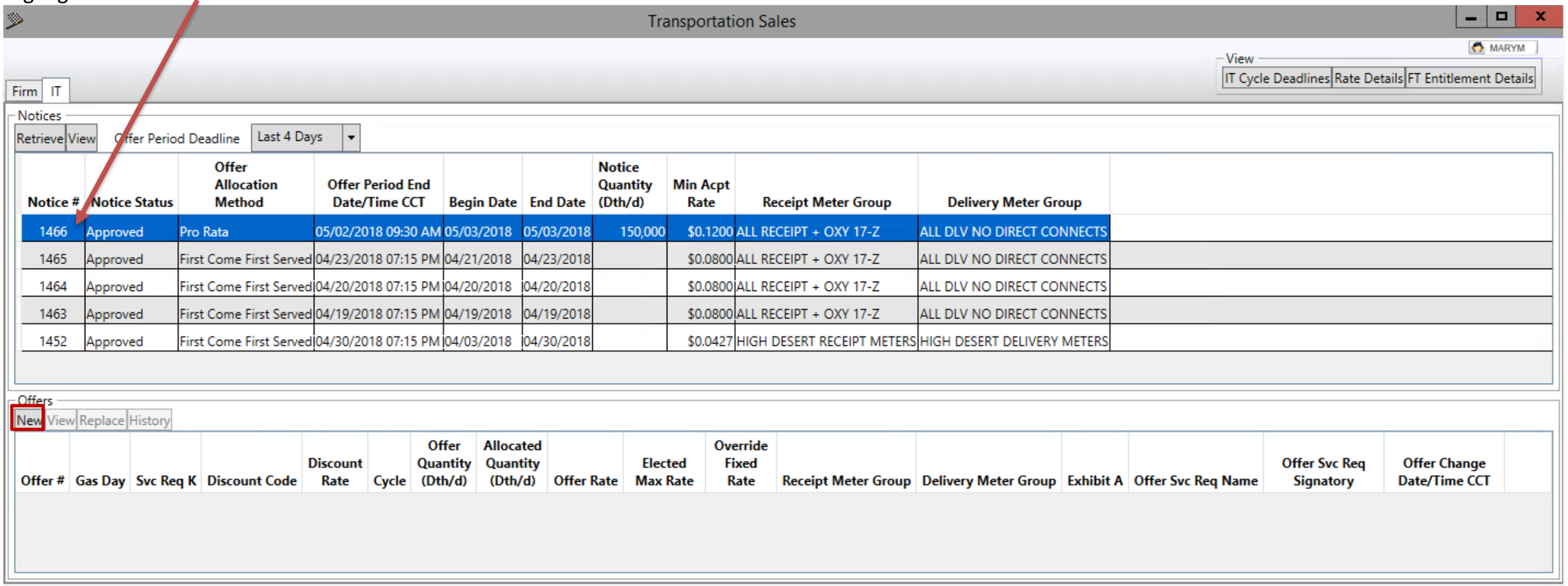
| Contact Name | Office Phone | Cell Phone | Email | IM |
|---|---|---|---|---|
| BRETT MAYLETT | (801) 937-6210 | (801) 599-4208 | brett.maylett@kernrivergas.com | ICE Chat-Brett Maylett |
| DAN ROBBINS | (801) 937-6167 | (801) 971-9704 | Daniel.Robbins@kernrivergas.com | ICE Chat-Dan Robbins |

Use the Launch Rapids link on the web site to open Rapids. The link to open the Transportation Sales application is listed under Contracts on the main Rapids menu:



**Transportation Sales Window**

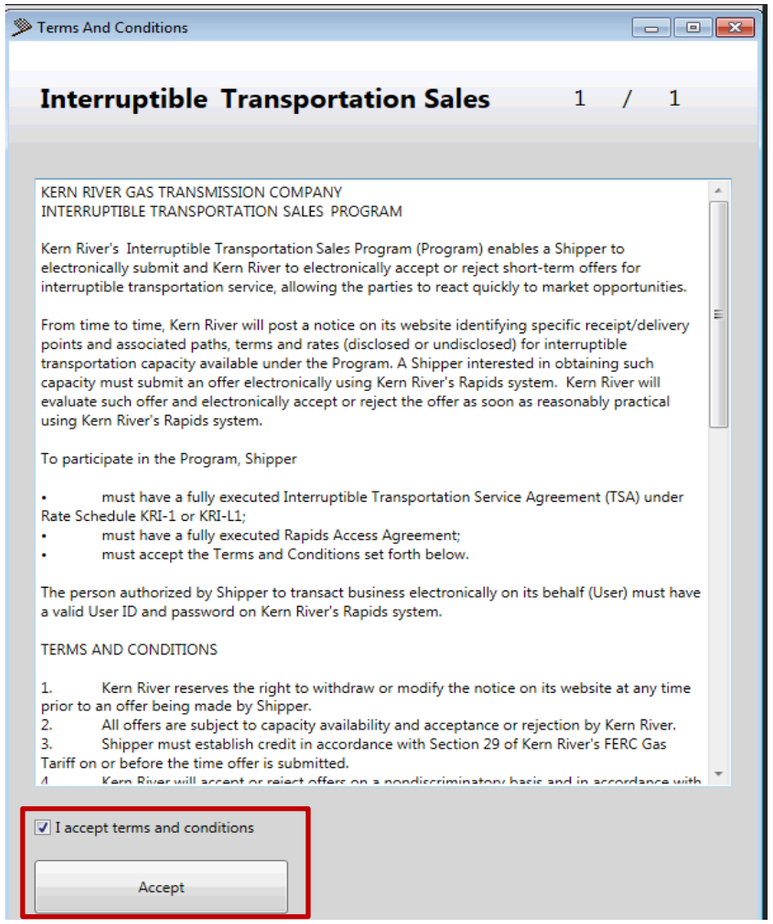
Highlight the Notice # and select New under Offers.




If this is the first time you are making an offer, when NEW is selected the window on the next page will appear. Acceptance of the Interruptible Transportation Sales - Terms and Conditions is required to make an offer. Check the "I accept terms and conditions" checkbox, then the Accept button. If you do not wish to accept terms, X out of window; however, you will not be able to submit an Offer.

# Acceptance of Terms

Once the terms have been accepted, this window will not display again, unless the terms have been revised by Kern River.




KERN RIVER GAS TRANSMISSION COMPANY
INTERRUPTIBLE TRANSPORTATION SALES PROGRAM

Kern River's Interruptible Transportation Sales Program (Program) enables a Shipper to electronically submit and Kern River to electronically accept or reject short-term offers for interruptible transportation service, allowing the parties to react quickly to market opportunities.

From time to time, Kern River will post a notice on its website identifying specific receipt/delivery points and associated paths, terms and rates (disclosed or undisclosed) for interruptible transportation capacity available under the Program. A Shipper interested in obtaining such capacity must submit an offer electronically using Kern River's Rapids system. Kern River will evaluate such offer and electronically accept or reject the offer as soon as reasonably practical using Kern River's Rapids system.

To participate in the Program, Shipper

- must have a fully executed Interruptible Transportation Service Agreement (TSA) under Rate Schedule KRI-1 or KRI-L1;
- must have a fully executed Rapids Access Agreement;
- must accept the Terms and Conditions set forth below.

The person authorized by Shipper to transact business electronically on its behalf (User) must have a valid User ID and password on Kern River's Rapids system.

TERMS AND CONDITIONS

1. Kern River reserves the right to withdraw or modify the notice on its website at any time prior to an offer being made by Shipper.
2. All offers are subject to capacity availability and acceptance or rejection by Kern River.
3. Shipper must establish credit in accordance with Section 29 of Kern River's FERC Gas Tariff on or before the time offer is submitted.
4. Kern River will accept or reject offers on a nondiscriminatory basis and in accordance with its established procedures.
5. A rate offered by Shipper and accepted by Kern River constitutes an electronically executed Exhibit "A" to Shipper's TSA. Such Exhibit "A" will show the accepted rate, the applicable receipt and delivery points, quantity and term.
6. Shipper may increase the rate offered at any time during the gas day, but such increased rate will apply to all scheduled quantities for that particular gas day.
7. In addition to the transportation rate, Shipper will reimburse Kern River in-kind for compressor fuel used and lost and unaccounted for gas and will pay all applicable surcharges.
8. If Kern River accepts an interruptible transportation rate that is less than Kern River's maximum interruptible rate and limits the discount to specific paths and receipt/delivery points, Shipper can nominate to other paths and receipt/delivery points on Kern River's mainline system; but, in doing so, agrees to pay Kern River's maximum interruptible rate.

9. Shipper's rights are interruptible, and capacity will be scheduled in accordance with Section 13 of the General Terms and Conditions of Kern River's FERC Gas Tariff.
10. If the transportation rate is based on an index formula, Kern River will use a derived rate based on a formula such as the formula set forth below and the most current price information available at the time to determine the rate for scheduling purposes; however, the transportation rate payable by Shipper will be based on the index formula set forth in Exhibit "A" of Shipper's TSA and the actual index price(s) for the day of flow.

