



Utah State Legislature Session

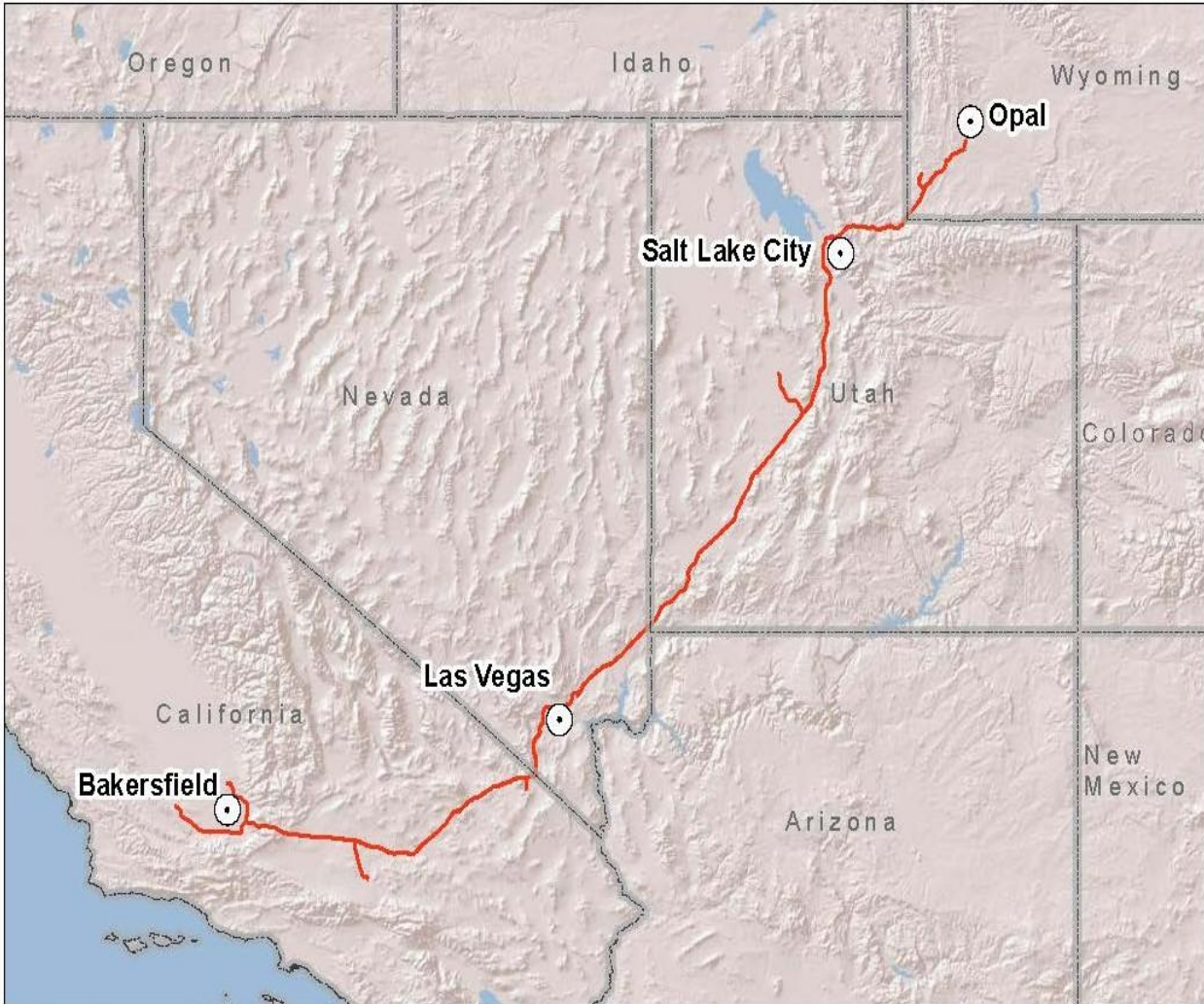
Public Utilities, Energy, and Technology Interim Committee

