



September 24, 2025

Ms. Debbie-Anne Reese
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Kern River Gas Transmission Company
Docket No. RP25-
Miscellaneous Tariff Filing

Dear Secretary Reese:

Pursuant to Section 4 of the Natural Gas Act (“NGA”) and Part 154 of the regulations of the Federal Energy Regulatory Commission (“Commission” or “FERC”), Kern River Gas Transmission Company (“Kern River”) hereby tenders for filing and acceptance the following tariff sheets as part of Kern River’s FERC Gas Tariff, Third Revised Volume No. 1 (“Tariff”) and Original Volume No. 1A (“Tariff 1A”), proposed to be effective November 1, 2025:

Third Revised Volume No. 1
Sheet No. 199, Version 2.0.0
Sheet No. 297, Version 4.0.0

Original Volume No. 1A
Section 1, Version 30.0.0
Section 2.1, Version 3.0.0
Section 2.1.1, Version 3.0.0

Reason for Filing

The purpose of this filing is to make two modifications to the General Terms and Conditions of the Tariff (GT&Cs) including: 1) correcting a tariff reference in Section 15.7(b), Capacity Release Program; and 2) removing section 29.2(c), Alternatives to Establish and Maintain Creditworthiness. In addition, Kern River proposes removing an expired transportation service agreement (“TSA”) and corresponding precedent agreement (“PA”) from Tariff 1A. The proposed modifications are more fully explained below.

Correct a Tariff Reference in Section 15.7(b), Capacity Release Program

On June 27, 2024, Kern River filed modifications to its Capacity Release Program in Docket No. RP14-1060. In that filing, Kern River inadvertently did not update a reference in Section 15.7(b) of Sheet No. 199 related to the time period a prearranged bidder has to match bids submitted by other bidders. Section 15.7(b) currently refers to Section 15.8, but the applicable time period is set forth in Section 15.9, Applicable Deadlines. Kern River proposes to correct the reference from Section 15.8 to Section 15.9 on Tariff Sheet No. 199.

Remove Section 29.2 (c), Alternatives to Establish and Maintain Creditworthiness

Kern River proposes updating Sheet No. 297 to remove Section 29.2(c) of the GT&Cs, in accordance with the recommendation set forth in the FERC Draft Audit Report in Docket No. FA23-10-000. Kern River deems Section 29.2(c) as no longer applicable for creditworthiness determination.

Remove Expiring Non-Conforming TSA and Precedent Agreement

Kern River proposes removing an expired non-conforming TSA and the corresponding non-conforming PA from Tariff 1A. Sections 2.1 and 2.1.1 of Tariff 1A will be held in reserve for future use.

Marked Version of Tariff Sheets

In accordance with Section 154.201 of the Commission's regulations, a marked version of the proposed tariff sheets comparing the currently effective language with the proposed changes is attached.

Materials Submitted

This filing comprises an eTariff.xml filing package containing:

- this transmittal letter,
- the proposed tariff sheets in electronic format, with metadata attached,
- clean copies of the tariff sheets for posting on the Commission's eLibrary, and
- marked copies of the tariff sheets.

Waivers and Effective Date

Kern River respectfully requests that the Commission grant waiver of Section 154.207 and any other waivers of its regulations that it may deem necessary to allow the revised tariff sheets to become effective November 1, 2025.

Communications

All communication regarding this report should be served upon:

Luis Valdivia
Director, Regulatory Policy and Rates
Kern River Gas Transmission Company
2755 East Cottonwood Parkway
Salt Lake City, Utah 84121
(402) 398-7393
luis.valdivia@nngco.com

Reef Pace
Sr. Attorney
Kern River Gas Transmission Company
2755 E. Cottonwood Parkway
Salt Lake City, Utah 84121
(801) 937-6068
reef.pace@kernrivergas.com

Other

In accordance with Section 154.208, Kern River has served an electronic copy of this filing upon its customers and interested state regulatory commissions.

Respectfully submitted,

KERN RIVER GAS TRANSMISSION COMPANY

/s/ Luis Valdivia

Luis Valdivia
Director, Regulatory Policy and Rates

Attachments

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.7 Determination of Successful Bidder. (Continued)

- (b) If an Offer to Release includes a Prearranged Bidder, then the release will be awarded to the Prearranged Bidder if its bid has a value that is equal to or higher than the highest value of each of the bids submitted by all other Bidders, or if it matches any bid having a higher value within the time period provided by Section 15.9.
- (c) If only one Bidder has submitted a bid that reflects the highest value, then the release will be awarded to that Bidder, subject to any Prearranged Bidder's exercise of its right of first refusal as set forth above.
- (d) NAESB WGQ 5.3.4: "When the Transportation Service Provider (TSP) makes awards of capacity for which there have been multiple Bids meeting minimum conditions, the TSP should award the Bids, best Bid first, until all offered capacity is awarded."