Example of Rate Formula Used for Scheduling Purposes Only =
The greater of:
1) Net Daily Spread – Index Spread Adjustment, or
2) The Index Floor Rate.

Where:

Net Daily Spread = ("KRGT – Del Pool" price* -"Opal Plant Tailgate" price*) – Fuel

Index Spread Adjustment = is equal to a positive number expressed in dollars and cents not to exceed four decimal places or as a percentage of the Net Daily Spread.

Fuel = Product of (i) compressor fuel and lost and unaccounted-for gas reimbursement factor for interruptible service under Rate Schedule KRI-1, assuming a path from the Opal receipt point to the SoCal delivery point, regardless of the path nominated, and (ii) Kern River, Opal Plant price.

Index Floor Rate = the minimum interruptible transportation rate that Kern River is willing to accept, exclusive of fuel and applicable surcharges.

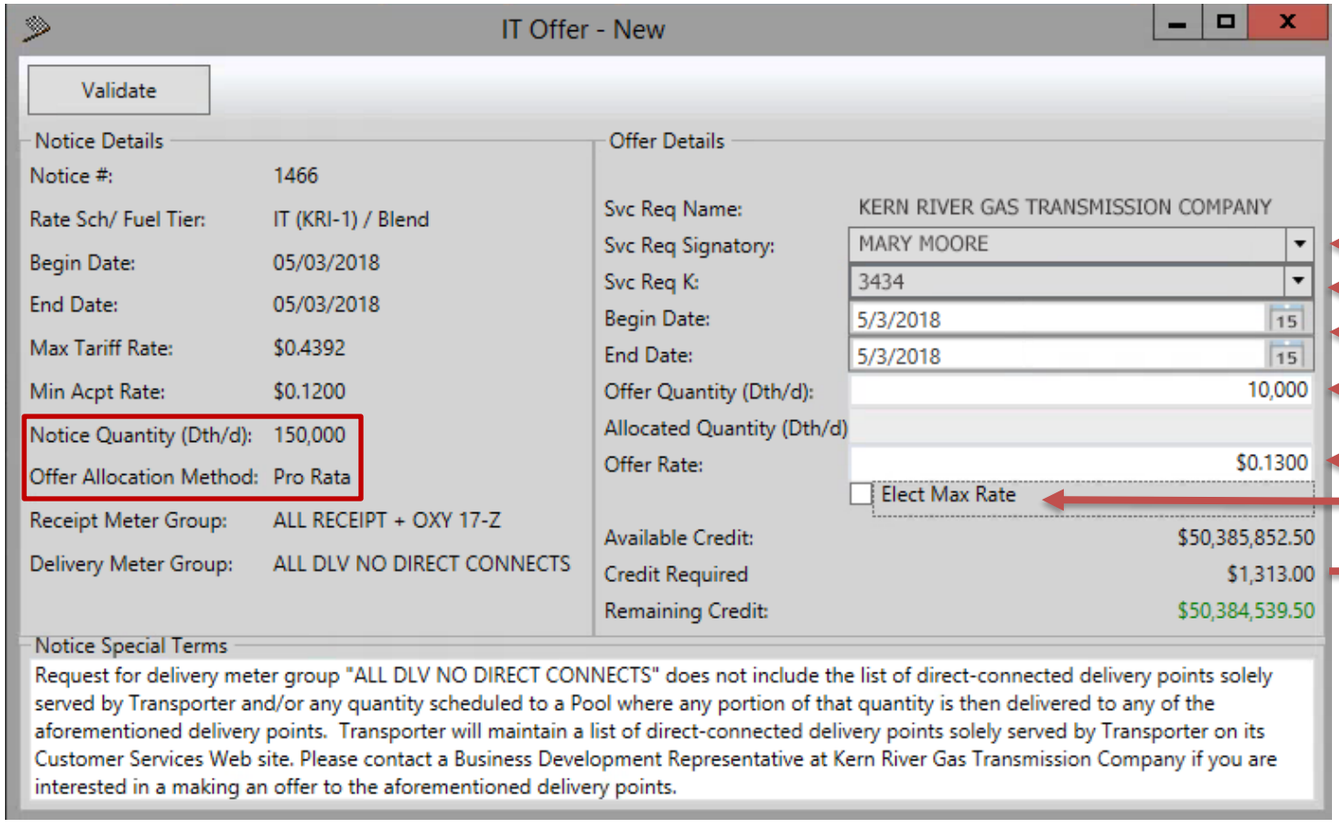
*Price is as shown in the ICE Day Ahead Natural Gas Price Report, West Day Ahead Indices, Wtd. Avg. Index price, for the day of scheduled transportation.

11. All terms and conditions not outlined herein will be administered pursuant to Kern River's FERC Gas Tariff.

**IT Offer Window – Pro Rata Notice**

Making an Offer on a Pro Rata Notice.

The Details of the Notice are displayed on the left-hand side of the window. Pro Rata Notices contain a Notice Quantity that will be allocated when the Offer Period ends.




Choose Signatory for the Offer

Choose a Svc Req K from drop-down

Select Begin Date and End Date

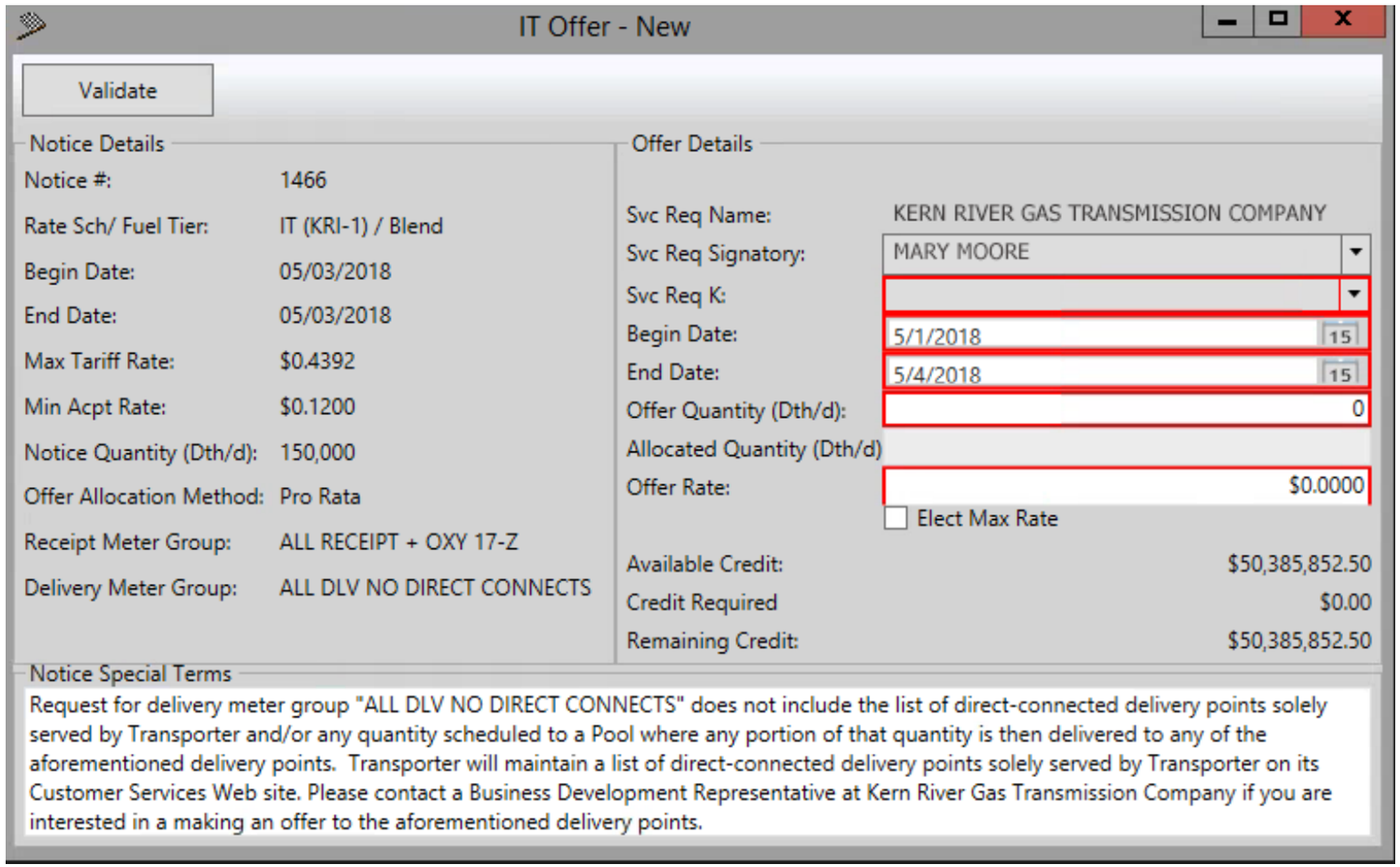
Type in Quantity

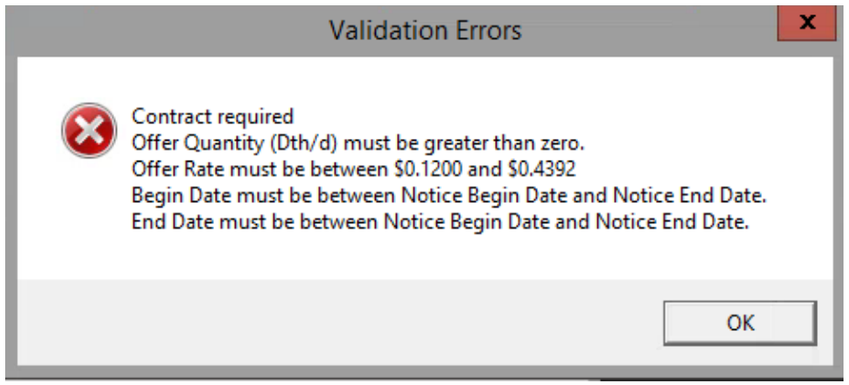
Type in Offer Rate
or check the Elect Max Rate checkbox

The Credit Required is calculated.
ACA surcharge is included.