Bob Checketts

Vice President, Operations and Engineering

June 17, 2026

Kern River System

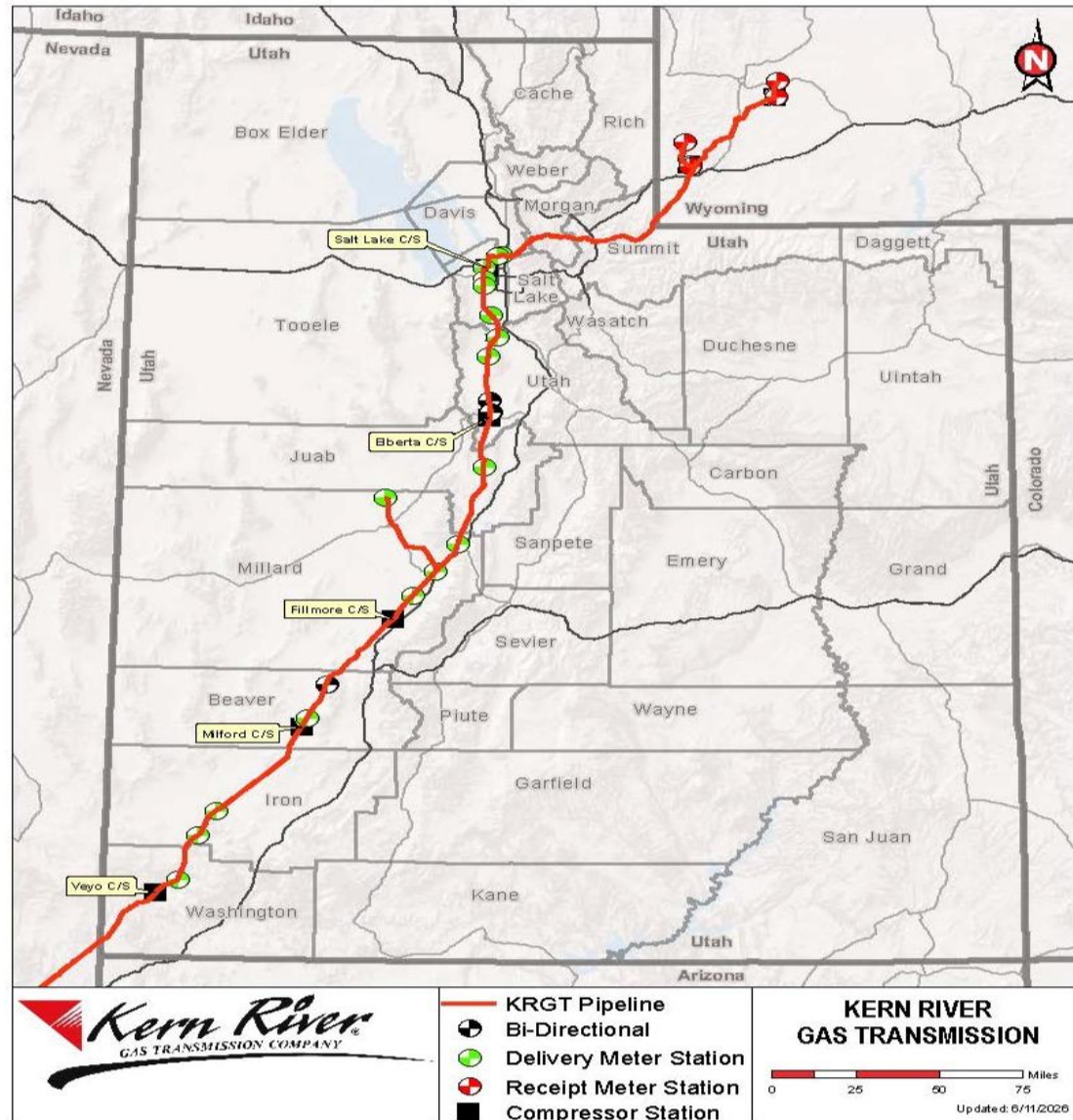


- Headquartered in Salt Lake City, Utah
- 1,755-mile natural gas steel pipeline system, of which 1,340 miles are 36-inch-diameter pipe
- 2.17 Bcf/day design capacity
- Access to natural gas supplies in Wyoming, Utah and California via 21 supply meter stations
- Serves markets in Utah, Nevada and California via 87 delivery meter stations