If two or more Bidders have submitted bids that each reflect the highest value and these combined bids exceed the offered capacity, then, subject to any Prearranged Bidder's exercise of its right of first refusal, the release will be awarded on the basis of a lottery that randomly assigns a priority to such Bidders. The Bidder with the highest priority will be awarded the release to the extent of the DMDQ for which it has submitted a bid. If the award of capacity to the Bidder with the highest priority does not result in allocation of all available capacity, then Transporter will continue to award remaining capacity based on the priorities established by lottery until all of the capacity has been awarded or all bids have been satisfied to the extent possible. Transporter will conduct the lottery in an objective, nondiscriminatory manner.

- (e) Transporter will post on its Customer Activities Website the terms of the successful bid and the identity of the successful Bidder in accordance with NAESB WGQ 5.3.2.

GENERAL TERMS AND CONDITIONS
(Continued)

29. ESTABLISHMENT AND MAINTENANCE OF CREDIT (Continued)

29.2 Alternatives to Establish and Maintain Creditworthiness.

If Shipper otherwise fails to establish creditworthiness as provided herein, Shipper may still receive service provided it:

- (a) furnishes and maintains for the term of the Transportation Service Agreement a written guarantee in a form satisfactory to Transporter from a third party that is creditworthy as determined above, or
- (b) provides a standby irrevocable letter of credit drawn upon a bank acceptable to Transporter, which
 - (i) For firm service: is in an amount sufficient to cover the highest three (3) months of the reservation/demand charge of the service requested by Shipper; and/or
 - (ii) For interruptible and PAL: is in an amount sufficient to cover Transporter's estimate of providing three (3) months of service charges of the service requested by Shipper; and/or
 - (iii) For transportation service and operational balancing agreements, if applicable: is in an amount up to the highest imbalance quantity owed to Transporter during the previous 12 months, valued at up to the highest basis-adjusted NYMEX futures price in the next 12-month period,or
- (c) provides cash in an escrow arrangement acceptable to Transporter, which
 - (i) For firm service: is in an amount sufficient to cover the highest three (3) months of the reservation/demand charge of the service requested by Shipper; and/or
 - (ii) For interruptible and PAL: is in an amount sufficient to cover Transporter's estimate of providing three (3) months of service charges of the service requested by Shipper; and/or
 - (iii) For transportation service and operational balancing agreements, if applicable: is in an amount up to the highest imbalance quantity owed to Transporter during the previous 12 months, valued at up to the highest basis-adjusted NYMEX futures price in the next 12-month period.

Notwithstanding the foregoing, Transporter may require reasonable security, which may be more than three months of reservation/demand charges, for new construction projects.

PART I.

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- 2.15 Restated Period Two Firm Transportation Service Agreement with Southwest Gas Corporation Dated April 17, 2017, Contract No. 20016
- 2.16 Alternate Period Two Firm Transportation Service Agreement with Nevada Cogeneration Associates #1 Dated April 19, 2017, Contract No. 20010
- 2.17 Alternate Period Two Firm Transportation Service Agreement with BP Energy Company Dated June 19, 2020, Contract No. 20041 (Permanent Release from Nevada Cogeneration Associates #2)
- 2.18 Alternate Period Two Firm Transportation Service Agreement with Citadel Energy Marketing, LLC (formerly Citadel NGPE LLC) Dated April 17, 2017, Contract No. 20017
 - 2.18.1 Assignment of Agreements between WPX Marketing, LLC and Citadel NPGE, LLC Dated July 15, 2016
- 2.19 Restated Period Two Firm Transportation Service Agreement with Southwest Gas Corporation Dated April 17, 2017, Contract No. 20020
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- 2.21 Alternate Period Two Firm Transportation Service Agreement with Chevron U.S.A. Inc. Dated April 17, 2017, Contract No. 20008
- 2.22 Amended and Restated Alternate Period Two Firm Transportation Service Agreement with Seneca Resources Corporation Dated March 24, 2021, Contract No. 20014
- 2.23 Alternate Period Two Firm Transportation Service Agreement with Shell Energy North America (US), L.P. Dated April 17, 2017, Contract No. 20006

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 - 2.29.1 Facilities Agreement with High Desert Power Project, LLC (assignee of Victorville-Gas, LLC) Dated June 12, 2001
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 - 2.29.3 Amendment to Restated Transportation Service Agreement with High Desert Power Project, LLC Dated May 1, 2023, Contract No. 2002
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- 2.30 Amendment to Firm Transportation Service Agreement with Nevada Power Company d/b/a NV Energy Dated August 1, 2012, Contract No. 1830
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Section 2.1