**IT Offer Window – Pro Rata Notice (Continued)**

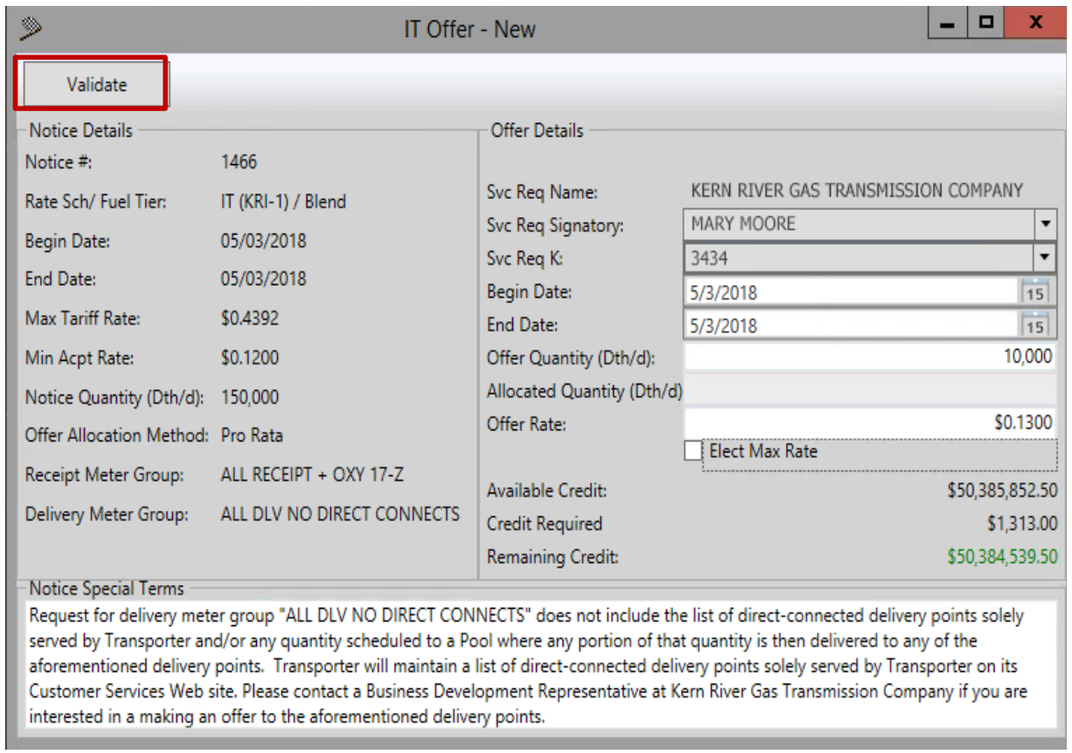
If there are validation errors, the fields in error will be highlighted in red and a Validation Errors message box will describe what should be corrected.

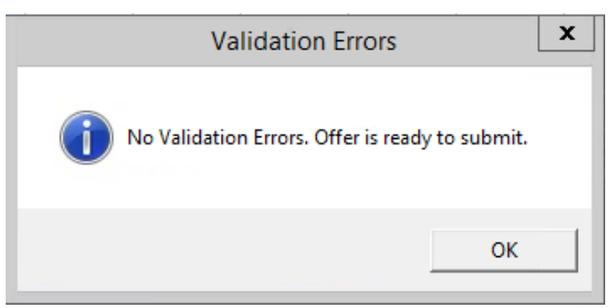


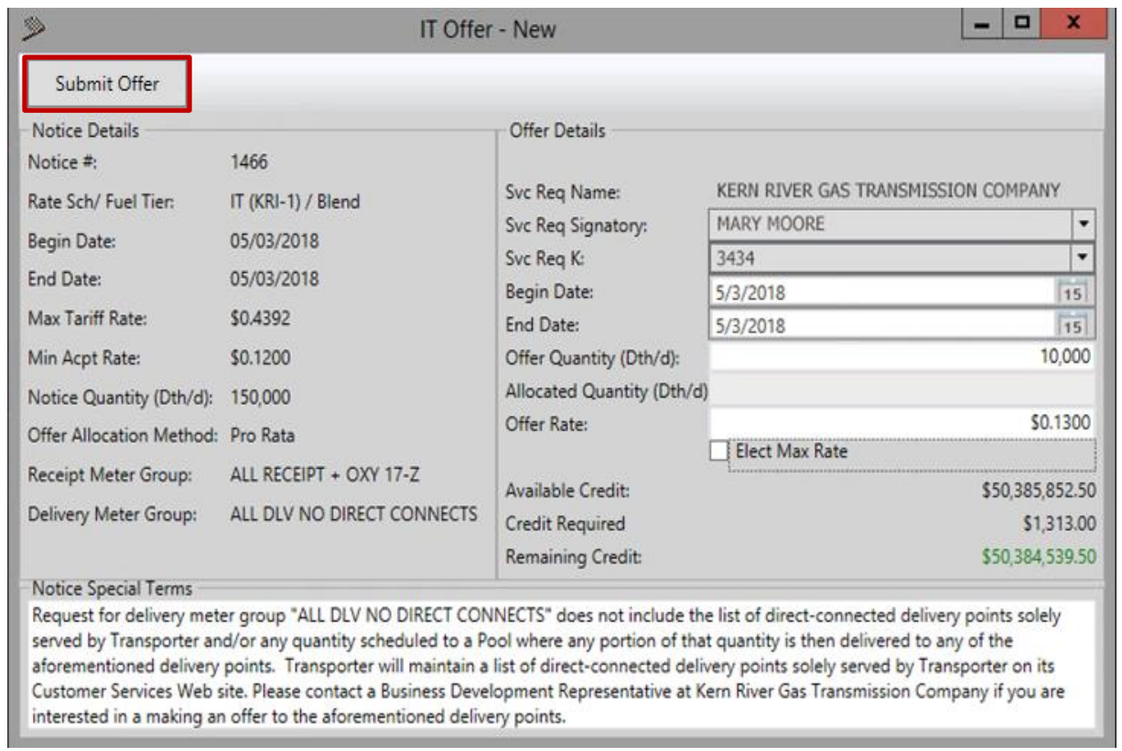
**IT Offer Window – Pro Rata Notice (Continued)**

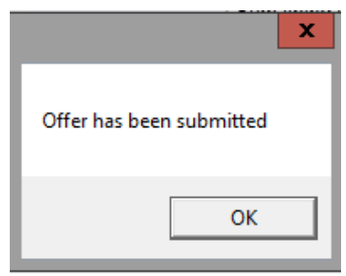
If there are no errors, the Offer is ready to Submit.



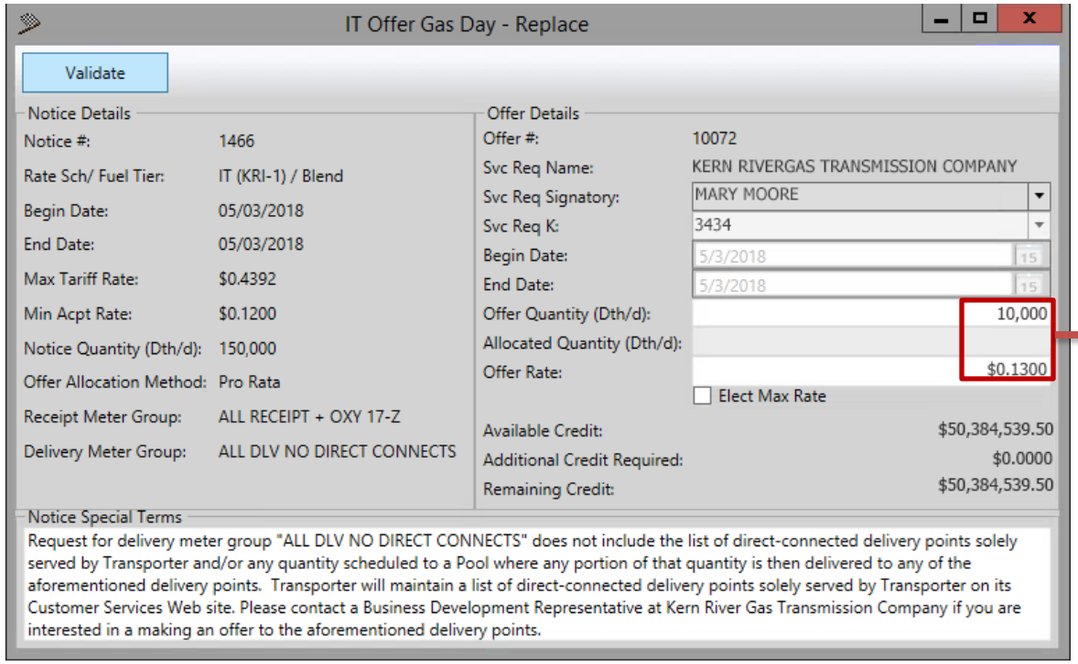

Click the Submit Offer button.

