TC Energy

May 12, 2023

North Baja Pipeline, LLC
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Jonathan Scullion
Manager, Tariffs

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Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: North Baja Pipeline, LLC
Non-Conforming / Negotiated Rate Agreement
Docket No. RP23-___-000

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act ("NGA") and Part 154 of the Federal Energy Regulatory Commission's ("Commission") regulations,[1] North Baja Pipeline, LLC ("NBP") hereby respectfully submits for filing and acceptance revised tariff sections[2] to be part of its FERC Gas Tariff, First Revised Volume No. 1 ("Tariff"). These revised tariff sections are being submitted to report one (1) tariff record containing a new Rate Schedule FTS-1 negotiated rate agreement ("Agreement") between NBP and Sempra Gas & Power Marketing, LLC (hereafter, "Sempra") containing terms that deviate from NBP's Rate Schedule FTS-1 Form of Service Agreement ("FSA"). NBP respectfully requests that the Commission accept the tariff sections and tariff record to become effective June 1, 2023, the anticipated commercial in-service date of the NBX Project as further described below.

The revised tariff sections and Agreement are associated with service on the North Baja Xpress Project ("NBX Project" or "Project"), for which the Commission issued its Order Issuing Certificate in Docket No. CP20-27-000.[3]

[1] 18 C.F.R. Part 154 (2023).
[2] Specifically, NBP is submitting revised Sections 1 (v.7.0.0), 4.2.1 (9.0.0), 4.2.2 (v.9.0.0), 4.3 (v.5.0.0) along with new Section 8.4 (v.0.0.0).
[3] *North Baja Pipeline, LLC* 179 FERC ¶ 61,0039 (April 21, 2022) ("Certificate Order").

Correspondence

The names, titles and mailing address of the persons to whom correspondence and communications concerning this filing should be directed are as follows:

Sorana Linder Director, Rates, Tariffs & Modernization * Jonathan Scullion Manager, Tariffs North Baja Pipeline, LLC 700 Louisiana Street, Suite 1300 Houston, Texas 77002-2700 Tel. (832) 320-5520 E-mail: jonathan_scullion@tcenergy.com	David R. Hammel Director, Regulatory and Operations Law * John P. Ryan Legal Counsel North Baja Pipeline, LLC 700 Louisiana Street, Suite 1300 Houston, Texas 77002-2700 Tel. (832) 320-5879 E-mail: john_ryan@tcenergy.com

* Persons designated for official service pursuant to Rule 2010.

Statement of Nature, Basis and Reasons

Background

On December 16, 2019, NBP filed an application pursuant to section 7(c) of the NGA[4] and Part 157 of the Commission's regulations[5] ("Application"), for a certificate of public convenience and necessity to construct and operate the NBX Project. NBP is submitting the Agreement, included herein as part of Appendix A, as a negotiated rate agreement containing non-conforming provisions, as further discussed below.

Negotiated Rate

This filing is being submitted to update NBP's reporting of negotiated rate transactions initiated in accordance with the Commission's January 16, 2002 Order in Docket No. CP01-24-000.[6] Within NBP's Tariff, Section 4.2.1 identifies each negotiated rate service agreement under Rate Schedule FTS-1, including the: a) shipper, b) the term of the contract, c) the contract quantity, d) the primary receipt and delivery points, and e) the footnote where the rate description can be found. Section 4.2.2 lists the footnotes that provide further detail for the various agreements listed in Section 4.2.1. North Baja is proposing to modify Section 4.2.1 and 4.2.2 to reflect the terms of

[4] 15 U.S.C. § 717(f)(2023).
[5] 18 C.F.R. pt. 157 (2023).
[6] *North Baja Pipeline, LLC*, 98 FERC ¶ 61,020 (2002).

the Agreement. In the Agreement, North Baja and Sempra have mutually agreed that, for volumes at the Primary Receipt Point and the Primary Delivery Point, Sempra will pay a fixed monthly reservation rate of $2.88958 ($0.095/day) subject to adjustment in accordance with the Tax Rate Adjustment[7] and Cost Sharing provisions[8] set forth in the Agreement.

Non-Conforming Provision

NBP and Sempra have mutually agreed to a non-conforming provision in Section III (Term) stating that NBP may elect to extend the term of the Agreement beyond the Initial Term[9] for a period of five (5) years (an "Extended Term") by providing written notice to NBP no later than twelve (12) months prior to the expiration of the Initial Term. The Extended Term must be for a quantity equal to one hundred percent (100%) of Shipper's actual Maximum Daily Quantity (Delivered) specified in the Agreement. NBP's Tariff provides that NBP and a shipper may mutually agree to an extension of the term of a service agreement with respect to all or part of the underlying capacity.[10] Thus, the extension right included in the Agreement is consistent with NBP's Tariff and does not confer benefits on Sempra that are not available to all shippers.

Additionally, NBP and Sempra have mutually agreed to a non-conforming provision in point 8 of Section V (Miscellaneous), which incorporates the credit requirements appended to the Agreement as Exhibit B into, and makes them a part of, the Agreement. Such creditworthiness provisions are

[7] Tax Rate Adjustment: If at any time prior to the Expansion Project In-Service Date, the federal corporate income tax rate in effect in the United States of America as of October 13, 2021 ("Effective Tax Rate") becomes legally mandated to change prior to, on, or after the Expansion Project In-Service Date, then the Negotiated Demand Rate shall be increased by $0.0008 per Dth per day for each one (1.0) percentage point (rounded to the nearest whole percentage point) that the Effective Tax Rate increases, and shall be decreased by $0.0008 per Dth per day for each one (1.0) percentage point (rounded to the nearest whole percentage point) that the Effective Tax Rate decreases.

[8] Cost Sharing Terms: NBP and Shipper shall share any Actual Project Costs (as such term is defined below) overruns or underruns compared to the Estimated Project Costs (as such term is defined below) on a 50/50 basis via an adjustment to Shipper's Negotiated Demand Rate, provided, however, that such adjustment shall be subject to a rate adjustment cap of plus $0.015/Dth/day and floor of minus $0.03/Dth/day. Any such adjustment to Shipper's Negotiated Demand Rate shall be effective beginning on the service commencement date based on the NBX Project's then-estimated final costs and remain in effect through the Initial Term and any Extended Term.

[9] The Initial Term of the Agreement begins on the date the NBX Project goes in-service and continues for twenty (20) years.

[10] NBP's Tariff at Part 6.8.4 – General Terms & Conditions, Extension/Recontractiong of Service Agreements.

necessary to support the NBX Project and are consistent with Commission precedent as well as the Commission's Policy Statement regarding collateral requirements for construction projects.[11]

NBP requests that the Commission find these non-conforming provisions to be a permissible material deviations as they do not present a risk of undue discrimination, do not affect the operational conditions of providing service, and do not result in any shipper receiving a different quality of service.

Effective Date and Waiver

NBP respectfully requests the Commission accept the Agreement to become effective the later of (i) June 01, 2023 and (ii) the date that NBP is legally authorized and physically capable of providing the service contemplated under the Agreement and associated with the NBX Project. NBP respectfully requests waiver of Section 154.207 of the Commission's regulations to become effective June 1, 2023, the anticipated commercial in-service date of the NBX Project.[12]

Other Filings Which May Affect This Proceeding

There are no other filings before the Commission that may significantly affect the changes proposed herein.

Contents of Filing

In accordance with Section 154.7 of the Commission's Regulations, NBP is submitting the following via its electronic tariff filing:

1. This transmittal letter;
2. A clean version of the tariff sections and tariff record (Appendix A);

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[11] *Creditworthiness Standards for Interstate Natural Gas Pipelines*, 111 FERC ¶ 61,142 at P 17 to 19, and 21 (2005). P 19 states that the collateral requirements in the precedent agreements would apply only to the initial shippers on the project, and would continue to apply to these initial shippers even after the project goes into service. See also, *ANR Pipeline Company*, Docket No. RP15-375-000 (February 26, 2015) (Unpublished Director's Letter Order), *Portland Natural Gas Transmission System*, Docket No. RP19-139-000 (November 21, 2018) (unpublished Director's Letter Order); *Portland Natural Gas Transmission System*, Docket No. RP20-33-000 (October 24, 2019) (unpublished Director's Letter Order); and *Portland Natural Gas Transmission System,* Docket No. RP20-1197-000 (October 14, 2020) (unpublished Director's Letter Order).