Kern River in Utah



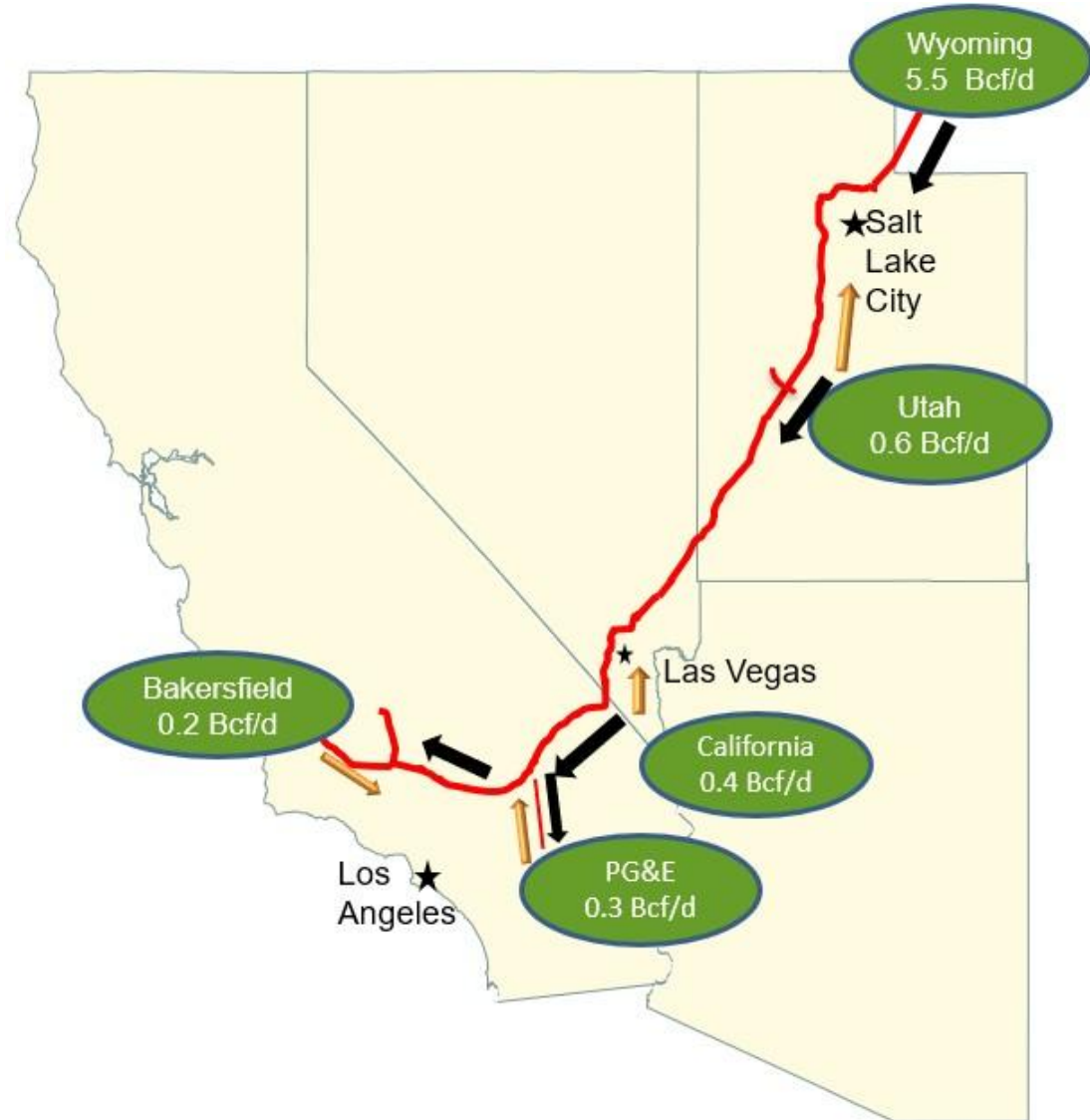
- 121 Utah-based employees
- 2025 taxes:
 - \$3,698,000 income
 - \$4,467,796 property
 - \$311,717 use
- Utah accounted for 10% of total system deliveries in 2025
- Customer types:
 - Local distribution company
 - Electric power generation
 - Industrial
 - Interstate pipeline



Supply Flow Options



- Customers have access to abundant supplies connecting to markets in Utah, Nevada and California
 - Wyoming – access to Rockies and Canadian supply
 - Utah – access to Eastern Utah supply
 - California
 - Access to Colorado, New Mexico, Texas and Bakersfield supply
 - Access to Pacific Gas & Electric system supply