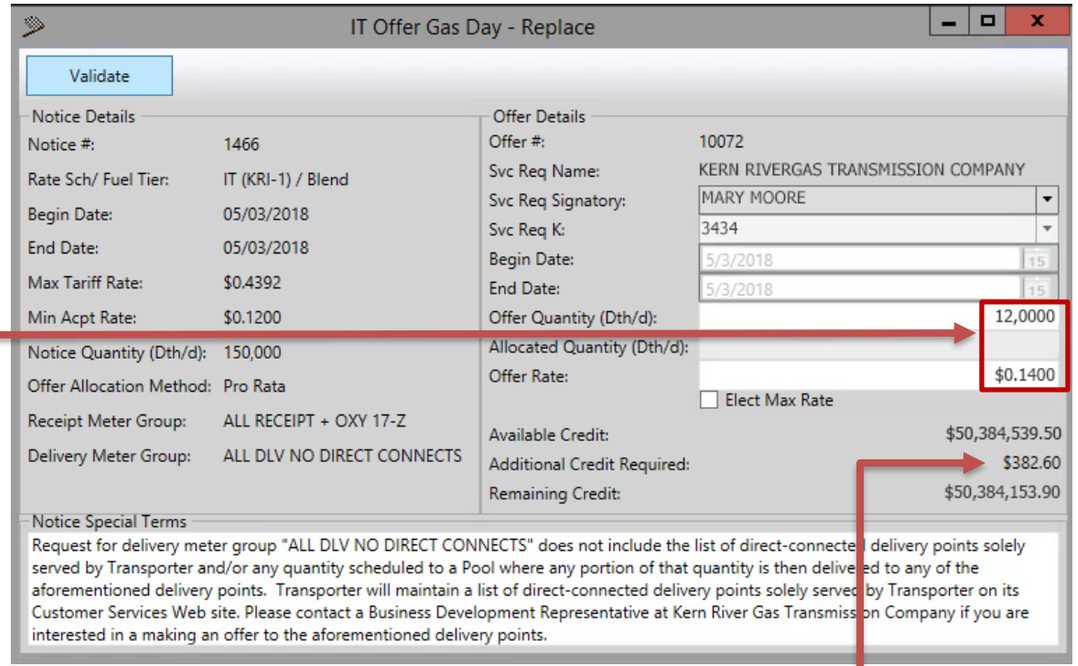


**Replacing an Offer – Pro Rata**

Prior to the expiration of the Offer Period End Date/Time, an Offer on a Pro Rata notice can be Replaced with an Offer for a higher or lower Quantity and/or a higher Offer Rate.

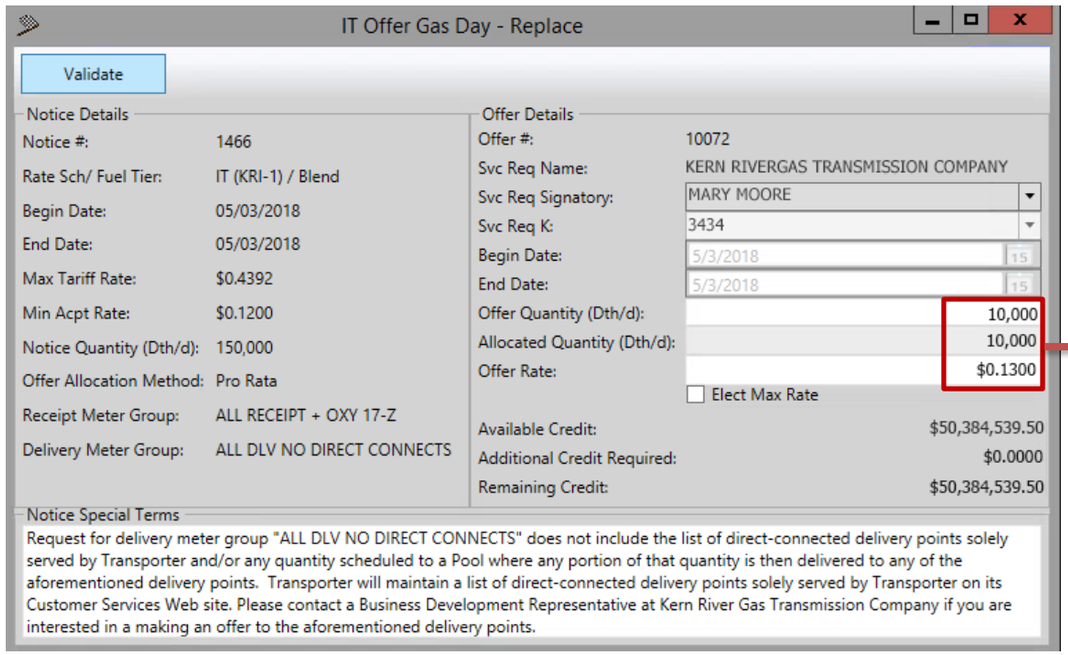


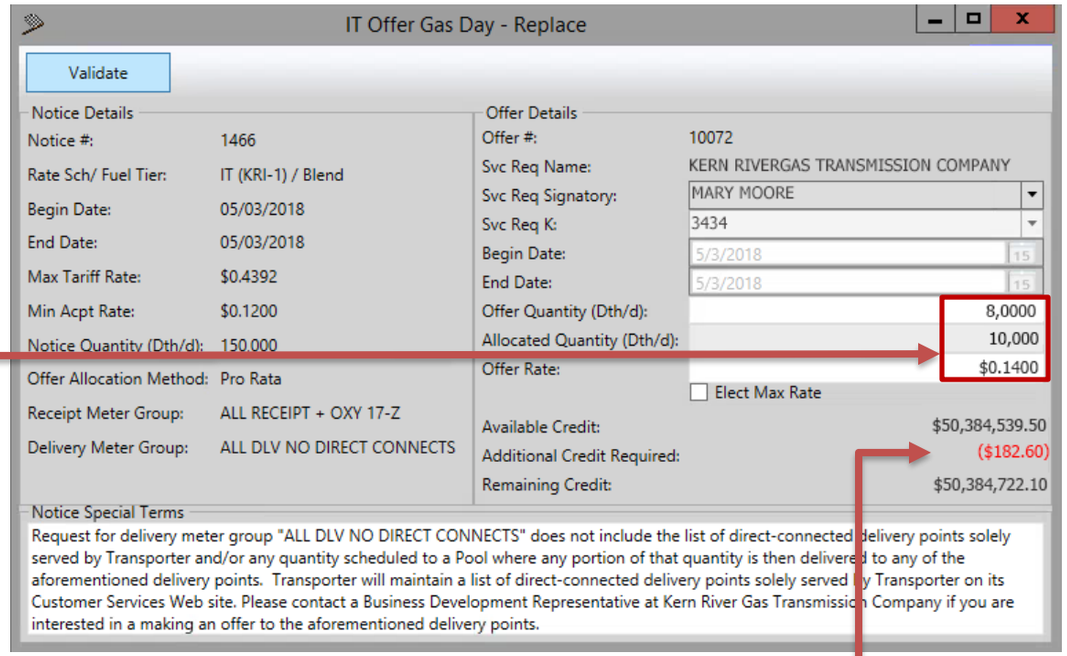




The additional Credit Required is calculated based on the increase or decrease in quantity and/or the increase in rate. The ACA surcharge is included.

**Replacing an Offer – Pro Rata**

Following the expiration of the Offer Period End Date/Time, the Notice Capacity is allocated. Once capacity has been allocated, the Offer can only be replaced with a lower Quantity and/or a higher Offer Rate offer.




The additional Credit Required is adjusted based on the decrease in quantity and/or the increase in rate. The ACA surcharge is included.

**Email Notification – Pro Rata Notice**

When the Offer Period End Date/Time expires on a Pro Rata notice, the Notice Quantity is allocated based on rate, from highest rate to lowest rate. Offers with the same rate are allocated on a pro rata basis. An Exhibit A is executed and an email notification is sent to the Svc Req Signatory and Svc Req Submitter with the Discount Code and the Allocated Quantity. Nominations can be entered.