[12] See *Statement of Policy on Alternatives to Traditional Cost-of-Service Ratemaking for Natural Gas Pipelines and Regulation of Negotiated Rate Transportation Services of Natural Gas Pipelines*, 74 FERC ¶ 61,176 at 61,241-242 (1996) (indicating that the Commission will "readily grant requests to waive the 30-day notice requirement").

3. A marked version of the tariff sections (Appendix B); and
4. Marked version of the Agreement (Appendix C).

Certificate of Service

As required by Sections 154.7(b) and 154.208 of the Commission's regulations, a copy of this filing is being served upon all of NBP's existing customers and interested state regulatory agencies. A copy of this letter, together with any attachments, is available during regular business hours for public inspection at NBP's principal place of business.

Pursuant to Section 385.2005 of the Commission's regulations, the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best of his knowledge and belief. Additionally, the undersigned possesses full power and authority to sign such filing.

Any questions regarding this filing may be directed to Jonathan Scullion at (832) 320-5520.

Respectfully submitted,

NORTH BAJA PIPELINE, LLC

Jonathan Scullion

Jonathan Scullion
Manager, Tariffs

Enclosures

Appendix A

North Baja Pipeline, LLC
FERC Gas Tariff, First Revised Volume No. 1

Clean Tariff

Tariff Sections		**Version**
1	Table of Contents	v.7.0.0
4.2.1	Statement of Rates, Negotiated Rate Agreements – Rate Schedule FTS-1	v.9.0.0
4.2.2	Statement of Rates, Explanatory Footnotes for Negotiated Rates FTS-1	v.9.0.0
4.3	Statement of Rates, Non-Conforming Service Agreements	v.5.0.0
8.4	Non-conf w/ Neg Rates, Sempra Gas & Power Marketing FTS-1 Agreement (#125154)	v.0.0.0

TABLE OF CONTENTS

Non-conforming Agreements with Negotiated Rates

STATEMENT OF EFFECTIVE RATES AND CHARGES

NEGOTIATED RATE AGREEMENTS UNDER RATE SCHEDULE FTS-1

SHIPPER		TERM OF CONTRACT	DTH/D	PRIMARY RECEIPT POINT	PRIMARY DELIVERY POINT	RATE /2
Energia Azteca X, S. de R.L. de C.V.	/1	09/01/02 - 03/31/28	135,000	Ehrenberg	US-Mexico Border	/5
Energia de Baja California, S. S. de R.L. de C.V.	/1	09/01/02 - 03/31/28	37,000	Ehrenberg	US-Mexico Border	/6
Arizona Public Service Company (LAT-1 Service)	/8	03/13/10 - 02/28/25	62,750	US-Mexico Border at Yuma, AZ in the vicinity of County 10th Street	Yucca Power Plant, Yuma, Arizona	
Arizona Public Service Company	/8	03/13/10 - 02/28/25	11,000	Ehrenberg	US-Mexico Border	
Sempra LNG Marketing Corp.	/1	/10	125,000	Ehrenberg	Ogilby	/4
Sempra LNG Marketing Corp.	/8	07/01/08 - 02/14/28	85,000	US-Mexico Border	SoCalGas	/4
Sempra LNG Marketing, LLC	/8	06/01/10 - 02/28/23	105,000	US-Mexico Border	SoCalGas	/7
Imperial Irrigation District	/1	04/01/11 - 03/31/31	18,500	Ehrenberg	US-Mexico Border	/9
Sempra LNG Marketing, LLC	/1	03/01/19 - 04/30/28	100,000	Ehrenberg	Ogilby	/3

Sempra LNG International, LLC /1	06/01/19 02/29/28	63,670	Ehrenberg	Ogilby	/11
Energia de Baja California, S. S. de R.L. de C.V. /1	02/01/22 - 12/31/22	15,000	Ehrenberg	Ogilby	/12
Sempra Gas & Power Marketing	01/01/23 - 07/31/2023	85,000	Ogilby	Blythe	/13
Sempra Gas & Power Marketing	06/01/23 - 5/31/2043	495,000	Ehrenberg	Ogilby	/14

Explanatory Footnotes for Negotiated Rates
Under Rate Schedule FTS-1

1/ This contract does not deviate in any material aspect from the Form of Service Agreement in this Tariff.

2/ Unless otherwise noted, all Shippers pay North Baja Pipeline, LLC's maximum Reservation Charge, Delivery Charge, ACA, and contribute fuel in-kind in accordance with this Tariff.

3/ Shipper shall pay a fixed monthly reservation rate equal to $0.11/Dth times 30.4 days for each month, as well as all maximum applicable commodity rates, and all reservation and commodity surcharges, including but not limited to fuel retention rates, under Rate Schedule FTS-1.

4/ The transportation rate under this Agreement is a negotiated rate consisting of a monthly reservation fee equal to $0.1237 times 30.4 days for each month, times the Maximum Daily Quantity, plus a volumetric rate of $0.0038 per Dth, plus, fuel, line loss and unaccounted for gas as set forth in the Tariff and any and all applicable surcharges. This rate shall be fixed for the term of this Agreement.

5/ The transportation rate under this Agreement is a negotiated rate consisting of a monthly reservation fee equal to $0.1019 times 30.4 days for each month, plus a delivery rate of $0.0031 per Dth, plus ACA. Shipper shall reimburse Transporter for fuel, line loss, and other unaccounted for gas in kind at a rate of 0.7%. This rate shall be fixed for the term of this Agreement.

Rate Protection Provision:

(1) This provision applies only to gas that is delivered to NBP at Ehrenberg, AZ. To the extent NBP and Gasoducto Rosarito ("GR") separately provide long-term (greater than 364 days) firm transportation service to a Third Party Shipper in the Western Zone at a combined rate that is lower than $0.270 per Dth on a 100% load factor basis (excluding non-pipeline surcharges), or in the Mexicali Zone at a combined rate that is lower than $0.245 per Dth, then the rate applicable to Shipper for service on NBP shall be reduced in accordance with the following formula:

NR = OR - ((CTR - TPR) x 0.4286)

Where: NR = New Rate level at which Shipper will receive service on NBP. Resulting unit rate will be converted to a reservation/delivery structure where the delivery rate will equal three (3) percent of the NR;

OR = Shipper's negotiated Original Rate on NBP or $0.105 per Dth on a 100% load factor basis;

CTR = Competitive Threshold Rate which is \$0.270 per Dth for the Western Zone and \$0.245 per Dth for the Mexicali Zone; and
TPR = Third Party Rate for the combined NBP and GR path.

The Western Zone is defined as 115 degrees, 41 minutes, 21 seconds west longitude, west to the interconnection with Transportadora de Gas Natural de Baja California;

The Mexicali Zone is defined as 115 degrees, 41 minutes, 21 seconds, east to 115 degrees, 11 minutes, 50 seconds west longitude;

A Third Party Shipper is defined as a shipper that is either the owner, operator, or fuel supplier to electric generation facilities, or affiliates of NBP or GR.

(2) This provision applies only to the portion of capacity held by Shipper in excess of 90,000 Dth.

(3) The New Rate shall only apply for the duration of the term of service provided to the Third Party Shipper, but in no event shall apply beyond the term of this rate protection provision.

(4) This provision terminates December 31, 2017. If the capacity held by Shipper is permanently assigned or released to a similarly-situated replacement shipper, the rate protection provision shall be extended to such replacement shipper.

6/ The transportation rate under this Agreement is a negotiated rate consisting of a monthly reservation fee equal to \$0.1019 times 30.4 days for each month, plus a delivery rate of \$0.0031 per Dth, plus ACA. Shipper shall reimburse Transporter for fuel, line loss, and other unaccounted for gas in kind at a rate of 0.7%. This rate shall be fixed for the term of this Agreement.

Rate Protection Provision:

(1) This provision applies only to gas that is delivered to NBP at Ehrenberg, AZ. To the extent NBP and Gasoducto Rosarito ("GR") separately provide long-term (greater than 364 days) firm transportation service to a Third Party Shipper in the Western Zone at a combined rate that is lower than \$0.270 per Dth on a 100% load factor basis (excluding non-pipeline surcharges), or in the Mexicali Zone at a combined rate that is lower than \$0.245 per Dth, then the rate applicable to Shipper for service on NBP shall be reduced in accordance with the following formula:

NR = OR - ((CTR - TPR) x 0.4286)

Where: NR = New Rate level at which Shipper will receive service on NBP. Resulting unit rate will be converted to a reservation/delivery structure where the delivery rate will equal three (3) percent of the NR;

OR = Shipper's negotiated Original Rate on NBP or $0.105 per Dth on a 100% load factor basis;

CTR = Competitive Threshold Rate which is $0.270 per Dth for the Western Zone and $0.245 per Dth for the Mexicali Zone; and

TPR = Third Party Rate for the combined NBP and GR path.