Kern River Key Points



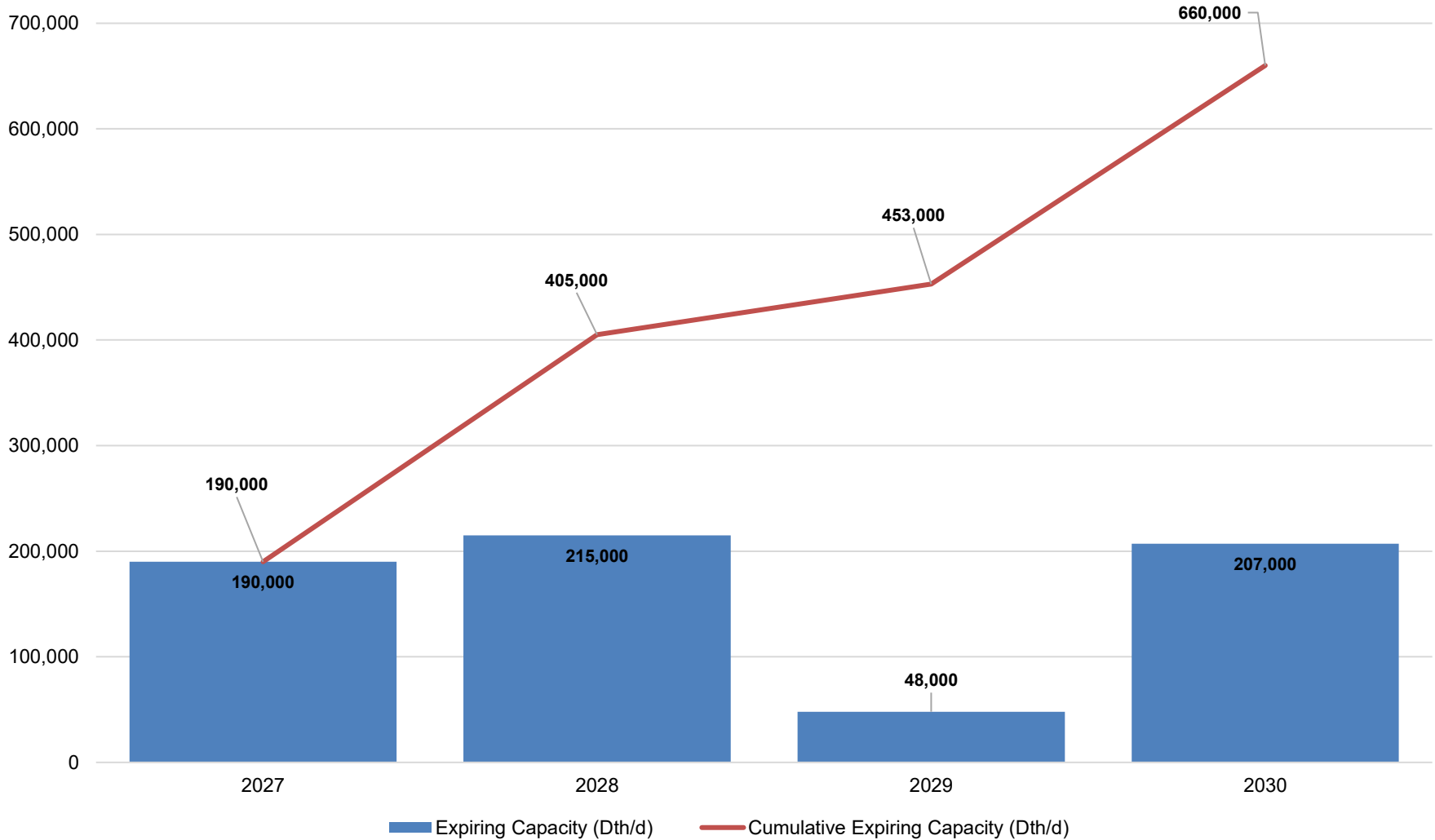
- Kern River is an interstate natural gas pipeline regulated by the Federal Energy Regulatory Commission (FERC), subject to the Natural Gas Act and FERC regulations
- Kern River does not buy or sell gas and does not own the gas transported
- Kern River transports natural gas on behalf of its customers
- As a FERC regulated pipeline, Kern River's rates and terms of service are approved by FERC based upon cost of service ratemaking principles
- Open access pipeline requirements
 - Make capacity available to any party, on a non-discriminatory basis, that meets creditworthy standards
- Kern River has no discretion to select or prioritize particular industries or uses
 - Available capacity is publicly posted through Kern River's website
 - Capacity is awarded to the highest bidder(s) through a competitive bidding process

Ability to Serve Additional Demand in Utah



- Capacity becomes available through the capacity release market, expired contracts, contract termination provisions and expansion projects
- Parties may obtain capacity from Kern River's customers in the secondary market
- Expiring contracts provide capacity that must be made available without discrimination
 - Shippers that have Right of First Refusal have the option to match the bid rate of the capacity
- Kern River can develop incremental capacity, but it is not immediately available
 - Projects require FERC approval that may take up to two years or more
 - Project customers must financially support the project – no subsidization from existing customers
- The Kern River system was originally constructed and placed in-service in 1992
 - Subsequent expansions completed in 2002, 2003, 2010 and 2011 tripled system capacity
- Kern River's capacity is posted:
<https://services.kernrivergas.com/portal/Informational-Postings/Capacity>

Expiring Capacity



Questions?