Tue 4/24/2018 11:37 AM

prbatch@kernrivergas.com

IT Offer Request #10072 Has Been Allocated

To Mary.Moore@KernRiverGas.com

The following IT Offer Request has been allocated. Gas days having non-zero allocated quantities are available for shipper nominations, and an Exhibit A has been executed.

| Offer # | Svc Req K | Discount Code | Svc Req Name | Gas Day | Execution Date/Time | Offer Quantity | Allocated Quantity | Offer Rate | Receipt Meter Group | Delivery Meter Group | Svc Req Signatory | Svc Req Submitter |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 10072 | 3434 | 3434IT | KRGT | 05/03/2018 | 04/23/2018 17:49:17 CCT | 10,000 | 10,000 | $0.1300 | ALL RECEIPT + OXY 17-Z | ALL DLV NO DIRECT CONNECTS | MARY MOORE | MARY MOORE |

The offer was made on this notice:

| | |
|---|---|
| **Notice #** | 1466 |
| **Rate Sch/Fuel Tier** | IT (KRI-1) / Blend |
| **Notice Begin Date** | 05/03/2018 |
| **Notice End Date** | 05/03/2018 |
| **Min Acpt Rate** | $0.1200 |
| **Offer Allocation Method** | Pro Rata |
| **Notice Quantity (Dth/d)** | 150,000 |
| **Receipt Meter Group** | ALL RECEIPT + OXY 17-Z |
| **Delivery Meter Group** | ALL DLV NO DIRECT CONNECTS |
| **Special Terms** | Request for delivery meter group "ALL DLV NO DIRECT CONNECTS" does not include the list of direct-connected delivery points solely served by Transporter and/or any quantity scheduled to a Pool where any portion of that quantity is then delivered to any of the aforementioned delivery points. Transporter will maintain a list of direct-connected delivery points solely served by Transporter on its Customer Services Web site. Please contact a Business Development Representative at Kern River Gas Transmission Company if you are interested in a making an offer to the aforementioned delivery points. |

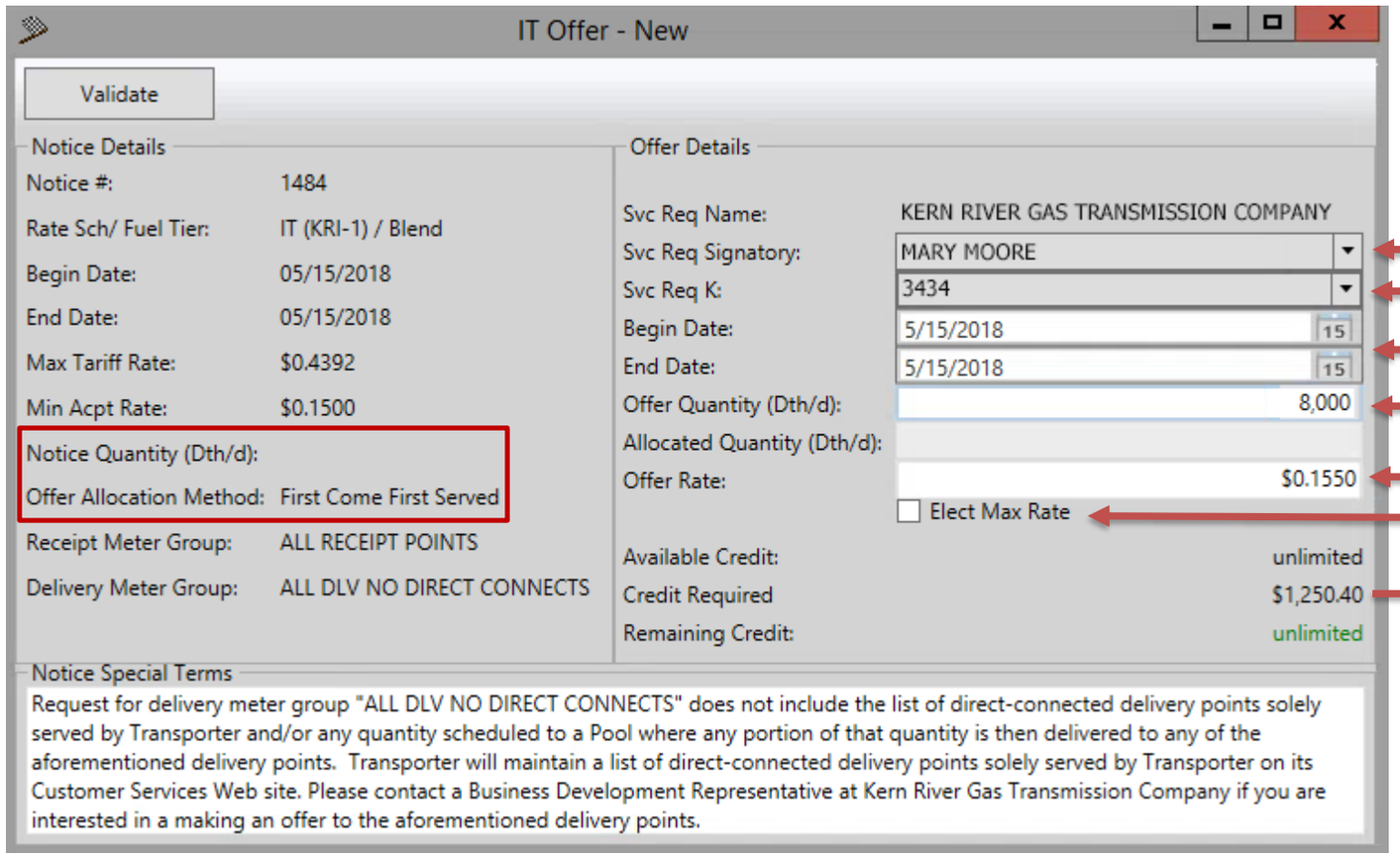
If you have any questions, please contact:

| Contact Name | Office Phone | Cell Phone | Email | IM |
|---|---|---|---|---|
| BRETT MAYLETT | (801) 937-6210 | (801) 599-4208 | brett.maylett@kernrivergas.com | ICE Chat-Brett Maylett |
| DAN ROBBINS | (801) 937-6167 | (801) 971-9704 | Daniel.Robbins@kernrivergas.com | ICE Chat-Dan Robbins |

**IT Offer Window – First Come First Served Notice**

Making an Offer on a First Come First Served Notice

The Details of the Notice are displayed on the left-hand side of the window. First Come First Served Notices do not have a Notice Quantity. Capacity is allocated at the time the Offer is submitted.