The Western Zone is defined as 115 degrees, 41 minutes, 21 seconds west longitude, west to the interconnection with Transportadora de Gas Natural de Baja California;

The Mexicali Zone is defined as 115 degrees, 41 minutes, 21 seconds, east to 115 degrees, 11 minutes, 50 seconds west longitude;

A Third Party Shipper is defined as a shipper that is either the owner, operator, or fuel supplier to electric generation facilities, or affiliates of NBP or GR.

(2) The New Rate shall only apply for the duration of the term of service provided to the Third Party Shipper, but in no event shall apply beyond the term of this rate protection provision.

(3) This provision terminates December 31, 2017. If the capacity held by Shipper is permanently assigned or released to a similarly-situated replacement shipper, the rate protection provision shall be extended to such replacement shipper.

7/ The transportation rate under this Agreement is a negotiated rate consisting of a monthly reservation fee equal to $0.1147 plus a Reverse Flow Facilities Surcharge of $0.0070 for a total of $0.1217 times 30.4 days for each month, times the Maximum Daily Quantity, plus a volumetric rate of $0.0036 per Dth plus fuel, line loss and unaccounted for gas as set forth in the Tariff and any and all applicable surcharges. This rate shall be fixed for the term of this Agreement.

8/ This contract contains terms that materially deviate from the Form of Service Agreement in this Tariff. This contract has been filed with the FERC.

9/ The transportation rate for the Transportation Service is a negotiated rate consisting of a monthly reservation fee of US (67,532.40) which is $0.12 times 30.42 days for each month, times the Maximum Daily Quantity, plus a volumetric rate of US $0.00066 per Dth plus fuel and line loss and unaccounted for gas as set forth in the Tariff and any and all applicable surcharges.

10/ The term of the agreement 07/01/2008 to 08/31/2022, subject to Article III Section 1 of the agreement. Article III Section 1 provides that effective only upon commencement of firm natural gas transportation service related to the expansion capacity that is the subject of a potential precedent agreement executed between North Baja and Shipper regarding capacity on North Baja's potential North Baja XPress expansion project, such service shall continue until February 29, 2028.

11/ The transportation rate under this Agreement is a fixed monthly reservation rate equal to $0.092 per dekatherm times 30.4 days for each month, as well as all maximum applicable commodity rates, and all reservation and commodity surcharges.

12/ This contract results from the award of released capacity service under Rate Schedule FTS-1 pursuant to NBP's Tariff. The transportation rate under this Agreement consists of a monthly reservation rate equal to $0.0000, plus a negotiated commodity rate of $0.0031 per Dth. This rate includes all applicable surcharges and shall be fixed for the term of this Agreement.

13/ This contract results from the award of released capacity service under Rate Schedule FTS-1 pursuant to NBP's Tariff. The transportation rate under this Agreement consists of a monthly reservation rate equal to $0.0000, plus a negotiated commodity rate of $0.0038 per Dth. This rate includes all applicable surcharges and shall be fixed for the term of this Agreement.

14/ The transportation rate under this Agreement is a fixed monthly reservation rate of $0.095 per dekatherm per day, subject to adjustments with the Tax Rate Adjustment and Cost Sharing provisions listed in the Agreement, as well as all maximum applicable commodity rates, and all reservation and commodity surcharges, plus ACA charge.

NON-CONFORMING SERVICE AGREEMENTS
PURSUANT TO § 154.112(b)

Name of Shipper/Contract No.	Rate Schedule	Agreement Date	Effective Date
SEFE Marketing & Trading USA Inc. #A025F1	FTS-1	9/12/09	2/24/23
Arizona Public Service Company #A027F1	FTS-1	9/21/09	3/1/10
Arizona Public Service Company #A027I1	ITS-1	9/21/09	3/1/10
Arizona Public Service Company #YA027F1	FTS-1 (LAT-1)	9/21/09	3/1/10
Sempra LNG Marketing Corp. #A016F3	FTS-1	6/25/08	7/1/08
MGI Supply Limited #A003I1	ITS-1	5/28/08	7/1/08
Sempra LNG Marketing, LLC #A016F4	FTS-1	6/25/08	7/1/08
Sempra Gas & Power Marketing, LLC #125154	FTS-1	4/13/22	6/1/23

Firm Transportation Service Agreement
Rate Schedule FTS-1

Sempra Gas & Power Marketing, LLC
(#125154)

Agreement Effective Date:
June 1, 2023, the anticipated commercial in-service date of the NBX Project

Date: April 13, 2022 **Contract No.:** 125154

FORM OF SERVICE AGREEMENT - FIRM TRANSPORTATION

FORM OF SERVICE AGREEMENT

APPLICABLE TO FIRM TRANSPORTATION SERVICE
OFFERED BY NORTH BAJA PIPELINE, LLC
UNDER RATE SCHEDULE FTS-1

THIS AGREEMENT is made and entered into this 13th day of April, 2022, by and between North Baja Pipeline, LLC, a Delaware Limited Liability Company (hereinafter referred to as "NBP"), and Sempra Gas & Power Marketing, LLC (hereinafter referred to as "Shipper").

WHEREAS, NBP owns and operates an interstate natural gas pipeline; and

WHEREAS, Shipper desires NBP, on a firm basis, to transport certain quantities of natural gas; and

WHEREAS, NBP is willing to transport certain quantities of natural gas for Shipper, on a firm basis;

NOW, THEREFORE, the parties agree as follows:

I
General

1. Pursuant to the terms of this Firm Transportation Agreement ("Agreement"), NBP agrees to provide Shipper interstate natural gas transportation service, and Shipper agrees to pay NBP for such services.

2. This Agreement is made pursuant to the regulations of the Federal Energy Regulatory Commission (FERC) contained in 18 CFR Part 284, as amended from time to time, and all other applicable laws and regulations.

3. Shipper shall reimburse NBP for any and all filing fees incurred by NBP specific to Shipper in seeking governmental authorization for the initiation of any new service or extension, or termination of service under this Agreement and Rate Schedule FTS-1. Shipper shall reimburse NBP for such fees at NBP's designated office within ten (10) days of receipt of notice from NBP that such fees are due and payable. Additionally, Shipper shall reimburse NBP for any and all penalty fees or fines assessed NBP caused by the negligence of Shipper in not obtaining all proper domestic and Mexican import/export licenses, surety bonds or any other documents and approvals related to the domestic exportation and subsequent Mexican importation of natural gas transported by NBP hereunder.

Date: April 13, 2022 **Contract No.:** 125154

II
Quantity of Gas and Points of Receipt and Delivery

1. The point(s) of receipt and delivery, and the maximum quantities of gas to be delivered by NBP for Shipper's account at the point(s) of delivery are set forth in Exhibit A, attached hereto, and incorporated herein by reference in its entirety and made a part hereof for all purposes.

III
Term

1. The service commencement date is the later of (i) February 01, 2023 and (ii) the date that NBP is legally authorized and physically capable of providing the service contemplated under this Agreement and associated with the North Baja XPress expansion project (such project being the "**NBX Project**" and such date referred to in this clause (ii) being the "**Expansion Project In-Service Date**"), and service shall continue for an initial term of 20 years; provided, however, that if the service commencement date occurs on a day other than the first day of a calendar month, the initial term shall extend through the end of the calendar month in which the date twenty (20) years after falls (the "**Initial Term**").

   Shipper may elect to extend the term of this Agreement beyond the Initial Term for a period of five (5) years (an "**Extended Term**") by providing written notice to NBP no later than twelve (12) months prior to the expiration of the Initial Term. The Extended Term must be for a quantity equal to one hundred percent (100%) of Shipper's actual Maximum Daily Quantity (Delivered) specified in this Agreement. At the end of the Extended Term, but at no time prior, Shipper shall be entitled to a contractual Right-of-First-Refusal ("**ROFR**") exercisable and administered in accordance with the terms of NBP's FERC Gas Tariff on file with the FERC ("**Tariff**"); provided, however, with respect to such contractual ROFR, in the event Shipper does not elect termination, and NBP does not receive any acceptable bids during the applicable bid period, and the Negotiated Demand Rate (as hereinafter defined), as adjusted pursuant to the terms herein if applicable, is lower than the reservation charge component of NBP's then-applicable general system recourse rate, NBP will agree to continue providing service to Shipper under mutually agreeable terms at the Expansion Rate (as hereinafter defined).

