

FIRM TRANSPORTATION SERVICE AGREEMENT  
Rate Schedule KRF-1

CONTRACT NO. 1891

THIS FIRM TRANSPORTATION SERVICE AGREEMENT ("Agreement") is made and entered into as of this 11th day of May, 2018, by and between KERN RIVER GAS TRANSMISSION COMPANY ("Transporter") and SOUTHERN CALIFORNIA GAS COMPANY ("Shipper"), and supersedes all previous versions of this Agreement, if any.

WHEREAS, Shipper has acquired or intends to acquire a supply of Natural Gas that can be delivered to Transporters pipeline system and redelivered by Transporter to Shipper or for Shippers account at Delivery Points on Transporters system;

WHEREAS, Shipper was awarded available capacity pursuant to Transporters Notice Identifier 20180319, Open Season Notice;

WHEREAS, Shipper desires Transportation service from Transporter in accordance with Transporters Rate Schedule KRF-1, on file with the Federal Energy Regulatory Commission ("FERC"), as amended from time to time; and

WHEREAS, Transporter is willing to render such Transportation service.

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

ARTICLE I - GAS TO BE TRANSPORTED

- 1.1 Subject to the terms, conditions and limitations hereof, Transporter agrees to receive, on a firm basis, from Shipper for Transportation at the Receipt Point(s) specified in Exhibit "A" and to transport and deliver Thermally Equivalent Quantities to Shipper at the Delivery Point(s) specified in Exhibit "A," Quantities of Natural Gas, exclusive of Quantities required for fuel used and lost and unaccounted-for Gas, up to Shipper's TMDQ. Shippers TMDQ is 88,000 Dth per day. Shippers DMDQ is equal to Shippers TMDQ.
- 1.2 Shipper will reimburse Transporter for fuel used and lost and unaccounted-for Gas on an in-kind basis at the factors applicable to incremental rate service related to the 2003/2010 Expansion Projects, pursuant to the General Terms and Conditions of Transporter's FERC-approved tariff, as revised from time to time ("Transporters Tariff"). Backhaul Shippers will reimburse Transporter for system-wide lost and unaccounted-for Gas, but will not reimburse Transporter for compressor fuel.

## ARTICLE II - APPLICABLE RATE SCHEDULE

- 2.1 Shipper agrees to pay Transporter for all Natural Gas Transportation service rendered under the terms of this Agreement in accordance with Rate Schedule KRF-1 of Transporters Tariff. This Agreement will be subject to the provisions of such Rate Schedule and the General Terms and Conditions of Transporters Tariff, which by this reference are incorporated herein and made a part hereof.
- 2.2 Shipper's rates for Transportation service will be in accordance with Transporter's effective Rate Schedule KRF-1 for [maximum recourse incremental rate service related to the 2003/2010 Expansion Projects](#), subject to the parties understanding and agreement that Transporter may change the rates from time to time in accordance with the Natural Gas Act. Notwithstanding the foregoing, Shipper and Transporter have mutually agreed to a discounted rate for all or a portion of the capacity under this Agreement, as set forth on Exhibit "B."
- 2.3 Notwithstanding Section 5.5 of the General Terms and Conditions of Transporters Tariff, and subject to any negotiated credit set forth in this transportation service agreement; or, if there is no individually negotiated provision any Reservation Charge Adjustments applicable pursuant to Section 9 of Rate Schedule KRF-1, Shipper will make payment of the Monthly Reservation Charge pursuant hereto in full irrespective of (but without prejudice to the rights otherwise of Shipper with respect to) any dispute relative to the amount invoiced, and will not be entitled to any abatement of such payment or any set-off against it, including but not limited to, abatement or set-off due or alleged to be due by reason of any past, present or future claims or other rights of Shipper against Transporter or any other person or entity, whether in connection herewith or any unrelated transaction.

## ARTICLE III - TERM OF AGREEMENT

- 3.1 This Agreement shall be in effect from [December 1, 2018](#), through [February 28, 2019](#).

## ARTICLE IV - MISCELLANEOUS PROVISIONS

- 4.1 This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement 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 Agreement other than as may be contained in Transporters Tariff will be deemed to be a part of this Agreement, nor will any alteration, amendment or modification be effective unless confirmed in writing by the parties.

4.2 This Agreement shall incorporate and in all respects shall be subject to the General Terms and Conditions and the applicable Rate Schedule(s) set forth in Transporters Tariff. Transporter may file and seek approval from the FERC under Section 4 of the Natural Gas Act ("NGA") at any time and from time to time to change any rates, charges or other provisions set forth in the applicable Rate Schedule(s) and the General Terms and Conditions in Transporters Tariff, and Transporter shall have the right to place such changes in effect in accordance with the NGA, and this Agreement shall be deemed to include such changes and any change that becomes effective by operation of law and FERC order, without prejudice to Shippers right to protest the same.

4.3 The priority of service for this Agreement shall be April 30, 2018.

4.4 TO THE FULLEST EXTENT PERMITTED BY LAW, SHIPPER AND TRANSPORTER WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of this 11th day of May, 2018.

"SHIPPER:"

"TRANSPORTER:"

SOUTHERN CALIFORNIA GAS COMPANY

KERN RIVER GAS TRANSMISSION COMPANY

By: /s/ PAULINE WAH

By: /s/ PRESTON MILLER

Title: Gas Transportation Manager

Title: Director-Marketing and  
Customer Services

EXHIBIT "A"

TO

FIRM TRANSPORTATION SERVICE AGREEMENT

CONTRACT NO. 1891

BETWEEN

SOUTHERN CALIFORNIA GAS COMPANY

AND

KERN RIVER GAS TRANSMISSION COMPANY

Execution Date of this Exhibit "A": May 11, 2018

From December 1, 2018 to February 28, 2019

TMDQ: 88,000 Dth

Receipt Point(s) -----	Meter Number -----	Loc. Type -----	Receipt Point Entitlement (Dth) -----
Opal-WFS	014001	Physical	88,000
Total Receipt Point Entitlement:			88,000 Dth

Delivery Point(s) -----	Meter Number -----	Loc. Type -----	Delivery Point Entitlement (Dth) -----
Wheeler Ridge-SoCal Gas	025011	Physical	88,000
Total Delivery Point Entitlement:			88,000 Dth

EXHIBIT "B"

TO

FIRM TRANSPORTATION SERVICE AGREEMENT

CONTRACT NO. 1891

BETWEEN

SOUTHERN CALIFORNIA GAS COMPANY

AND

KERN RIVER GAS TRANSMISSION COMPANY

Execution Date of this Exhibit "B": May 11, 2018

Shipper and Transporter have agreed to a Discounted Daily Reservation/Demand Rate. All other rates are the applicable maximum rates under Rate Schedule KRF-1 for incremental rate service related to the 2003/2010 Expansion Projects.

The Discounted Daily Reservation/Demand Rate applicable to Shippers DMDQ is \$0.4750 per Dth, except as provided below.

The Discounted Daily Reservation/Demand Rate will never exceed the maximum recourse rate or be less than the minimum recourse rate under Rate Schedule KRF-1 for incremental rate service related to the 2003/2010 Expansion Projects.

Shipper acknowledges that the Discounted Daily Reservation/Demand Rate will not apply and Shipper will pay the maximum recourse rate under Rate Schedule KRF-1 for incremental rate service related to the 2003/2010 Expansion Projects for the total DMDQ under this Agreement for the entire month during which any of the events described below occur and for the next month, excluding the month following the end date of the Agreement, if:

1. Any primary delivery point is amended;
2. 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
3. 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 portion of that quantity 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.