Reserved

Section 2.1.1

Reserved

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY RELEASE PROGRAM (Continued)

15.7 Determination of Successful Bidder. (Continued)

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- (c) If only one Bidder has submitted a bid that reflects the highest value, then the release will be awarded to that Bidder, subject to any Prearranged Bidder's exercise of its right of first refusal as set forth above.
- (d) NAESB WGQ 5.3.4: "When the Transportation Service Provider (TSP) makes awards of capacity for which there have been multiple Bids meeting minimum conditions, the TSP should award the Bids, best Bid first, until all offered capacity is awarded."

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29.2 Alternatives to Establish and Maintain Creditworthiness.

If Shipper otherwise fails to establish creditworthiness as provided herein, Shipper may still receive service provided it:

- (a) furnishes and maintains for the term of the Transportation Service Agreement a written guarantee in a form satisfactory to Transporter from a third party that is creditworthy as determined above, or
- (b) provides a standby irrevocable letter of credit drawn upon a bank acceptable to Transporter, which
 - (i) For firm service: is in an amount sufficient to cover the highest three (3) months of the reservation/demand charge of the service requested by Shipper; and/or
 - (ii) For interruptible and PAL: is in an amount sufficient to cover Transporter's estimate of providing three (3) months of service charges of the service requested by Shipper; and/or
 - (iii) For transportation service and operational balancing agreements, if applicable: is in an amount up to the highest imbalance quantity owed to Transporter during the previous 12 months, valued at up to the highest basis-adjusted NYMEX futures price in the next 12-month period,or
- ~~(c) provides a security interest in collateral provided by the Shipper that is satisfactory to Transporter, or~~
- ~~(d)~~ provides cash in an escrow arrangement acceptable to Transporter, which
 - (i) For firm service: is in an amount sufficient to cover the highest three (3) months of the reservation/demand charge of the service requested by Shipper; and/or
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Section 2.1

~~Transportation Service Agreement with Southwest Gas Corporation~~

~~Contract No. 1812~~

~~Dated 05/06/08~~Reserved

~~FIRM TRANSPORTATION SERVICE AGREEMENT~~
~~CONTRACT NO. 1812~~

THIS AGREEMENT is made and entered into this 6th day of May, 2008 by and between **~~KERN RIVER GAS TRANSMISSION COMPANY~~**, a Texas general partnership, hereinafter called "Transporter," and **~~SOUTHWEST GAS CORPORATION~~**, a Corporation incorporated/formed under the laws of the state of California, hereinafter called "Shipper."

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

~~WHEREAS, Transporter and Shipper are parties to that certain Precedent Agreement dated February 1, 2008, as amended and restated, whereby Shipper requested transportation service related to Transporter's 2010 Expansion Project ("Precedent Agreement");~~

WHEREAS, Shipper desires Transportation service from Transporter in accordance with Transporter's Rate Schedule KRF-1, on file with the FERC, as amended from time to time, at a rolled-in rate that is equal to the maximum 15-year rate applicable to firm incremental rate service related to the 2003 Expansion Project; and

WHEREAS, Transporter is willing to render such Transportation service in accordance with the terms of this Agreement and the Precedent Agreement, which survives execution of this Agreement.

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

~~ARTICLE I—GAS TO BE TRANSPORTED~~

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" hereto, as amended from time to time, and to transport and deliver Thermally Equivalent Quantities to Shipper at the Delivery Point(s) specified in Exhibit "A" hereto, as amended from time to time, Quantities of Natural Gas, exclusive of Quantities required for fuel used and lost and unaccounted for Gas, up to Shipper's TMDQ, which is 50,000 Dth per day. Shipper's DMDQ is equal to Shipper's TMDQ.

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 Expansion Project, pursuant to the General Terms and Conditions of Transporter's tariff as filed with the FERC to be effective on the date Transporter commences service, and as amended from time to time.

~~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 Transporter's Rate Schedule KRF-1, as filed with the FERC to be effective on the date Transporter commences service, and as amended from time to time. This Agreement will be subject to the provisions of such Rate Schedule and the General Transportation Terms and Conditions applicable thereto on file with the FERC and as amended from time to time, which by this reference are incorporated herein and made a part hereof.