IV
Rate(s), Rate Schedules,
and General Terms and Conditions of Service

1. Shipper shall pay NBP each month for services rendered pursuant to this Agreement in accordance with NBP's Rate Schedule FTS-1, or superseding rate schedule(s), on file with and subject to the jurisdiction of FERC.

Date: April 13, 2022 **Contract No.:** 125154

In the event NBP and Shipper mutually agree on a rate other than the Recourse Rate, that rate, and any provisions governing such rate, shall be set forth herein.

Shipper and NBP agree the Reservation Charge for volumes at the Primary Receipt Point and the Primary Delivery Point ("**Negotiated Demand Rate**") will be fixed monthly reservation rate of $2.88958 ($.095/day) subject to adjustment in accordance with the Tax Rate Adjustment and Cost Sharing provisions set forth below.

Volumes scheduled with receipt and delivery points at all other secondary points on NBP's interstate pipeline system are subject to the maximum rate applicable to the Primary Path under NBP's FTS-1 Tariff. For the purposes of calculating the daily Reservation Charge, volumes not nominated and scheduled will be subject to the reservation rate applicable to the Primary Path.

Tax Rate Adjustment: If at any time prior to the Expansion Project In-Service Date, the federal corporate income tax rate in effect in the United States of America as of October 13, 2021 ("**Effective Tax Rate**") becomes legally mandated to change prior to, on, or after the Expansion Project In-Service Date, then the Negotiated Demand Rate shall be increased by $0.0008 per Dth per day for each one (1.0) percentage point (rounded to the nearest whole percentage point) that the Effective Tax Rate increases, and shall be decreased by $0.0008 per Dth per day for each one (1.0) percentage point (rounded to the nearest whole percentage point) that the Effective Tax Rate decreases. Shipper shall pay such applicable increased or decreased Negotiated Demand Rate commencing on the later of the service commencement date and the effective date of the aforementioned change to the Effective Tax Rate, and continuing through the Extended Term, if applicable.

In addition to the Negotiated Demand Rate, as adjusted if applicable through the Tax Rate Adjustment and/or Cost Sharing provisions herein, Shipper shall pay the maximum applicable commodity rates, and all reservation and commodity surcharges plus ACA charge, under Rate Schedule FTS-1 pursuant to the Tariff (collectively the "**Expansion Rate**").

Shipper shall also pay the applicable incremental fuel retention rate as approved by FERC.

Cost Sharing Terms:

NBP and Shipper shall share any Actual Project Costs (as such term is defined below) overruns or underruns compared to the Estimated Project Costs (as such term is defined below) on a 50/50 basis via an adjustment to Shipper's Negotiated Demand Rate, provided, however, that such adjustment shall be subject to a rate adjustment cap of plus

$0.015/Dth/day and floor of minus $0.03/Dth/day. Any such adjustment to Shipper's Negotiated Demand Rate shall be effective beginning on the service commencement date based on the NBX Project's then-estimated final costs and remain in effect through the Initial Term and any Extended Term. Shipper shall have a one-time audit right to be exercised and completed no later than thirteen (13) months after the first (1st) anniversary date of the service commencement date, at Shipper's sole cost and expense, to review NBP's books and records as reasonably necessary solely for the purposes of verifying NBP's incurrence of the Actual Project Costs and Shipper will notify NBP of any discrepancies identified. Following any such Shipper notification, NBP and Shipper must negotiate in good faith toward resolution of any such discrepancies while preserving the intent of the parties for the NBX Project as closely as possible.

To the extent Actual Project Costs exceed Estimated Project Costs, Shipper's Negotiated Demand Rate, as adjusted pursuant to the Tax Rate Adjustment provisions above, if applicable, shall be multiplied by the Capital Cost Overrun Factor ("**CCO Factor**"). The CCO Factor shall be equal to 1 + [(CCO/EPC) X 50%].

To the extent Actual Project Costs are less than Estimated Project Costs, Shipper's Negotiated Demand Rate, as adjusted pursuant to the Tax Rate Adjustment provisions above, if applicable, shall be multiplied by the Capital Cost Underrun Factor ("**CCU Factor**"). The CCU Factor shall be equal to 1 - [(CCU/EPC) X 50%].

"**Actual Project Costs**" or APC shall mean, subject to any limits on costs as set forth below, all costs and expenses incurred by NBP including trailing costs up to twelve months subsequent to the service commencement date, to complete the NBX Project, including but not limited to (a) all costs and expenses incurred for the engineering, design, permitting, construction, pipeline and equipment procurement, installation and start-up of the facilities associated with the NBX Project, including all compression costs, (b) all costs and expenses incurred for environmental, right-of-way, legal, consultant, construction management, and regulatory activities, (c) all direct and allocated internal overhead and administrative costs, and (d) an allowance for funds used during construction ("**AFUDC**") computed in accordance with regulations of the FERC. NBP shall maintain books and records reasonably necessary for Shipper to verify the APC. The Parties acknowledge that NBP's formal books and records that conform to the FERC and accounting policies and guidelines may not match the APC used to determine Shipper's adjusted Negotiated Demand Rate.

"**Capital Cost Overrun**" or "**CCO**" shall be an amount in U.S. dollars equal to the difference between the Actual Project Costs and the Estimated Project Costs, if Actual Project Costs exceed Estimated Project Costs.

"**Capital Cost Underrun**" or "**CCU**" shall be an amount in U.S. dollars equal to the difference between the Actual Project Costs and the Estimated Project Costs, if Actual Project Costs are less than Estimated Project Costs.

"**Estimated Project Costs**" or "**EPC**" shall mean all costs and expenses that are projected to be incurred by NBP to complete the NBX Project, including but not limited to (a) all costs and expenses projected to be incurred for the engineering, design, permitting, construction, pipeline and equipment procurement, installation and start-up of the facilities associated with the NBX Project, (b) all costs and expenses projected to be incurred for environmental, right-of-way, legal, and regulatory activities, (c) all direct and allocated internal overhead and administrative costs and (d) AFUDC computed in accordance with the regulations of the FERC, and (e) a contingency amount equal to at least 10% of the total of (a) and (b). For purposes of determining the adjustment to Shipper's Negotiated Demand Rate, pursuant to these Cost Sharing provisions, the Parties agree that the Estimated Project Costs shall equal $120,000,000.

2. This Agreement in all respects shall be and remains subject to the applicable provisions of Rate Schedule FTS-1, or superseding rate schedule(s) and to the applicable General Terms and Conditions of Service of NBP's FERC Gas Tariff on file with the FERC, all of which are by this reference made a part hereof.

3. NBP shall have the right to file with the FERC any changes in the terms or rates/charges applicable to any of its Rate Schedules, General Terms and Conditions of Service or Form of Service Agreement as NBP may deem necessary, and to make such changes effective at such times as NBP desires and is possible under applicable law. Shipper may protest any filed changes before FERC and exercise any other rights it may have with respect thereto.

V
Miscellaneous

1. This Agreement shall be interpreted according to the laws of the State of California.

2. Shipper warrants that the requisite upstream and downstream transportation arrangements to effectuate the service to be provided pursuant to the Agreement are in place, or will be in place as of the requested effective date of service.

3. Shipper agrees to indemnify and hold NBP harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.

4. Unless herein provided to the contrary, all notices and communications with respect to this Agreement shall be in writing by mail, e-mail, or fax, or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, e-mail, or fax, or other means similarly agreed to:

Date: April 13, 2022 **Contract No.:** 125154

"NORTH BAJA PIPELINE, LLC"
700 Louisiana Street, Suite 1300
Houston, Texas 77002-2700
Attention: Transportation Accounting and Contracts

"Shipper"
Sempra Gas & Power Marketing, LLC
488 8th Ave
San Diego, CA 92101
Attention: Andy McDonald

5. All waivers shall be in writing, and such waiver by either party of any one or more defaults by the other hereunder shall not operate as a waiver of any future default or defaults, whether of a like or of a different character.

6. This Agreement may only be amended by an instrument in writing executed by both parties hereto. In no event shall this Agreement be modified by course of performance, course of dealing or usage of trade.

7. Nothing in this Agreement shall be deemed to create any rights or obligations between the parties hereto after the expiration of the term set forth herein, except that termination of this Agreement shall not relieve either party of the obligation to correct any quantity imbalances or Shipper of the obligation to pay any amounts due hereunder to NBP.

