

AMENDMENT TO FIRM TRANSPORTATION SERVICE AGREEMENT  
Rate Schedule KRF-1

CONTRACT NO. 1830

THIS AMENDMENT ("Amendment No. 2") is made and entered into as of this 14th day of January, 2019, by and between KERN RIVER GAS TRANSMISSION COMPANY ("Transporter") and NEVADA POWER COMPANY d/b/a NV ENERGY ("Shipper").

WHEREAS, Transporter and Shipper entered into a precedent agreement on August 25, 2008 ("Precedent Agreement"), for the construction and operation of the facilities associated with the Apex Expansion Project ("Apex Expansion Project facilities");

WHEREAS, pursuant to the Precedent Agreement, Transporter and Shipper entered into that certain transportation service agreement dated March 17, 2009 ("Contract No. 1830") that established the rate Shipper agreed to pay Transporter for all Natural Gas Transportation Service provided thereunder ("Agreement");

WHEREAS, Transporter and Shipper mutually amended that rate in Amendment No. 1 entered into on August 1, 2012;

WHEREAS, on November 15, 2018, the Federal Energy Regulatory Commission approved a Stipulation and Agreement of Settlement ("Settlement") designed to provide a Tax Reform Credit ("TRC") against the Maximum Base Tariff Rate for firm service and any one-part rate that includes fixed costs until a Triggering Event occurs;

WHEREAS, the Apex Expansion Rate Schedule qualifies for a TRC pursuant to the terms of the Settlement, Contract No. 1830 does not qualify for the full amount of the TRC applicable to the Apex Expansion Rate Schedule because of the agreed Daily Reservation/Demand Rate applicable to the service;

WHEREAS, Transporter and Shipper mutually desire to amend Contract No. 1830 to provide Contract No. 1830 with the appropriate portion of the TRC as set forth in this Amendment No. 2;

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

1. This Amendment supersedes Amendment No. 1.
2. Effective November 15, 2018, the Agreement is amended as follows:
  - a. Exhibit "B" shall supersede and replace any previously effective Exhibit(s) "B."

3. This Amendment No. 2 constitutes the entire agreement between the parties with respect to the subject matter of this Amendment No. 2 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 No. 2 other than as may be contained in Transporters Tariff will be deemed to be a part of this Amendment No. 2, 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:"

"TRANSPORTER:"

NEVADA POWER COMPANY,  
d/b/a NV ENERGY

KERN RIVER GAS TRANSMISSION COMPANY

By: /s/ Stacy Chang

By: /s/ John T. Dushinske

Name: Stacy Chang  
Title: Manager, Market Operations  
& Trading

Name: John T. Dushinske  
Title: VP Customer Service & Business  
Development

EXHIBIT "B"  
TO AMENDMENT NO. 2  
TO  
FIRM TRANSPORTATION SERVICE AGREEMENT

CONTRACT NO. 1830

BETWEEN

NEVADA POWER COMPANY d/b/a NV ENERGY

AND

KERN RIVER GAS TRANSMISSION COMPANY

Execution Date of this Exhibit "B": January 14, 2019

The rates for Transportation Service shall be as follows:

DAILY RESERVATION/DEMAND RATE:

Reference is hereby made to the Stipulation and Settlement Agreement ("Settlement") approved by the Federal Energy Regulatory Commission in Docket No. RP19-76-000. Capitalized terms used herein shall have the meaning set forth in the Settlement.

- (1) Except as set forth herein, commencing July 1, 2014, the Daily Reservation/Demand Rate shall be \$0.4109 per Dth.
- (2) Shipper shall be entitled to a Tax Reform Credit as follows:
  - (a) Commencing November 15, 2018, Shipper shall be entitled to a Tax Reform Credit in the amount of \$0.0154, without interest, which shall be deductible from the Daily Reservation/Demand Rate set forth in Paragraph (1) of this Exhibit B.
  - (b) The Tax Reform Credit set forth in Paragraph (2)(a) of this Exhibit B shall remain in place until a Triggering Event as follows:
    - i. Triggering Event #1: federal legislation enacted which raises the maximum federal corporate income tax rate above 21%; or
    - ii. Triggering Event #2: the Federal Energy Regulatory Commission initiates an investigation of Kern Rivers rates pursuant to section 5 of the Natural Gas Act.
  - (c) Upon the occurrence of Triggering Event #1, the Tax Reform Credit will be reduced on a pro rata basis by the increase in the maximum federal corporate tax rate above 21% as a percent of the initial change of 4.41% (25.41% less 21%), provided, however, the Tax Reform Credit shall not increase the Daily Reservation/Demand Rate of \$0.4109 per Dth set forth in Paragraph (1) of this Exhibit B, e.g., the Tax Reform Credit shall be zero if the maximum federal corporate tax rate is increased above 25.41%. For example, an increase in the maximum federal corporate tax rate to 25% would be an increase of 4% (25% less 21%) and a percentage reduction to the Tax Reform Credit of 90.7% (4% divided by 4.41%). Applying that reduction would result in a Tax Reform Credit based on 0.3%

(initial percentage reduction of 3.7% times the quantity of one minus 90.7%) from the discounted rate set forth in Paragraph (1) of this Exhibit B.

- (d) Upon the occurrence of Triggering Event #2, the Tax Reform Credit to Shipper shall end.
  - (e) The maximum recourse rate for transportation service shall be the maximum rate set forth on the Apex Expansion Project Rate Schedule less the Tax Reform Credit. The maximum rate set forth on the Apex Expansion Project Rate Schedule shall be the rate used to establish the refund floor in the next Natural Gas Act section 4 rate case.
- (3) The Daily Reservation/Demand Rate above will remain in place until the applicable recourse rate is changed in a general rate change proceeding under section 4 or 5 of the Natural Gas Act (NGA).

On the effective date of any such change to the recourse rate, Shippers rate, which will be an incremental rate calculated using a levelized rate design, shall be adjusted up or down as appropriate, for all changes in costs, except that the original capital cost for the Apex Expansion Project facilities used to derive Shippers rate shall be deemed to be \$356.0 million. Shippers Daily Reservation/Demand Rate may change from time to time as a result of such general rate changes under section 4 or 5 of the NGA. In no event shall Shippers rate exceed the maximum recourse rate or be less than the minimum rate authorized under Transporters FERC Gas Tariff for the Apex Expansion Project.

#### COMMODITY RATE:

Shipper shall pay the maximum Commodity/Usage Rate applicable to service under Rate Schedule KRF-1 for the Apex Expansion Project, as set forth in Transporters FERC Gas Tariff, as such rate may change from time to time. Shipper will pay a mileage-based commodity rate if available under Rate Schedule KRF-1 in the future.

#### SURCHARGES AND FUEL:

Shipper shall pay applicable surcharges and reimburse Transporter for compressor fuel and lost and unaccounted-for gas, as determined pursuant to Section 12 of Transporters FERC Gas Tariff.