2.2 — Shipper's rate for Transportation service will be the maximum 15-year rate applicable to firm incremental rate service related to the 2003 Expansion Project, 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, and subject to any negotiated credit, 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 — Except as provided in this Article, this Agreement shall become effective on the date of execution and shall remain in full force and effect for a term of 15 years from the commencement date, which shall be defined as the later of November 1, 2010 or the "In-service Date." In-service Date is defined as the first day that expansion capacity related to the 2010 Expansion Project is available for Transporter to perform Transportation service under this Agreement.

ARTICLE IV — NOTICES

4.1 — Any notice called for in this Agreement will be given in writing and will be considered as having been given if delivered personally, by confirmed facsimile or by mail with all postage and charges prepaid to either Shipper or Transporter at the place designated. Routine communications will be considered as duly delivered when mailed by ordinary mail. Normal operating instructions can be made by telephone, electronic media or confirmed facsimile. Unless changed, the addresses of the parties are as follows:

Transporter:
KERN RIVER GAS TRANSMISSION COMPANY
Attention: MARKETING & CUSTOMER SERVICES
2755 E. Cottonwood Parkway, Suite 300

Salt Lake City UT 84121
Facsimile: (801) 937-6444

Shipper Notices: _____
SOUTHWEST GAS CORPORATION
Attention: JOHN OLENICK
5241 Spring Mountain Road
Las Vegas, NV 89150
Facsimile: (702) 253-7084

Shipper Invoices:
SOUTHWEST GAS CORPORATION
Attention: JEAN PAUPARD
5241 Spring Mountain Road
Las Vegas, NV 89150
Facsimile: (702) 364-3023

~~ARTICLE V—SUCCESSORS AND ASSIGNS~~

~~5.1—This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. No assignment or transfer by either party hereunder will be made without the written consent of the other party. Such consent will not be unreasonably withheld. No such consent of Transporter or Shipper will be required when an assignment by Shipper or Transporter is the result of, and part of, a corporate acquisition, merger or reorganization. Nothing contained herein will prevent either party from pledging, mortgaging or assigning its rights hereunder as security for its indebtedness and either party may assign to the pledgee or mortgagee (or to a trustee for the holder of such indebtedness) any money due or to become due under this Agreement. As between the parties hereto, such assignment will become effective on the first day of the month following written notice that such assignment has been effectuated. Upon request of either party, the other party will acknowledge in writing any permitted assignment described herein and the right of any permitted assignee (and any assignee upon enforcement of any assignment made as security for indebtedness) to enforce this Agreement against such other party, and will also deliver such certificates, copies of corporate documents and opinions of counsel as may be reasonably requested by such permitted assignee relating to such party, this Agreement and any other matters relevant thereto. No permitted assignment will relieve the assigning party from any of its obligations under this Agreement. Shipper hereby confirms that the rights of Transporter under the Agreement that may be assigned include any right given or reserved to Transporter in the Agreement to consent to any assignment or transfer by Shipper of its rights and obligations thereunder.~~

~~ARTICLE VI—GOVERNMENTAL BODIES~~

~~6.1 — Notwithstanding any other provision hereof, this Agreement will be subject to all laws, statutes, ordinances, regulations, rules and court decisions of governmental entities now or hereafter having jurisdiction.~~

~~ARTICLE VII – MISCELLANEOUS PROVISIONS~~

~~This Agreement will be amended only by an instrument in writing executed by both parties hereto.~~

~~No waiver by any party of any one or more defaults by the other in the performance of any provisions of this Agreement will operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.~~

~~No liability for any act or omission of Transporter will be incurred by, or asserted against any person or company that is a partner in Kern River Gas Transmission Company, or any owners, subsidiaries or affiliates of the partners. Any recourse for any liability of Transporter will be against Transporter only.~~

~~The headings of the Articles of this Agreement are inserted for convenience of reference only and will not affect the meaning or construction thereof.~~

~~This Agreement will be construed in accordance with the laws of the State of Utah.~~

~~In accordance with its terms, the surviving provisions of the Precedent Agreement are made a part of this Agreement, and such provisions shall apply to any assignment or transfer of this Agreement or permanent release of capacity hereunder.~~

~~IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first set forth above.~~

~~KERN RIVER GAS TRANSMISSION COMPANY (Transporter)~~

~~By or in behalf of~~

~~/s/ PRESTON MILLER, Manager, Marketing & Customer Services~~

~~SOUTHWEST GAS CORPORATION (Shipper)~~

~~/s/ SOUTHWEST GAS CORPORATION~~

~~Electronically executed pursuant to Access Agreement~~

EXHIBIT "A"
~~TO FIRM TRANSPORTATION SERVICE AGREEMENT~~
DATED: May 6, 2008

~~CONTRACT NO: 1812~~

BETWEEN

SOUTHWEST GAS CORPORATION
AND
KERN RIVER GAS TRANSMISSION COMPANY

SHIPPER'S DMDQ: 50,000 Dth per day—1/

					Rec
	Meter	Location	Point	Pressure	
Receipt Point(s)	Number	Type	Entitlement	Psig	2/
<hr/>					
Opal Plant	WFS	014001	Physical	50,000	792