8. The credit requirements appended hereto as Exhibit B are incorporated herein by reference with full force and effect and are made a part of this Agreement as though restated herein verbatim.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the day and year first above written.

NORTH BAJA PIPELINE, LLC

DocuSigned by:
By: Kay Dennison
A0EF34A630C748B...
Name: Kay Dennison
Title: Director, Trans. Acct.& Contracts

DS JS
DS RB
DS KSA
DS CW

SHIPPER

DocuSigned by:
By: Justin Bird
9025E5E18352473...
Name: Justin C. Bird
Title: Chief Executive Officer

EXHIBIT A

TO THE FIRM TRANSPORTATION AGREEMENT

Dated April 13, 2022

Between NORTH BAJA PIPELINE, LLC,

and Sempra Gas & Power Marketing, LLC

Start Date	End Date	Receipt Point	Delivery Point	Maximum Daily Quantity (Delivered) Dth/d
1/	1/	EHRENBERG REC	OGILBY DEL	495,000

1/ The service commencement date is the later of (i) February 01, 2023 and (ii) the date that NBP is legally authorized and physically capable of providing the service contemplated under this Agreement and associated with the North Baja XPress expansion project (such project being the "**NBX Project**" and such date referred to in this clause (ii) being the "**Expansion Project In-Service Date**"), and service shall continue for an initial term of 20 years; provided, however, that if the service commencement date occurs on a day other than the first day of a calendar month, the initial term shall extend through the end of the calendar month in which the date twenty (20) years after falls (the "**Initial Term**").

EXHIBIT B

TO FTS-1 SERVICE AGREEMENT

CREDITWORTHINESS AND CREDIT SUPPORT

1. During the initial term of the FTS-1 Service Agreement ("Agreement"), Shipper understands and agrees that it will establish and maintain creditworthiness in accordance Section 1(a) below, or provide and maintain Adequate Assurance pursuant to Section 1(b) below.

(a) Shipper will be deemed creditworthy if its unenhanced senior unsecured debt securities are rated at least BBB- by Standard & Poor's Financial Services LLC ("**S&P**") or at least Baa3 by Moody's Investors Service, Inc. ("**Moody's**"). In the event Shipper is rated by both S&P and Moody's, the lower rating applies. Nothing herein shall limit NBP's ability to evaluate any of the factors set forth in Section 1(a)(i)–(vi) below where Shipper's creditworthiness is established by a rating agency if such factor(s) would alter NBP's evaluation of Shipper. If Shipper has service agreements with NBP, the total of potential charges of all such service agreements shall be considered in determining creditworthiness.

If Shipper does not meet the creditworthiness standard described above, then NBP shall evaluate creditworthiness based upon the level of Shipper's existing and requested service with NBP relative to Shipper's ability to meet its obligations. Such creditworthiness evaluation shall be based upon NBP's evaluation of any or all of the following information:

(i) S&P, Moody's and other credit reporting agencies' opinions, outlooks, watch alerts, and rating actions.

(ii) Financial reports whereby consistent financial statement analysis will be applied by NBP to determine the acceptability of Shipper's current and future financial strength. Shipper's balance sheets, income statements, cash flow statements, notes to financial statements, and auditor's opinions will be analyzed along with key ratios and trends regarding liquidity, asset management, debt management, debt coverage, capital structure, operational efficiency and profitability.

(iii) Whether Shipper is operating under any chapter of the United States Bankruptcy Code, is subject to liquidation or debt reduction procedures under state laws, or there is pending any petition for involuntary bankruptcy against Shipper. NBP may give consideration for a Shipper who is a debtor-in-possession operating under Chapter 11 of the United States Bankruptcy Code if NBP is assured that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction, based on a court order in effect, and if Shipper is continuing and continues in the future to make payment.

(iv) Whether Shipper is subject to any lawsuits or judgments outstanding which, in NBP's reasonable evaluation, could materially impact its ability to remain solvent.

(v) The nature of Shipper's business and the effect on that business of economic conditions, including Shipper's ability to recover the costs of NBP's services through filings with regulatory agencies or otherwise to pass on such costs to its customers.

(vi) Any other information, including any information provided by Shipper, that is relevant to Shipper's current and future financial strength and Shipper's ability to make full payment over the term of the agreement(s) under which such service is to be provided.

(b) If Shipper does not meet the creditworthiness standard described above, Shipper shall provide and maintain Adequate Assurance. As used herein, "**Adequate Assurance**" means:

(i) A guaranty, in a form acceptable to NBP, in its sole discretion, from an entity deemed creditworthy in accordance with Section 1(a) above ("**Guarantor**") for an amount equal to Shipper's contractual obligations for the initial term pursuant to the Agreement. Upon the fifth (5th), tenth (10th) and fifteenth (15th) anniversary of the service commencement date of this Agreement, NPB and Shipper agree to adjust the guaranty amount accordingly for remaining contractual obligations pursuant to the Agreement; or

(ii) One of the following collateral options for an amount equal to Shipper's Negotiated Demand Rate charges payable for twenty-four (24) months of service under the Agreement:

(x) an irrevocable standby letter of credit, in a form acceptable to NBP, in its sole discretion, and issued by a bank or financial institution deemed acceptable by NBP in its sole discretion; or

(y) a cash security deposit acceptable to NBP; or

(iii) Any other financial assurance mutually agreed upon by NBP and Shipper.

If, after the service commencement date, Shipper fails to provide required Adequate Assurance within five (5) business days of written demand from NBP, then in addition to any and all other remedies otherwise available to NBP at law or in equity, NBP may immediately suspend performance under the Agreement. In the event Shipper provides either one of the collateral options described above in Section 1(b)(ii) above, upon the eleventh (11th) anniversary of the service commencement date, such collateral requirement shall be reduced annually by six (6) months, but in no event shall collateral be reduced to an amount less than three (3) months' Negotiated Demand Rate charges.

2. NBP shall have the right to review the creditworthiness of Shipper, or its Guarantor, in accordance with Section 1(a) above, on an ongoing basis and, upon NBP's request, Shipper

shall promptly provide information in order for NBP to determine the continuing creditworthiness of Shipper or its Guarantor. In the event NBP determines that Shipper no longer meets the creditworthiness standard described in Section 1(a) above, Shipper shall provide the required Adequate Assurance within five (5) business days of written demand from NBP. The Parties agree that the failure of Shipper or its Guarantor to maintain creditworthiness or provide or maintain Adequate Assurance shall not (i) relieve Shipper of its other obligations under the Agreement, (ii) relieve Guarantor of its other obligations under the guaranty, or (iii) prejudice NBP's right to seek damages or performance under the Agreement or the guaranty.

3. Shipper acknowledges that this Agreement is a contract under which NBP will extend financial accommodations to Shipper, within the meaning of United States Bankruptcy Code Section 365(e)(2)(B). Shipper likewise acknowledges that in the event that a petition is filed, by or against Shipper, any of its Affiliates, or any Guarantor of Shipper's obligations hereunder under any chapter of the United States Bankruptcy Code, or any other legal jurisdiction, if applicable, and if NBP does not terminate the Agreement as a result of such filing, NBP may consider the bankruptcy filing in determining whether Shipper remains creditworthy, and in determining what, if any, financial assurances must be submitted by or for Shipper as a condition to Shipper's creditworthiness under the Agreement.

