

PERIOD TWO FIRM TRANSPORTATION SERVICE AGREEMENT  
Rate Schedule KRF-1

CONTRACT NO. 20002 (LADWP No. BP 15-012)

THIS PERIOD TWO FIRM TRANSPORTATION SERVICE AGREEMENT ("Agreement") is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between KERN RIVER GAS TRANSMISSION COMPANY ("Transporter") and THE DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES ("Shipper"), and supersedes all previous versions of this Agreement, if any.

WHEREAS, Transporter and Shipper entered into a Period One firm transportation service agreement under Contract 1006 (LADWP No. BP 12-018) with an end date of September 30, 2016;

WHEREAS, during Period One, Shipper was a 15-year original system shipper under Contract 1006 (LADWP No. BP 12-018) for 109,000 Mcf per day with a DMDQ of 112,815 Dth per day;

WHEREAS, in accordance with Section 30.2(a) of the General Terms and Conditions of Transporter's Tariff, Shipper made a binding request for Period Two firm transportation service for a term of 15 years; 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. Shipper's TMDQ is 112,815 Dth per day. Shipper's DMDQ is equal to Shipper's 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 rolled-in rate service, pursuant to the General Terms and Conditions of Transporter's FERC-approved tariff, as revised from time to time ("Transporter's 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 Transporter's Tariff. This Agreement will be subject to the provisions of such Rate Schedule and the General Terms and Conditions of Transporter's Tariff, which by this reference are incorporated herein and made a part hereof.
- 2.2 Shipper's rates for Transportation service will be the 15-year Period Two rates applicable to former 15-year Period One rolled-in rate, original system shippers, subject to the parties' understanding and agreement that Transporter may change the rates from time to time in accordance with the Natural Gas Act.
- 2.3 Notwithstanding Section 5.5 of the General Terms and Conditions of Transporter's 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 is subject to approval by both the City Council and the Board of Water and Power Commissioners of the City of Los Angeles.
- 3.2 This Agreement shall be in effect from October 1, 2016, through September 30, 2031.

## 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 Transporter's 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 Transporter's 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 Transporter's 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 Shipper's right to protest the same.
- 4.3 The priority of service for this Agreement shall be April 2, 1990.
- 4.4 This Agreement will be construed in accordance with the laws of the State of California, excluding any conflicts of law provisions thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

"SHIPPER:"

"TRANSPORTER:"

THE DEPARTMENT OF WATER AND POWER  
OF THE CITY OF LOS ANGELES

KERN RIVER GAS TRANSMISSION COMPANY

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: MARCIE L. EDWARDS

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

Title: General Manager

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

Date: \_\_\_\_\_

And:

By: \_\_\_\_\_

Name: BARBARA E. MOSCHOS

Title: Board Secretary

APPROVED AS TO FORM AND LEGALITY  
MICHAEL N. FEUER, CITY ATTORNEY

JUN 16 2015

BY

  
WILLIAM H. KYSELLA, JR.  
DEPUTY CITY ATTORNEY

EXHIBIT "A"

TO  
PERIOD TWO FIRM TRANSPORTATION SERVICE AGREEMENT

CONTRACT NO. 20002 (LADWP No. BP 15-012)

BETWEEN

THE DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES

AND

KERN RIVER GAS TRANSMISSION COMPANY

Execution Date of this Exhibit "A": \_\_\_\_\_

From October 1, 2016 through September 30, 2031

TMDQ: 112,815 Dth

<u>Receipt Point (s)</u>	<u>Meter Number</u>	<u>Loc. Type</u>	<u>Receipt Point Entitlement (Dth)</u>
Opal-WFS	014001	Physical	35,917
NWPL Muddy Creek-NWPL	014002	Physical	20,700
Whitney Canyon-Ryckman	014004	Physical	11,902
Painter-Merit	014005	Physical	11,902
Anschutz-Merit	014006	Physical	8,072
Goshen Rcpt-Questar P/L	014010	Physical	24,322

Total Receipt Point Entitlement: 112,815 Dth

<u>Delivery Point (s)</u>	<u>Meter Number</u>	<u>Loc. Type</u>	<u>Delivery Point Entitlement (Dth)</u>
Wheeler Ridge-SoCal Gas	025011	Physical	86,954
Kramer Junction-SoCal Gas	025032	Physical	23,899
Sidewinder Delivery-Kern River & Mojave	025033	Physical	1,962

Total Delivery Point Entitlement: 112,815 Dth