					Del
	Meter	Location	Point	Pressure	
Delivery Point(s)	Number	Type	Entitlement	Psig	3/
<hr/>					
Daggett	PG&E	024011	Physical	50,000	650

1/ The Receipt Point Entitlements and Delivery Point Entitlements specified on this Exhibit "A" must each be equal to (1) Shipper's DMDQ, if this is an original Exhibit "A" or (2) the Receipt and Delivery Point Entitlements set forth on the original Exhibit "A" to the agreement, if this is an amended Exhibit "A".

2/ The minimum pressure at which Shipper will be obligated to cause Gas to be delivered to Transporter for Shipper's account at the Receipt Point (s).

3/ The maximum pressure at which Transporter will be obligated to deliver Gas for Shipper's account at the Delivery Point (s).

Section 2.1.1

~~Amended and Restated Precedent Agreement with
Southwest Gas Corporation~~

~~Dated 02/01/08~~Reserved

~~AMENDED AND RESTATED PRECEDENT AGREEMENT FOR
FIRM TRANSPORTATION SERVICE~~

~~THIS PRECEDENT AGREEMENT FOR FIRM TRANSPORTATION SERVICE is made and entered into this first day of February 2008, by and between KERN RIVER GAS TRANSMISSION COMPANY, a Texas general partnership ("Kern River") and SOUTHWEST GAS CORPORATION, a California Corporation ("Shipper") and is amended and restated as of March 6, 2008 ("Agreement").~~

~~WITNESSETH:~~

~~WHEREAS, Kern River owns and operates an interstate natural gas transmission system extending from receipt points near Opal, Wyoming to delivery points in Utah, Nevada and California, subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC");~~

~~WHEREAS, Kern River initiated an open season on October 29, 2007, for shippers desiring to acquire firm transportation service to Utah, Nevada or California, and for existing shippers desiring to permanently relinquish firm transportation service on a year-round basis ("Open Season");~~

~~WHEREAS, no existing shippers desired to permanently relinquish firm transportation service by the December 17, 2007 deadline;~~

~~WHEREAS, Kern River extended the Open Season to conclude on February 1, 2008, 4:00 p.m. (MST), to allow shippers additional time to evaluate acquiring firm transportation service through the new expansion facilities necessary to accommodate the new service;~~

~~WHEREAS, Shipper submitted a precedent agreement dated February 1, 2008, requesting 61,000 Dth per day of capacity, and Kern River and Shipper desire to amend and restate the precedent agreement to set forth the rates for Shipper's service, to revise certain dates in the Agreement to be consistent with dates offered to other parties in a supplemental open season as described below, to replace and supersede the original Exhibit "A" dated February 1, 2008, with the Exhibit "A" attached hereto, dated March 6, 2008, which entitles Shipper to 61,000 Dth per day of expansion capacity pursuant to the terms hereof, and to make other changes acceptable to Kern River and Shipper;~~

~~WHEREAS, based on the results of the Open Season, Kern River completed its analysis of estimated rates and compressor fuel factors applicable to the new service requested and determined that such service can be provided under Rate Schedule KRF-1 at the rates applicable to the 2003 expansion project, with a fuel reimbursement percentage of approximately 3.2%;~~

~~WHEREAS, Kern River is holding a supplemental open season to conclude on March 6, 2008, for an additional 84,000 Dth per day of capacity to accommodate a total expansion of 145,000 Dth per day ("Supplemental Open Season");~~

~~WHEREAS, if there are requests in the Supplemental Open Season that exceed 84,000 Dth per day, the capacity will be allocated among the parties requesting service in the Supplemental Open Season, but Shipper's 61,000 Dth per day will not be allocated except as provided in Section 1.1; and~~

~~WHEREAS, Kern River and Shipper desire to enter into this Agreement and to execute a Transportation Service Agreement ("TSA") for firm transportation service pursuant to the terms contained herein.~~

~~NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, and subject to all of the terms, conditions, and provisions herein set forth, Kern River and Shipper agree as follows:~~