4. The creditworthiness requirements of this Exhibit B shall apply to any assignee pursuant to an assignment (in whole or part) of this Agreement or to any permanent capacity release, in whole or part, of the Agreement. NBP may refuse to allow Shipper to assign (in whole or part) this Agreement or permanently release capacity from its Agreement if NBP has a reasonable basis to conclude that it will not be financially indifferent to the assignment or release. If Shipper's request to permanently release capacity is denied by NBP, NBP shall notify Shipper of such denial

Appendix B

North Baja Pipeline, LLC
FERC Gas Tariff, First Revised Volume No. 1

Marked Tariff

Tariff Sections		Version
1	Table of Contents	v.7.0.0
4.2.1	Statement of Rates, Negotiated Rate Agreements – Rate Schedule FTS-1	v.9.0.0
4.2.2	Statement of Rates, Explanatory Footnotes for Negotiated Rates FTS-1	v.9.0.0
4.3	Statement of Rates, Non-Conforming Service Agreements	v.5.0.0

TABLE OF CONTENTS

Non-conforming Agreements with Negotiated Rates

STATEMENT OF EFFECTIVE RATES AND CHARGES

NEGOTIATED RATE AGREEMENTS UNDER RATE SCHEDULE FTS-1

SHIPPER		TERM OF CONTRACT	DTH/D	PRIMARY RECEIPT POINT	PRIMARY DELIVERY POINT	RATE /2
Energia Azteca X, S. de R.L. de C.V.	/1	09/01/02 - 03/31/28	135,000	Ehrenberg	US-Mexico Border	/5
Energia de Baja California, S. S. de R.L. de C.V.	/1	09/01/02 - 03/31/28	37,000	Ehrenberg	US-Mexico Border	/6
Arizona Public Service Company (LAT-1 Service)	/8	03/13/10 - 02/28/25	62,750	US-Mexico Border at Yuma, AZ in the vicinity of County 10th Street	Yucca Power Plant, Yuma, Arizona	
Arizona Public Service Company	/8	03/13/10 - 02/28/25	11,000	Ehrenberg	US-Mexico Border	
Sempra LNG Marketing Corp.	/1	/10	125,000	Ehrenberg	Ogilby	/4
Sempra LNG Marketing Corp.	/8	07/01/08 - 02/14/28	85,000	US-Mexico Border	SoCalGas	/4
Sempra LNG Marketing, LLC	/8	06/01/10 - 02/28/23	105,000	US-Mexico Border	SoCalGas	/7
Imperial Irrigation District	/1	04/01/11 - 03/31/31	18,500	Ehrenberg	US-Mexico Border	/9
Sempra LNG Marketing, LLC	/1	03/01/19 - 04/30/28	100,000	Ehrenberg	Ogilby	/3

Sempra LNG International, LLC /1	06/01/19 02/29/28	63,670	Ehrenberg	Ogilby	/11
Energia de Baja California, S. S. de R.L. de C.V. /1	02/01/22 - 12/31/22	15,000	Ehrenberg	Ogilby	/12
Sempra Gas & Power Marketing	01/01/23 - 07/31/2023	85,000	Ogilby	Blythe	/13
Sempra Gas & Power Marketing	06/01/23 - 5/31/2043	495,000	Ehrenberg	Ogilby	/14

Explanatory Footnotes for Negotiated Rates
Under Rate Schedule FTS-1

1/ This contract does not deviate in any material aspect from the Form of Service Agreement in this Tariff.

2/ Unless otherwise noted, all Shippers pay North Baja Pipeline, LLC's maximum Reservation Charge, Delivery Charge, ACA, and contribute fuel in-kind in accordance with this Tariff.

3/ Shipper shall pay a fixed monthly reservation rate equal to $0.11/Dth times 30.4 days for each month, as well as all maximum applicable commodity rates, and all reservation and commodity surcharges, including but not limited to fuel retention rates, under Rate Schedule FTS-1.

4/ The transportation rate under this Agreement is a negotiated rate consisting of a monthly reservation fee equal to $0.1237 times 30.4 days for each month, times the Maximum Daily Quantity, plus a volumetric rate of $0.0038 per Dth, plus, fuel, line loss and unaccounted for gas as set forth in the Tariff and any and all applicable surcharges. This rate shall be fixed for the term of this Agreement.

5/ The transportation rate under this Agreement is a negotiated rate consisting of a monthly reservation fee equal to $0.1019 times 30.4 days for each month, plus a delivery rate of $0.0031 per Dth, plus ACA. Shipper shall reimburse Transporter for fuel, line loss, and other unaccounted for gas in kind at a rate of 0.7%. This rate shall be fixed for the term of this Agreement.

Rate Protection Provision:

(1) This provision applies only to gas that is delivered to NBP at Ehrenberg, AZ. To the extent NBP and Gasoducto Rosarito ("GR") separately provide long-term (greater than 364 days) firm transportation service to a Third Party Shipper in the Western Zone at a combined rate that is lower than $0.270 per Dth on a 100% load factor basis (excluding non-pipeline surcharges), or in the Mexicali Zone at a combined rate that is lower than $0.245 per Dth, then the rate applicable to Shipper for service on NBP shall be reduced in accordance with the following formula:

NR = OR - ((CTR - TPR) x 0.4286)

Where: NR = New Rate level at which Shipper will receive service on NBP. Resulting unit rate will be converted to a reservation/delivery structure where the delivery rate will equal three (3) percent of the NR;

OR = Shipper's negotiated Original Rate on NBP or $0.105 per Dth on a 100% load factor basis;

CTR = Competitive Threshold Rate which is \$0.270 per Dth for the Western Zone and \$0.245 per Dth for the Mexicali Zone; and
TPR = Third Party Rate for the combined NBP and GR path.

The Western Zone is defined as 115 degrees, 41 minutes, 21 seconds west longitude, west to the interconnection with Transportadora de Gas Natural de Baja California;

The Mexicali Zone is defined as 115 degrees, 41 minutes, 21 seconds, east to 115 degrees, 11 minutes, 50 seconds west longitude;

A Third Party Shipper is defined as a shipper that is either the owner, operator, or fuel supplier to electric generation facilities, or affiliates of NBP or GR.

(2) This provision applies only to the portion of capacity held by Shipper in excess of 90,000 Dth.

(3) The New Rate shall only apply for the duration of the term of service provided to the Third Party Shipper, but in no event shall apply beyond the term of this rate protection provision.

(4) This provision terminates December 31, 2017. If the capacity held by Shipper is permanently assigned or released to a similarly-situated replacement shipper, the rate protection provision shall be extended to such replacement shipper.

6/ The transportation rate under this Agreement is a negotiated rate consisting of a monthly reservation fee equal to \$0.1019 times 30.4 days for each month, plus a delivery rate of \$0.0031 per Dth, plus ACA. Shipper shall reimburse Transporter for fuel, line loss, and other unaccounted for gas in kind at a rate of 0.7%. This rate shall be fixed for the term of this Agreement.

Rate Protection Provision:

(1) This provision applies only to gas that is delivered to NBP at Ehrenberg, AZ. To the extent NBP and Gasoducto Rosarito ("GR") separately provide long-term (greater than 364 days) firm transportation service to a Third Party Shipper in the Western Zone at a combined rate that is lower than \$0.270 per Dth on a 100% load factor basis (excluding non-pipeline surcharges), or in the Mexicali Zone at a combined rate that is lower than \$0.245 per Dth, then the rate applicable to Shipper for service on NBP shall be reduced in accordance with the following formula:

NR = OR - ((CTR - TPR) x 0.4286)

Where: NR = New Rate level at which Shipper will receive service on NBP. Resulting unit rate will be converted to a reservation/delivery structure where the delivery rate will equal three (3) percent of the NR;

OR = Shipper's negotiated Original Rate on NBP or $0.105 per Dth on a 100% load factor basis;

CTR = Competitive Threshold Rate which is $0.270 per Dth for the Western Zone and $0.245 per Dth for the Mexicali Zone; and

TPR = Third Party Rate for the combined NBP and GR path.

The Western Zone is defined as 115 degrees, 41 minutes, 21 seconds west longitude, west to the interconnection with Transportadora de Gas Natural de Baja California;

The Mexicali Zone is defined as 115 degrees, 41 minutes, 21 seconds, east to 115 degrees, 11 minutes, 50 seconds west longitude;

A Third Party Shipper is defined as a shipper that is either the owner, operator, or fuel supplier to electric generation facilities, or affiliates of NBP or GR.

(2) The New Rate shall only apply for the duration of the term of service provided to the Third Party Shipper, but in no event shall apply beyond the term of this rate protection provision.

(3) This provision terminates December 31, 2017. If the capacity held by Shipper is permanently assigned or released to a similarly-situated replacement shipper, the rate protection provision shall be extended to such replacement shipper.

7/ The transportation rate under this Agreement is a negotiated rate consisting of a monthly reservation fee equal to $0.1147 plus a Reverse Flow Facilities Surcharge of $0.0070 for a total of $0.1217 times 30.4 days for each month, times the Maximum Daily Quantity, plus a volumetric rate of $0.0036 per Dth plus fuel, line loss and unaccounted for gas as set forth in the Tariff and any and all applicable surcharges. This rate shall be fixed for the term of this Agreement.

8/ This contract contains terms that materially deviate from the Form of Service Agreement in this Tariff. This contract has been filed with the FERC.

9/ The transportation rate for the Transportation Service is a negotiated rate consisting of a monthly reservation fee of US (67,532.40) which is $0.12 times 30.42 days for each month, times the Maximum Daily Quantity, plus a volumetric rate of US $0.00066 per Dth plus fuel and line loss and unaccounted for gas as set forth in the Tariff and any and all applicable surcharges.