Choose Signatory for the Offer

Choose a Svc Req K from drop-down

Select Begin Date and End Date

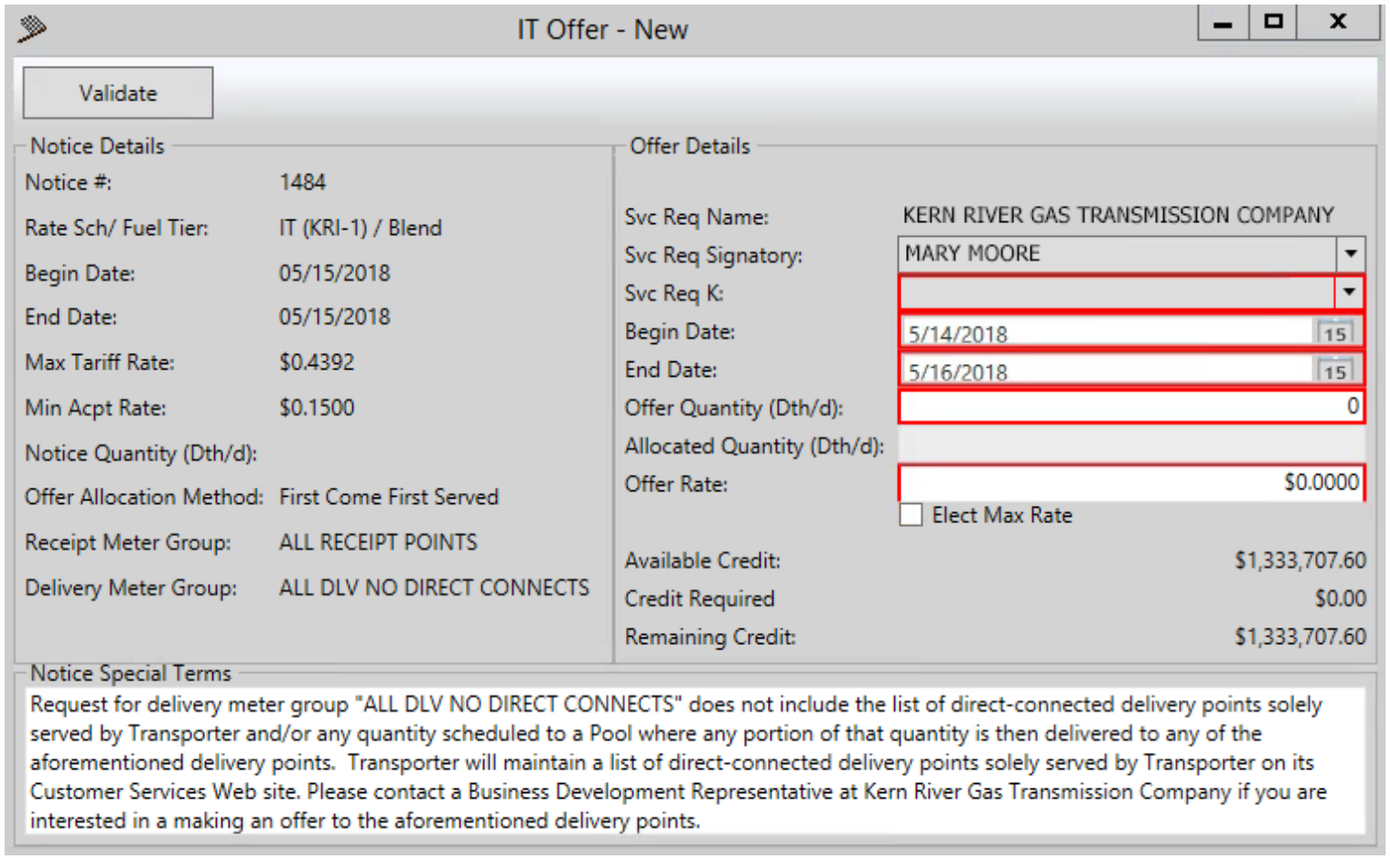
Type in Quantity

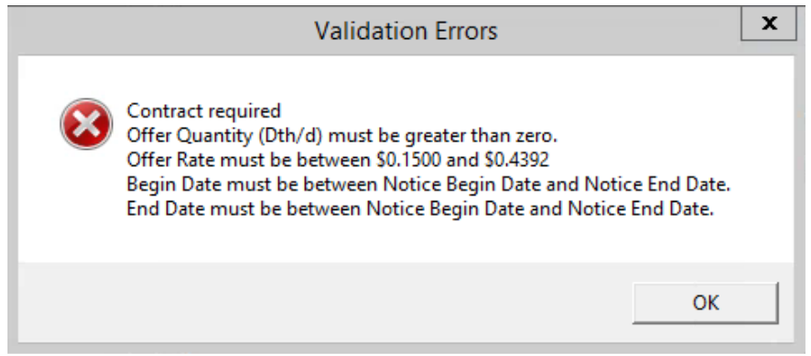
Type in Offer Rate
or check the Elect Max Rate checkbox

The Credit Required is calculated.
ACA surcharge is included.

**IT Offer Window – First Come First Served Notice (Continued)**

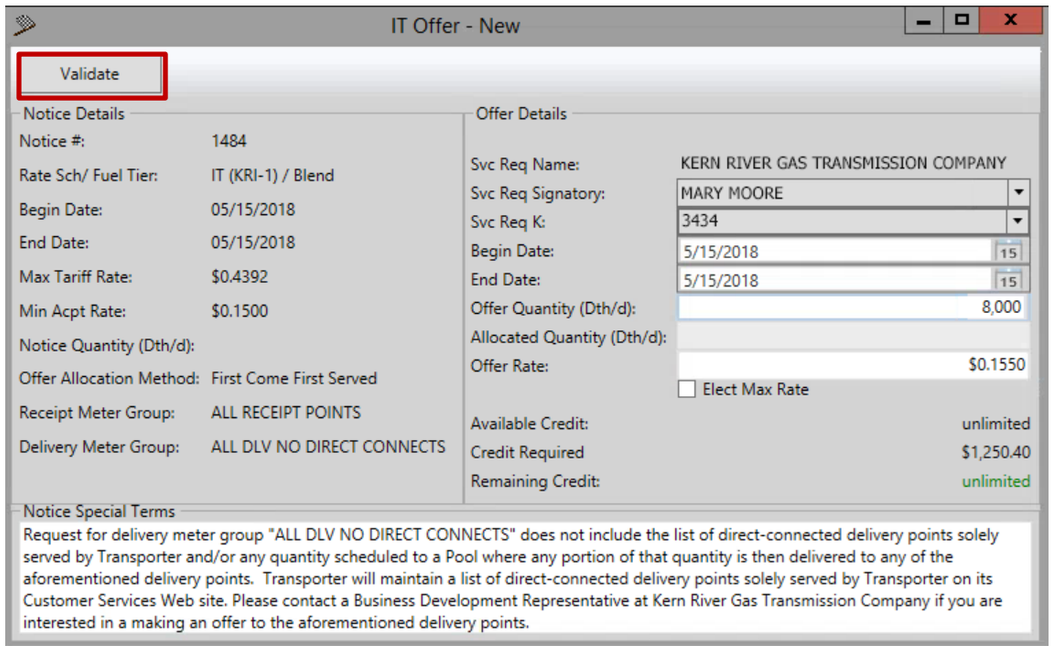
If there are validation errors, the fields in error will be highlighted in red and a Validation Errors message box will describe what should be corrected.

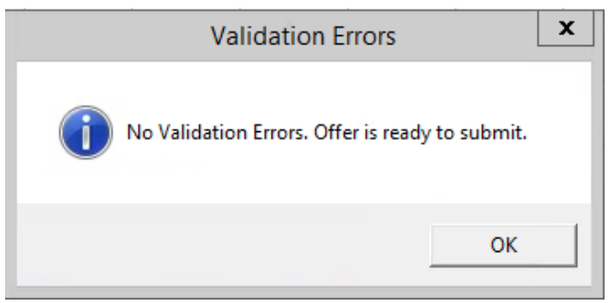


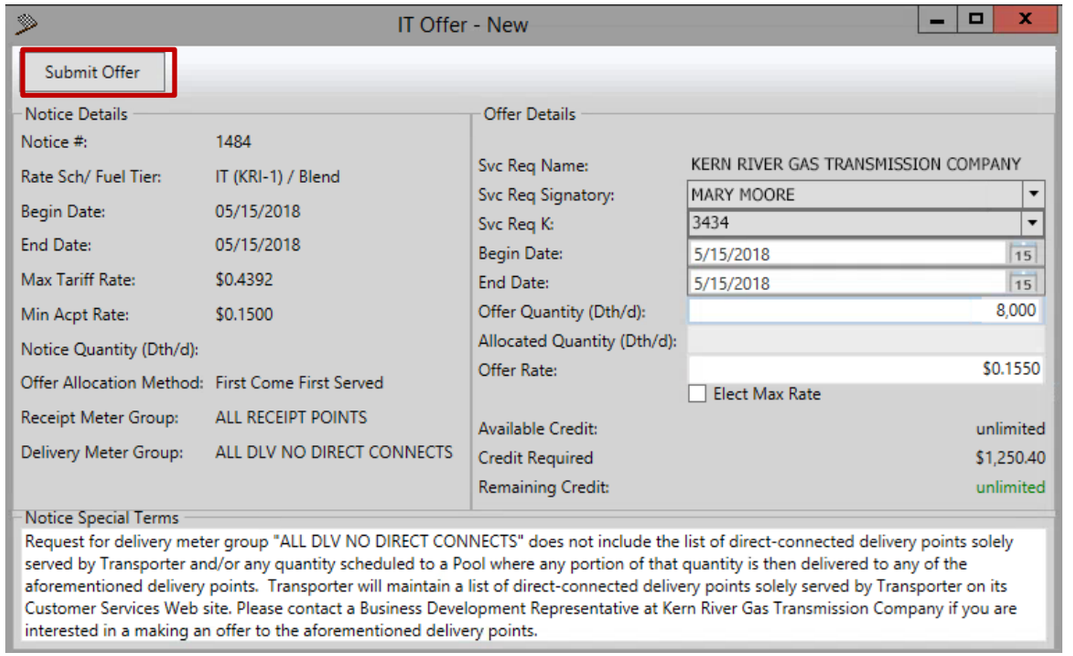
## IT Offer Window – First Come First Served Notice (Continued)

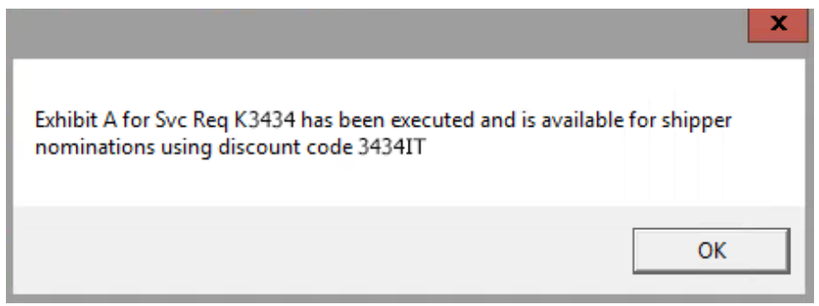
If there are no errors, the Offer is ready to Submit.