~~ARTICLE I~~ ~~FIRM TRANSPORTATION SERVICE COMMITMENT~~

~~1.1 — In response to the Open Season, Shipper requested the firm transportation service described, and in accordance with the elections made, on Exhibit "A," attached hereto and incorporated herein. Subject to the termination provisions in this Agreement, Shipper shall receive 61,000 Dth per day of demand maximum daily quantity ("DMDQ") and receipt and delivery point entitlements as set forth in Exhibit "A"; provided, however, in the event that requests from other parties exceed the 84,000 Dth per day being offered in the Supplemental Open Season, Kern River and Shipper agree that Kern River may, in its sole discretion, use up to 11,000 Dth per day of Shipper's 61,000 Dth per day of DMDQ to satisfy those requests. In the event Kern River elects to use all or a part of Shipper's 11,000 Dth per day to fill such requests, Kern will notify Shipper by March 7, 2008, of the reductions to Shipper's DMDQ and receipt and delivery point entitlements and will provide to Shipper a revised Exhibit "A" to reflect such reductions, which will be incorporated into and made a part of this Agreement.~~

~~1.2 — The requested service is subject to Kern River's ability to construct the new facilities to accommodate a proposed in-service date of November 1, 2010.~~

~~1.3 — In its certificate application, Kern River will seek rolled-in rate treatment for the costs associated with the new service. Shipper will pay a rate equal to the then applicable 15-year rate under Kern River's Rate Schedule KRF-1 for Firm Incremental Rate Service for the 2003 Expansion Project for a 15-year term. The rate will be subject to applicable surcharges and modified to reflect a final order from the FERC in Docket No. RP04-274, subsequent orders in future Kern River rate proceedings, changes in tariff provisions, and changes in applicable regulations.~~

~~1.4 — Shipper shall pay compressor fuel, lost and unaccounted for gas, and other surcharges as set forth in Kern River's tariff as such charges may change from time to time. The compressor fuel reimbursement percentage for the new service initially is expected to be approximately 3.2%.~~

~~1.5 — Notwithstanding Shipper's binding commitment in Article 1.1, Kern River reserves the right to determine the ultimate size of its expansion.~~

~~1.6 — Kern River may terminate this Agreement if it does not receive conditional approval from its Board of Directors. Kern River will provide notice to Shipper of such termination by March 14, 2008, if such approval is not received.~~

~~1.7 — If Kern River does not terminate this Agreement pursuant to Article 1.6, then Shipper may terminate this Agreement by April 8, 2008, if Shipper has not received approval from its Board of Directors for the requested transportation service; provided, however, to exercise and perfect such right of termination, Shipper must provide to Kern River by April 8, 2008, at 4:00 p.m. (MDT) a written notice of termination. In the event any other shipper that requested service during the Supplemental Open Season provides notice of termination of its precedent agreement pursuant to this Article, Kern River may need to obtain additional Board of Director approval for a revised expansion project. If such approval is not received by April 15, 2008, this Agreement will terminate upon Kern River giving written notice of such termination to Shipper.~~

~~1.8 — After evaluating all the new service requests received during the Supplemental Open Season, Kern River will tender a TSA to Shipper reflecting the service provisions set forth on Exhibit "A" hereto, as may be amended pursuant to Section 1.1. Such TSA will be tendered to Shipper by no later than April 22, 2008. Shipper agrees to satisfy the credit requirements set forth in Article 3.2 herein and execute and return the TSA by May 6, 2008. Shipper will not propose or make any modifications to the TSA that would render it a non-conforming agreement under FERC's regulations.~~

~~1.9 — The commencement of transportation service under the TSA will begin the later of November 1, 2010, or the date the new facilities are placed in service.~~

~~ARTICLE II TERMINATION & EXPIRATION~~

~~2.1 — In the event this Agreement is terminated in accordance with its terms, Shipper will not be entitled to participate in the expansion regardless of the ultimate expansion design and/or associated rate treatment; provided, however, this provision is not intended to prevent Shipper from obtaining expansion capacity through a subsequent open season, if any, through capacity release or other means of acquiring such capacity from another shipper.~~

~~2.2 — Upon the parties' execution of a TSA, Article I and Exhibit "A" of this Agreement will expire and be superseded by the TSA. Articles II through VIII of this Agreement will then continue in effect until service under the TSA commences. Once service under the TSA commences, then Articles II, V, VI, and VII of this Agreement will expire, unless there has been a prior breach of one or more of such Articles, in which case such Articles will remain in effect until the breach has been resolved. Article III, IV, VIII and IX of this Agreement will expire upon the expiration of the TSA.~~

~~2.3 — If Kern River has not received and accepted a final certificate order from FERC by December 31, 2009, authorizing construction of new facilities required to provide service under the TSA, Kern River may, upon written notice to Shipper, terminate Articles II through IX of~~

~~this Agreement and the TSA. Prior to such notice, Kern River may discuss alternatives to termination with Shipper.~~