10/ The term of the agreement 07/01/2008 to 08/31/2022, subject to Article III Section 1 of the agreement. Article III Section 1 provides that effective only upon commencement of firm natural gas transportation service related to the expansion capacity that is the subject of a potential precedent agreement executed between North Baja and Shipper regarding capacity on North Baja's potential North Baja XPress expansion project, such service shall continue until February 29, 2028.

11/ The transportation rate under this Agreement is a fixed monthly reservation rate equal to $0.092 per dekatherm times 30.4 days for each month, as well as all maximum applicable commodity rates, and all reservation and commodity surcharges.

12/ This contract results from the award of released capacity service under Rate Schedule FTS-1 pursuant to NBP's Tariff. The transportation rate under this Agreement consists of a monthly reservation rate equal to $0.0000, plus a negotiated commodity rate of $0.0031 per Dth. This rate includes all applicable surcharges and shall be fixed for the term of this Agreement.

13/ This contract results from the award of released capacity service under Rate Schedule FTS-1 pursuant to NBP's Tariff. The transportation rate under this Agreement consists of a monthly reservation rate equal to $0.0000, plus a negotiated commodity rate of $0.0038 per Dth. This rate includes all applicable surcharges and shall be fixed for the term of this Agreement.

14/ The transportation rate under this Agreement is a fixed monthly reservation rate of $0.095 per dekatherm per day, subject to adjustments with the Tax Rate Adjustment and Cost Sharing provisions listed in the Agreement, as well as all maximum applicable commodity rates, and all reservation and commodity surcharges, plus ACA charge.

NON-CONFORMING SERVICE AGREEMENTS
PURSUANT TO § 154.112(b)

Name of Shipper/Contract No.	Rate Schedule	Agreement Date	Effective Date
SEFE Marketing & Trading USA Inc. #A025F1	FTS-1	9/12/09	2/24/23
Arizona Public Service Company #A027F1	FTS-1	9/21/09	3/1/10
Arizona Public Service Company #A027I1	ITS-1	9/21/09	3/1/10
Arizona Public Service Company #YA027F1	FTS-1 (LAT-1)	9/21/09	3/1/10
Sempra LNG Marketing Corp. #A016F3	FTS-1	6/25/08	7/1/08
MGI Supply Limited #A003I1	ITS-1	5/28/08	7/1/08
Sempra LNG Marketing, LLC #A016F4	FTS-1	6/25/08	7/1/08
Sempra Gas & Power Marketing, LLC #125154	FTS-1	4/13/22	6/1/23

Appendix C

North Baja Pipeline, LLC
FERC Gas Tariff, First Revised Volume No. 1

Marked Service Agreement

1) Sempra Gas & Power Marketing, LLC
   Rate Schedule FTS-1 Agreement (#125154)

Date: **Contract No.:** 125154

FORM OF SERVICE AGREEMENT - FIRM TRANSPORTATION

FORM OF SERVICE AGREEMENT

APPLICABLE TO FIRM TRANSPORTATION SERVICE
OFFERED BY NORTH BAJA PIPELINE, LLC
UNDER RATE SCHEDULE FTS-1

THIS AGREEMENT is made and entered into this ____ day of _____________, 2022, by and between North Baja Pipeline, LLC, a Delaware Limited Liability Company (hereinafter referred to as "NBP"), and Sempra Gas & Power Marketing, LLC (hereinafter referred to as "Shipper").

WHEREAS, NBP owns and operates an interstate natural gas pipeline; and

WHEREAS, Shipper desires NBP, on a firm basis, to transport certain quantities of natural gas; and

WHEREAS, NBP is willing to transport certain quantities of natural gas for Shipper, on a firm basis;

~~WHEREAS, NBP and Shipper previously made and entered into Contract No. ________ on ___________ for firm transportation service under Rate Schedule FTS-1. Service under Contract No. ________ commenced on ___________, as reflected in Section 3.1 herein. NBP and Shipper now desire to amend, restate, and supersede any prior agreements associated with services provided hereunder;~~

NOW, THEREFORE, the parties agree as follows:

I
General

1. Pursuant to the terms of this Firm Transportation Agreement ("Agreement"), NBP agrees to provide Shipper interstate natural gas transportation service, and Shipper agrees to pay NBP for such services.

2. This Agreement is made pursuant to the regulations of the Federal Energy Regulatory Commission (FERC) contained in 18 CFR Part 284, as amended from time to time, and all other applicable laws and regulations.

3. Shipper shall reimburse NBP for any and all filing fees incurred by NBP specific to Shipper in seeking governmental authorization for the initiation of any new service or extension, or termination of service under this Agreement and Rate Schedule FTS-1. Shipper shall reimburse NBP for such fees at NBP's designated office within ten (10) days of receipt of notice from NBP that such fees are due and payable. Additionally, Shipper shall reimburse NBP for any and all penalty fees or fines assessed NBP caused by the negligence of Shipper in not obtaining all proper domestic and Mexican import/export licenses, surety bonds or any other documents and approvals related to the domestic exportation and subsequent Mexican importation of natural gas transported by NBP hereunder.

II
Quantity of Gas and Points of Receipt and Delivery

1. The point(s) of receipt and delivery, and the maximum quantities of gas to be delivered by NBP for Shipper's account at the point(s) of delivery are set forth in Exhibit A, attached hereto, and incorporated herein by reference in its entirety and made a part hereof for all purposes.

III
Term

1. The service commencement date is later of (i) February 01, 2023 and (ii) the date that NBP is legally authorized and physically capable of providing the service contemplated under this Agreement and associated with the North Baja XPress expansion project (such project being the "**NBX Project**" and such date referred to in this clause (ii) being the "**Expansion Project In-Service Date**"), and service shall continue for an initial term of 20 years; provided, however, that if the service commencement date occurs on a day other than the first day of a calendar month, the initial term shall extend through the end of the calendar month in which the date twenty (20) years after falls (the "**Initial Term**").

Shipper may elect to extend the term of this Agreement beyond the Initial Term for a period of five (5) years (an "**Extended Term**") by providing written notice to NBP no later than twelve (12) months prior to the expiration of the Initial Term. The Extended Term must be for a quantity equal to one hundred percent (100%) of Shipper's actual Maximum Daily Quantity (Delivered) specified in this Agreement. At the end of the Extended Term, but at no time prior, Shipper shall be entitled to a contractual Right-of-First-Refusal ("**ROFR**") exercisable and administered in accordance with the terms of NBP's FERC Gas Tariff on file with the FERC ("**Tariff**"); provided, however, with respect to such contractual ROFR, in the event Shipper does not elect termination, and NBP does not receive any acceptable bids during the applicable bid period, and the Negotiated Demand Rate (as hereinafter defined), as adjusted pursuant to the terms herein if applicable, is lower than the reservation charge component of NBP's then-applicable general system recourse rate, NBP will agree to continue providing service to Shipper under mutually agreeable terms at the Expansion Rate (as hereinafter defined).

IV

Rate(s), Rate Schedules,

and General Terms and Conditions of Service

1. Shipper shall pay NBP each month for services rendered pursuant to this Agreement in accordance with NBP's Rate Schedule FTS-1, or superseding rate schedule(s), on file with and subject to the jurisdiction of FERC.

In the event NBP and Shipper mutually agree on a rate other than the Recourse Rate, that rate, and any provisions governing such rate, shall be set forth herein.

Shipper and NBP agree the Reservation Charge for volumes at the Primary Receipt Point and the Primary Delivery Point ("**Negotiated Demand Rate**") will be fixed monthly reservation rate of $2.88958 ($.095/day) subject to adjustment in accordance with the Tax Rate Adjustment and Cost Sharing provisions set forth below.

Volumes scheduled with receipt and delivery points at all other secondary points on NBP's interstate pipeline system are subject to the maximum rate applicable to the Primary Path under NBP's FTS-1 Tariff. For the purposes of calculating the daily Reservation Charge, volumes not nominated and scheduled will be subject to the reservation rate applicable to the Primary Path.

Tax Rate Adjustment: If at any time prior to the Expansion Project In-Service Date, the federal corporate income tax rate in effect in the United States of America as of October 13, 2021 ("**Effective Tax Rate**") becomes legally mandated to change prior to, on, or after the Expansion Project In-Service Date, then the Negotiated Demand Rate shall be increased by $0.0008 per Dth per day for each one (1.0) percentage point (rounded to the nearest whole percentage point) that the Effective Tax Rate increases, and shall be decreased by $0.0008 per Dth per day for each one (1.0) percentage point (rounded to the nearest whole percentage point) that the Effective Tax Rate decreases. Shipper shall pay such applicable increased or decreased Negotiated Demand Rate commencing on the later of the service commencement date and the effective date of the aforementioned change to the Effective Tax Rate, and continuing through the Extended Term, if applicable.