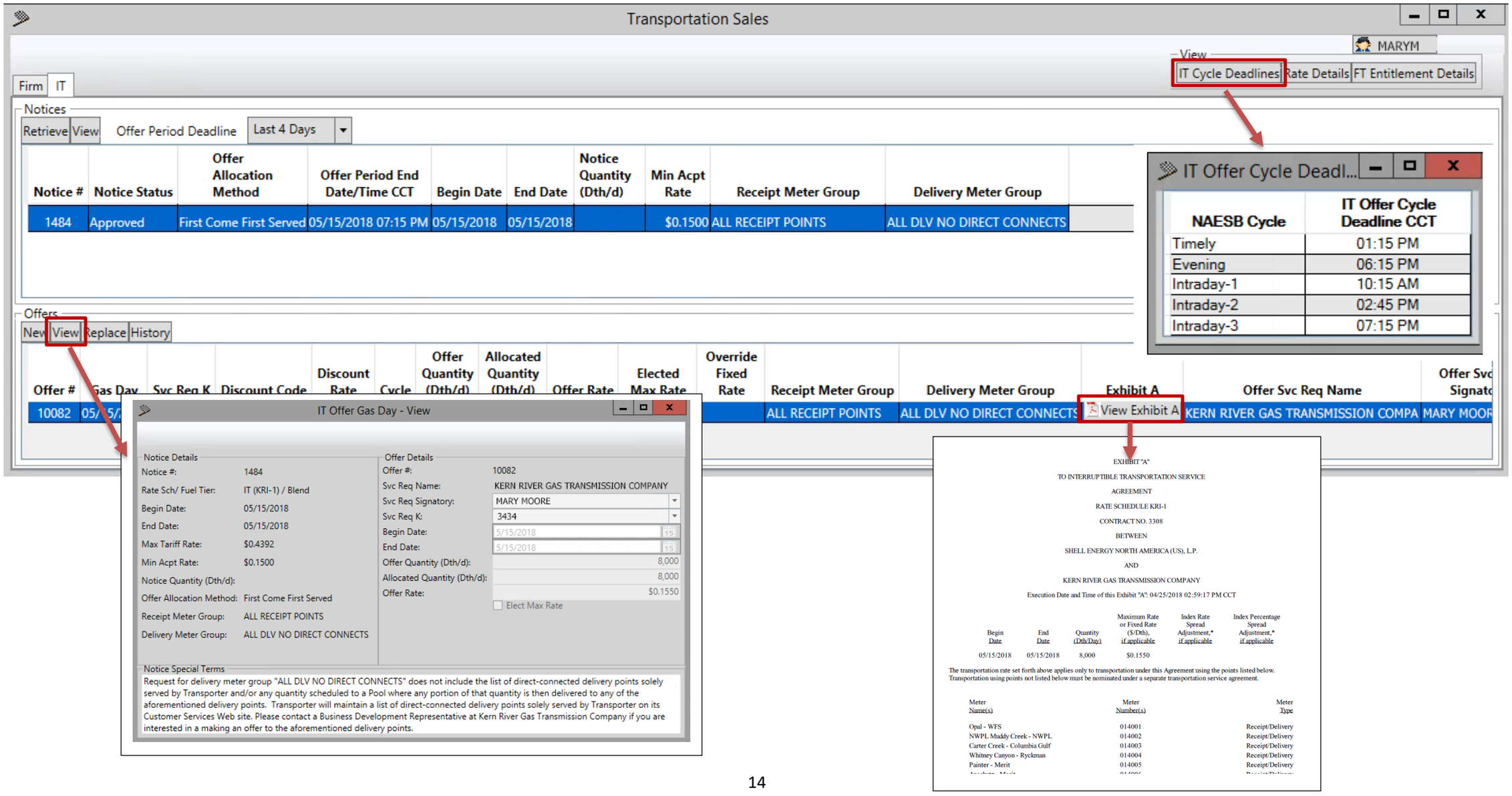




Click the Submit Offer button. This process will execute an Exhibit A and assign a discount code.



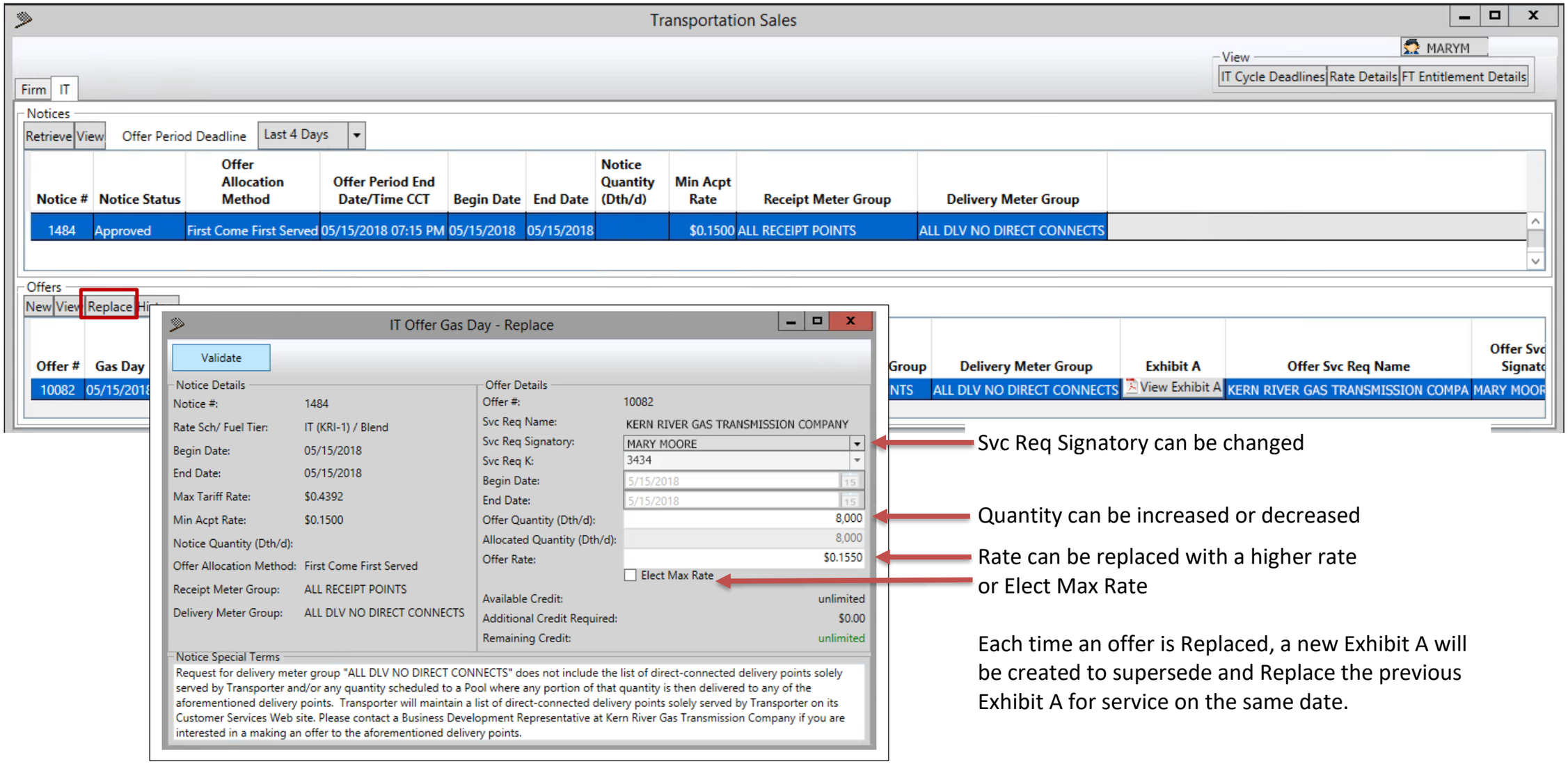



Executed offers will be visible in the Offers section, with an Exhibit A that can be clicked to open and print. You can view the offer details by selecting View. IT offer cycle deadlines can be viewed by clicking on IT Cycle Deadlines button. Offers will be assigned a NAESB cycle based on the Offer execution time.



**Replacing an Offer – First Come First Served**

Select Replace, and the IT Offer Gas Day- Replace window will open. An Offer on a First Come First Served notice can be Replaced at any time before the Offer Period End Date/Time has expired.




