

AMENDMENT TO  
FIRM TRANSPORTATION SERVICE AGREEMENT

Rate Schedule KRF-1

CONTRACT NO. 1680

THIS AMENDMENT ("Amendment") is made and entered into as of this 25th day of September, 2018, by and between KERN RIVER GAS TRANSMISSION COMPANY ("Transporter") and CITADEL ENERGY MARKETING LLC ("Shipper").

WHEREAS, Transporter and Shipper have agreed to amend the rate language as set forth on Exhibit "B."

NOW, THEREFORE, in consideration of the mutual covenants and agreements as herein set forth, the parties agree as follows:

Effective October 1, 2018, the Agreement is amended as follows:

Shippers rate for service shall be as set forth on Exhibit "B" attached hereto. Exhibit "B" shall supersede and replace any previously effective Exhibit "B."

This Amendment constitutes the entire agreement between the parties with respect to the subject matter of this Amendment and shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. No promises, agreements or warranties additional to this Amendment other than as may be contained in Transporters Tariff will be deemed to be a part of this Amendment, nor will any alteration, amendment or modification be effective unless confirmed in writing by the parties.

Except as amended herein, all provisions of the Agreement are hereby confirmed by the parties to be and remain in full force and effect.

"SHIPPER:"

CITADEL ENERGY MARKETING LLC

By: /s/ JAMES VALLILLO

Title: Physical Natural Gas Trader

"TRANSPORTER:"

KERN RIVER GAS TRANSMISSION COMPANY

By: /s/ PRESTON MILLER

Title: Director-Marketing &  
Customer Services

EXHIBIT "B"  
TO AMENDMENT TO  
FIRM TRANSPORTATION SERVICE AGREEMENT

CONTRACT NO. 1680

BETWEEN

CITADEL ENERGY MARKETING LLC

AND

KERN RIVER GAS TRANSMISSION COMPANY

Execution Date of this Exhibit "B": September 25, 2018

Shipper and Transporter have agreed to a Negotiated Rate. The Negotiated Rate will be the Index-Based Volumetric Rate set forth in Section 1, unless Transporter and Shipper agree to a Fixed Volumetric Rate pursuant to Section 2, or the Alternate Rate pursuant to Section 4 applies.

1. Index-Based Volumetric Rate:

Index-Based Volumetric Rate = (Net Daily Spread - Index Spread Adjustment)

Where:

Net Daily Spread = (KRGD-Del Pool - KRGD-Rec Pool - Applicable Fuel - Applicable Surcharges)

Index Spread Adjustment =

(1) The lesser of \$0.1000 per Dth or (Net Daily Spread x 10%) when Net Daily spread is \$0.6049 per Dth or higher; or

(2) \$0.0000 per Dth when Net Daily Spread is \$0.6048 per Dth or lower, except as provided in Section 4(a)(ii).

Applicable Fuel = the sum of the lost and unaccounted-for gas percentage and the rolled-in compressor fuel percentages for the fuel zones scheduled, multiplied by KRGD-Rec pool.

Applicable Surcharges = ACA plus rolled-in Daggett electric compressor fuel surcharges, when applicable.

KRGD-Del Pool = the daily Index price for Kern River, delivered, as published in Platts Gas Daily Preliminary Price Report for the gas day of scheduled transportation.

KRGT-Rec Pool = the daily Index price for ICE Kern River, on system receipt, as published in Platts Gas Daily Preliminary Price Report for the gas day of scheduled transportation.

## 2. Fixed Volumetric Rate:

Transporter and Shipper may agree to a Fixed Volumetric Rate(s) for all or a portion of the quantities scheduled under this Agreement. If Transporter and Shipper do not agree to a Fixed Volumetric Rate, Shipper will pay the otherwise applicable rate set for in this Exhibit "B."

## 3. Applicable Fuel and Applicable Surcharges:

In addition to the Index-Based Volumetric Rate or the Fixed Volumetric Rate, Shipper will reimburse Transporter for Applicable Fuel and Applicable Surcharges as defined in Section 1 above.

## 4. Alternate Rate:

Notwithstanding the above, Shipper will pay an Alternate Rate of \$1.00 per Dth for the entire month and for the next month, excluding the month following the end date of the agreement, for the total DMDQ under the Agreement, plus Applicable Fuel and Applicable Surcharges for all quantities scheduled, when one or more of the events described below occur:

(a) Shipper schedules any quantity under this Agreement when the Net Daily Spread is \$0.6048 per Dth or lower; provided, however, this section 4(a) shall not apply if: (i) Transporter and Shipper have agreed to a Fixed Volumetric Rate for the applicable gas day(s), and the quantity scheduled under this Agreement is less than or equal to the quantity on which Transporter and Shipper have agreed to a Fixed Volumetric Rate; or (ii) Transporter has sent Shipper a written communication stating that Shipper is exempt from this section 4(a) for a specific gas day(s) and quantity, and the quantity scheduled under this Agreement is less than or equal to the exempt quantity. If Transporter sends such written communication and the Net Daily Spread for the applicable gas day(s) is \$0.6048 per Dth or lower, then the Index Spread Adjustment shall be the Net Daily Spread x 10%;

(b) Any primary delivery point is amended;

(c) The total quantity scheduled on any day under this Agreement and any related agreement(s), including capacity release and segmented agreement(s), exceeds the DMDQ under this Agreement for any reason other than authorized overrun service; and/or

(d) Shipper or a Replacement Shipper schedules any quantity to a direct-connected delivery point solely served by Transporter; and/or Shipper or a Replacement Shipper schedules any quantity to a Pool where any gas from that Pool is then delivered to a direct-connected delivery point solely served by Transporter, and such event was not the result of Shippers oversight or scheduling error. Transporter will maintain a list of direct-connected delivery points solely served by Transporter on its Customer Services Web site.