~~ARTICLE III CREDIT FOR EXPANSION FACILITIES~~

~~3.1 — Upon the execution of the TSA and at all times thereafter through the expiration of the TSA, Shipper must either be creditworthy or provide the credit support described below:~~

~~(a) — Shipper's creditworthiness will be determined in accordance with Kern Rivers KRF-1 Firm Transportation Rate Schedule or;~~

~~(b) — If Shipper is not creditworthy in accordance with (a) above, Shipper must furnish and maintain through the expiration of the TSA: (1) a written guaranty in a form satisfactory to Kern River from a third party which is creditworthy as determined in accordance with Kern River's KRF-1 Firm Transportation Rate Schedule, or (2) cash collateral or an acceptable irrevocable letter of credit in an amount equal to the product of the Daily Reservation/Demand Rate times the DMDQ for thirty-six months of service under the TSA.~~

~~3.2 — After execution of the TSA, Shipper's obligation to remain creditworthy or to provide credit support as provided in this Article III will be continuing in nature, notwithstanding that service may not have commenced under the TSA. If Shipper fails to maintain creditworthiness or maintain credit support as provided in this Article III, Kern River will have the right to terminate this Agreement and the TSA and to remarket and recontract Shipper's requested DMDQ. Prior to terminating this Agreement and the TSA, Kern River will provide Shipper at least 30 days prior written notice and the opportunity to satisfy the credit requirements of this Article III. In the event Kern River terminates this Agreement and the TSA pursuant to this Article III, Shipper will be liable for any deficiency in the Daily Reservation/Demand Rate charges that may result from Shipper's credit default whether or not transportation service has commenced under the TSA.~~

~~3.3 — To the extent of any inconsistency between the cash collateral and letter of credit requirements in this Article III and the cash collateral and letter of credit requirements applicable to Kern River' KRF-1 Firm Transportation Rate Schedule, the cash collateral and letter of credit requirements in this Article III shall govern.~~

~~3.4 — The credit requirements set forth in this Article III will continue in effect through the expiration of the TSA and will apply to any assignment(s) and/or permanent release(s) of or under the TSA.~~

~~3.5 — Kern River will have the right, in whole or in part, to pledge this Agreement, the TSA, or any and all of its rights hereunder, as security for any indebtedness incurred in connection with the financing, or refinancing, under an existing credit facility or other debt obligations and to assign, in whole or in part, this Agreement, the TSA, or Shipper's credit support provided under this Article III, in accordance with the terms and conditions of any agreement Kern River has or may have with third parties pertaining to any such indebtedness.~~

~~ARTICLE IV~~
~~SUCCESSION & ASSIGNMENT~~

~~4.1 — Any entity that will become a successor to this Agreement by purchase, merger or consolidation will be entitled to the rights and will be subject to the obligations of its predecessor in interest under this Agreement.~~

~~4.2 — Except as provided in Article 4.3, Shipper will not assign this Agreement without the express prior written consent of Kern River, which consent will not be unreasonably withheld. Shipper acknowledges and agrees that Kern River may decline to consent to an assignment by Shipper to a party that does not or cannot demonstrate satisfaction of Kern River's creditworthiness requirements.~~

~~4.3 — Shipper will have the right to pledge this Agreement, or any and all of its rights hereunder, as security for any indebtedness incurred in connection with the financing or refinancing of an existing credit facility or other debt obligations and to assign this Agreement in accordance with the terms and conditions of any agreement with third parties pertaining to any such indebtedness.~~

~~ARTICLE V~~
~~NO THIRD PARTY BENEFICIARIES~~

~~5.1 — This Agreement will not create any rights in any third parties, and no provision will be construed as creating any obligations for the benefit of, or right in favor of, any person or entity other than Kern River or Shipper.~~

~~ARTICLE VI~~
~~NOTIFICATIONS & COMMUNICATIONS~~

~~6.1 — Except as otherwise provided herein, any notice contemplated or required by this Agreement will be in writing, and will be considered duly delivered when sent by fax or when delivered by mail or courier, to the appropriate party at the appropriate address set forth below, or at such other address as Kern River or Shipper may from time to time designate by written notice.~~

<u>Kern River:</u>	<u>Shipper:</u>
Kern River Gas Transmission Company	Southwest Gas Corporation
2755 E. Cottonwood Parkway, Suite 300	5241 Spring Mountain Road
Salt Lake City, UT 84121	Las Vegas, NV 89150
Fax No.: (801) 937-6464	Facsimile: (701) 253-7084
Attn: Manager, Business Development	Attention: John Olenick