Svc Req Signatory can be changed

Quantity can be increased or decreased

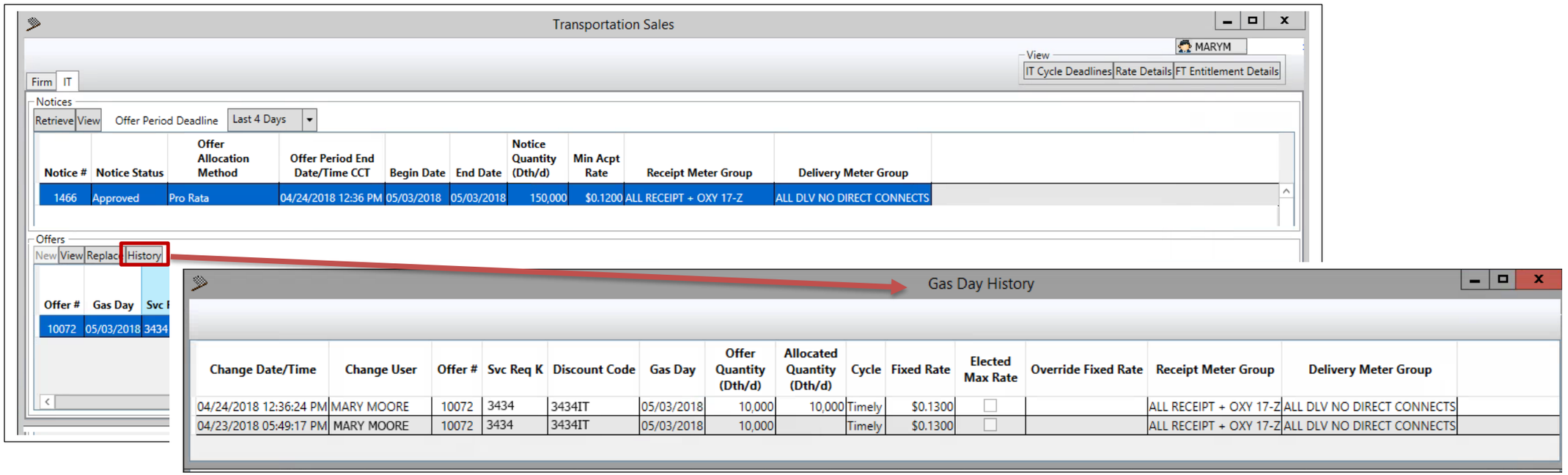
Rate can be replaced with a higher rate or Elect Max Rate

Each time an offer is Replaced, a new Exhibit A will be created to supersede and Replace the previous Exhibit A for service on the same date.

## Reporting Tools

Gas Day History window

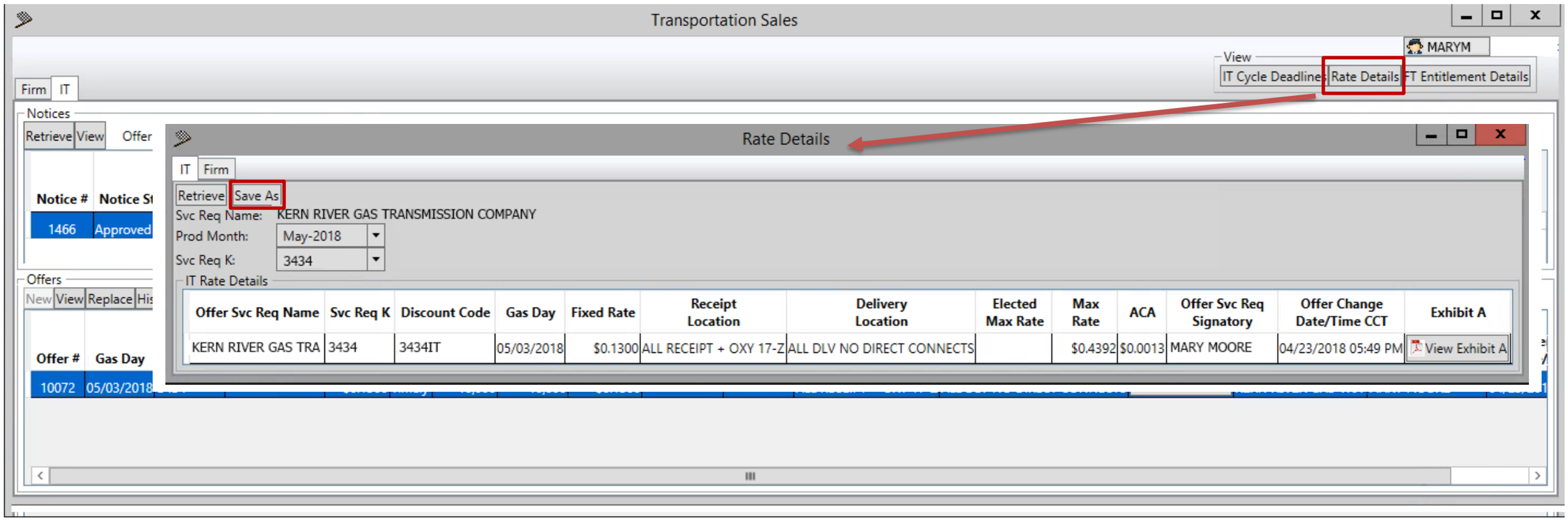
Highlight an Offer and Select History.



## Reporting Tools (continued)

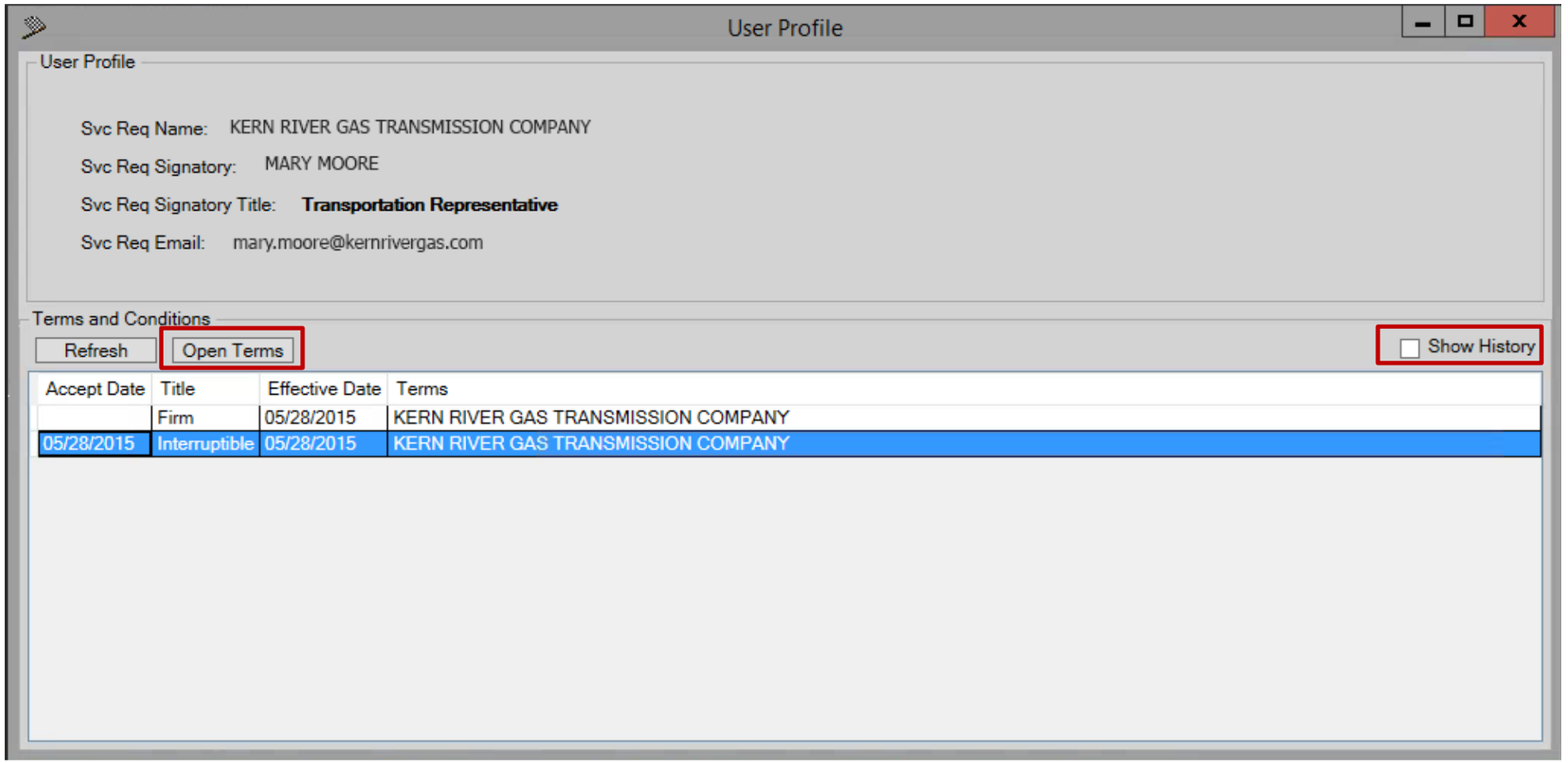
Rate Details

Select Rate Details to view offers by production month for Service Requestor contracts along with the most recent Exhibit A. Rate Details can be saved into a spreadsheet using the Save As button.



**Shipper Profile**

The Shipper Profile window contains the Company Name, Signatory, Title and Email address of the customer currently logged in. Interruptible Terms and Conditions can be viewed by highlighting the Interruptible row and clicking Open Terms. Checking the Show History checkbox will return all terms and conditions that have been accepted by the customer currently logged in.




For further questions or training on Kern River's Interruptible Transportation Sales, please contact your Marketing and Customer Services Representative or the Customer Services Hotline at 801-937-6111.

Thank you!