~~ARTICLE VII
SEPARATE CLAUSES & AGREEMENTS~~

~~7.1 — Each clause is separate from the other clauses. If any clause or provision of this Agreement is deemed invalid, the remaining clauses and provisions will remain in full force and effect.~~

~~7.2 — It is expressly agreed by Kern River and Shipper that the execution of this Agreement, and the corresponding rights and obligations of Kern River and Shipper hereunder, are without prejudice to any additional rights or obligations that Kern River and Shipper may have to each other under any existing separate and distinct agreements.~~

~~7.3 — The recitals appearing first above are hereby incorporated into and made a part of this Agreement.~~

~~ARTICLE VIII
ENTIRE AGREEMENT, AMENDMENTS & SUPPORT~~

~~8.1 — Prior to the execution of a TSA, this Agreement, including Exhibit "A" hereto, contains the entire agreement between Kern River and Shipper with respect to the subject matter hereof and supersedes any and all prior agreements, understandings and commitments, whether oral or written, concerning the subject matter hereof, and any and all such prior agreements, understandings and commitments are hereby deemed to be void and of no effect. Upon the execution of a TSA, Articles II through IX of this Agreement, together with the TSA, will contain the entire agreement between Kern River and Shipper with respect to the subject matter hereof, and will supersede any and all prior agreements, understandings and commitments, whether oral or written, concerning the subject matter hereof, and any and all such prior agreements, understandings and commitments are hereby deemed to be void and of no effect. Upon the commencement of service under the TSA, Articles III, IV, VIII and IX of this Agreement, together with the TSA will contain the entire agreement between Kern River and Shipper with respect to the subject matter hereof, and will supersede any and all prior agreements, understandings and commitments, whether oral or written, concerning the subject matter hereof, and any and all such prior agreements, understandings and commitments are hereby deemed to be void and of no effect.~~

~~8.2 — No amendments to or modifications of this Agreement will be effective unless agreed upon in a written instrument executed by Kern River and Shipper, which expressly refers to this Agreement.~~

~~8.3 — Shipper agrees to support any filing Kern River makes for the construction of facilities or acceptance of the service agreements for the 2010 Expansion Project. Specifically, Shipper agrees to support Kern River's application for a certificate authorizing the construction and operation of the necessary expansion facilities, including rolled-in rate treatment for the costs associated with the new service.~~

~~8.4 — If the rate for 2003 Expansion shippers under Rate Schedule KRF-1 for Firm Incremental Rate Service "steps down" during the primary term of Shipper's transportation service agreement, Shipper will not be entitled to receive the "step down" rate that would be applicable to 2003 Expansion shippers during the term of the new service. As used in this section, "step down" rate has the general meaning attributed to that term in Kern River's general rate change proceeding in FERC Docket No. RP04-274, as such meaning may change from time to time pursuant to FERC orders regarding Kern River's rates.~~

~~ARTICLE IX
GOVERNING LAW~~

~~9.1 — The construction, interpretation, and enforcement of this Agreement will be governed by the laws of the State of Utah, excluding any conflict of law rule, which would refer any matter to the laws of a jurisdiction other than the State of Utah. Proper jurisdiction and venue will lie in Salt Lake City, Utah. Shipper will be responsible for all expenses and costs, including reasonable attorneys' fees, incurred by Kern River in the enforcement of this Agreement.~~

~~IN WITNESS WHEREOF, the duly authorized representatives of the parties hereto have caused this Agreement to be amended and restated and duly executed as of March 6, 2008.~~

~~KERN RIVER GAS TRANSMISSION COMPANY~~

~~By: /s/ John T. Dushinske
Name: John T. Dushinske
Title: Vice President, Marketing & Regulatory Affairs~~

~~SOUTHWEST GAS CORPORATION~~

~~By: /s/ William N. Moody
Name: William N. Moody
Title: Vice President, Gas Resources~~

~~EXHIBIT A (dated March 11, 2008)~~
~~TO PRECEDENT AGREEMENT~~
~~BETWEEN~~
~~KERN RIVER GAS TRANSMISSION COMPANY~~
~~AND SOUTHWEST GAS CORPORATION~~
~~(replaces Exhibit A dated February 1, 2008)~~

DMDQ and TERM

~~Daily Maximum Demand Quantity ("DMDQ"):~~ ~~50,000 Dth/d~~

~~Term: 15-year term~~

POINTS

<u>Primary Receipt Points</u>	<u>Receipt Point Entitlement</u>
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Opal, 014001	50,000 Dth
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<u>Primary Delivery Points</u>	<u>Delivery Point Entitlement</u>
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Daggett, 024011	50,000 Dth
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3/11/08