In addition to the Negotiated Demand Rate, as adjusted if applicable through the Tax Rate Adjustment and/or Cost Sharing provisions herein, Shipper shall pay the maximum applicable commodity rates, and all reservation and commodity surcharges plus ACA charge, under Rate Schedule FTS-1 pursuant to the Tariff (collectively the "**Expansion Rate**").

Shipper shall also pay the applicable incremental fuel retention rate as approved by FERC.

Cost Sharing Terms:

NBP and Shipper shall share any Actual Project Costs (as such term is defined below) overruns or underruns compared to the Estimated Project Costs (as such term is defined below) on a 50/50 basis via an adjustment to Shipper's Negotiated Demand Rate, provided, however, that such adjustment shall be subject to a rate adjustment cap of plus $0.015/Dth/day and floor of minus $0.03/Dth/day. Any such adjustment to Shipper's Negotiated Demand Rate shall be effective beginning on the service commencement date based on the NBX Project's then-estimated final costs and remain in effect through the Initial Term and any Extended Term. Shipper shall have a one-time audit right to be exercised and completed no later than thirteen (13) months after the first (1st) anniversary date of the service commencement date, at Shipper's sole cost and expense, to review NBP's books and records as reasonably necessary solely for the purposes of verifying NBP's incurrence of the Actual Project Costs and Shipper will notify NBP of any discrepancies identified. Following any such Shipper notification, NBP and Shipper must negotiate in good faith toward resolution of any such discrepancies while preserving the intent of the parties for the NBX Project as closely as possible.

To the extent Actual Project Costs exceed Estimated Project Costs, Shipper's Negotiated Demand Rate, as adjusted pursuant to the Tax Rate Adjustment provisions above, if applicable, shall be multiplied by the Capital Cost Overrun Factor ("**CCO Factor**"). The CCO Factor shall be equal to 1 + [(CCO/EPC) X 50%].

To the extent Actual Project Costs are less than Estimated Project Costs, Shipper's Negotiated Demand Rate, as adjusted pursuant to the Tax Rate Adjustment provisions above, if applicable, shall be multiplied by the Capital Cost Underrun Factor ("**CCU Factor**"). The CCU Factor shall be equal to 1 - [(CCU/EPC) X 50%].

"**Actual Project Costs**" or APC shall mean, subject to any limits on costs as set forth below, all costs and expenses incurred by NBP including trailing costs up to twelve months subsequent to the service commencement date, to complete the NBX Project, including but not limited to (a) all costs and expenses incurred for the engineering, design, permitting, construction, pipeline and equipment procurement, installation and start-up of the facilities associated with the NBX Project, including all compression costs, (b) all costs and expenses incurred for environmental, right-of-way, legal, consultant, construction management, and regulatory activities, (c) all direct and allocated internal overhead and administrative costs, and (d) an allowance for funds used during construction ("**AFUDC**") computed in accordance with regulations of the FERC. NBP shall maintain books and records reasonably necessary for Shipper to verify the APC. The Parties acknowledge that NBP's formal books and records that conform to the FERC and accounting policies and guidelines may not match the APC used to determine Shipper's adjusted Negotiated Demand Rate.

"**Capital Cost Overrun**" or "**CCO**" shall be an amount in U.S. dollars equal to the difference between the Actual Project Costs and the Estimated Project Costs, if Actual Project Costs exceed Estimated Project Costs.

"**Capital Cost Underrun**" or "**CCU**" shall be an amount in U.S. dollars equal to the difference between the Actual Project Costs and the Estimated Project Costs, if Actual Project Costs are less than Estimated Project Costs.

"**Estimated Project Costs**" or "**EPC**" shall mean all costs and expenses that are projected to be incurred by NBP to complete the NBX Project, including but not limited to (a) all costs and expenses projected to be incurred for the engineering, design, permitting, construction, pipeline and equipment procurement, installation and start-up of the facilities associated with the NBX Project, (b) all costs and expenses projected to be incurred for environmental, right-of-way, legal, and regulatory activities, (c) all direct and allocated internal overhead and administrative costs and (d) AFUDC computed in accordance with the regulations of the FERC, and (e) a contingency amount equal to at least 10% of the total of (a) and (b). For purposes of determining the adjustment to Shipper's Negotiated Demand Rate, pursuant to these Cost Sharing provisions, the Parties agree that the Estimated Project Costs shall equal $120,000,000.

2. This Agreement in all respects shall be and remains subject to the applicable provisions of Rate Schedule FTS-1, or superseding rate schedule(s) and to the applicable General Terms and Conditions of Service of NBP's FERC Gas Tariff on file with the FERC, all of which are by this reference made a part hereof.

3. NBP shall have the right to file with the FERC any changes in the terms or rates/charges applicable to any of its Rate Schedules, General Terms and Conditions of Service or Form of Service Agreement as NBP may deem necessary, and to make such changes effective at such times as NBP desires and is possible under applicable law. Shipper may protest any filed changes before FERC and exercise any other rights it may have with respect thereto.

V
Miscellaneous

1. This Agreement shall be interpreted according to the laws of the State of California.

2. Shipper warrants that the requisite upstream and downstream transportation arrangements to effectuate the service to be provided pursuant to the Agreement are in place, or will be in place as of the requested effective date of service.

3. Shipper agrees to indemnify and hold NBP harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.

4. Unless herein provided to the contrary, all notices and communications with respect to this Agreement shall be in writing by mail, e-mail, or fax, or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, e-mail, or fax, or other means similarly agreed to:

"NORTH BAJA PIPELINE, LLC"
700 Louisiana Street, Suite 1300
Houston, Texas 77002-2700
Attention: Transportation Accounting and Contracts

"Shipper"
Sempra Gas & Power Marketing, LLC
488 8th Ave
San Diego, CA 92101
Attention: Andy McDonald

5. All waivers shall be in writing, and such waiver by either party of any one or more defaults by the other hereunder shall not operate as a waiver of any future default or defaults, whether of a like or of a different character.

6. This Agreement may only be amended by an instrument in writing executed by both parties hereto. In no event shall this Agreement be modified by course of performance, course of dealing or usage of trade.

7. Nothing in this Agreement shall be deemed to create any rights or obligations between the parties hereto after the expiration of the term set forth herein, except that termination of this Agreement shall not relieve either party of the obligation to correct any quantity imbalances or Shipper of the obligation to pay any amounts due hereunder to NBP.

8. The credit requirements appended hereto as Exhibit B are incorporated herein by reference with full force and effect and are made a part of this Agreement as though restated herein verbatim.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the day and year first above written.

NORTH BAJA PIPELINE, LLC

By: ______________________________
Name: ______________________________
Title: ______________________________

SHIPPER

By: ______________________________
Name: ______________________________
Title: ______________________________

EXHIBIT A

TO THE FIRM TRANSPORTATION AGREEMENT

Dated ____________________, 2022

Between NORTH BAJA PIPELINE, LLC,

and Sempra Gas & Power Marketing, LLC

Start Date	End Date	Receipt Point	Delivery Point	Maximum Daily Quantity (Delivered) Dth/d
1/	1/	EHRENBERG REC	OGILBY DEL	495,000

1/ The service commencement date is the later of (i) February 01, 2023 and (ii) the date that NBP is legally authorized and physically capable of providing the service contemplated under this Agreement and associated with the North Baja XPress expansion project (such project being the "**NBX Project**" and such date referred to in this clause (ii) being the "**Expansion Project In-Service Date**"), and service shall continue for an initial term of 20 years; provided, however, that if the service commencement date occurs on a day other than the first day of a calendar month, the initial term shall extend through the end of the calendar month in which the date twenty (20) years after falls (the "**Initial Term**").

EXHIBIT B

TO FTS-1 SERVICE AGREEMENT

CREDITWORTHINESS AND CREDIT SUPPORT

1. During the initial term of the FTS-1 Service Agreement ("Agreement"), Shipper understands and agrees that it will establish and maintain creditworthiness in accordance Section 1(a) below, or provide and maintain Adequate Assurance pursuant to Section 1(b) below.

(a) Shipper will be deemed creditworthy if its unenhanced senior unsecured debt securities are rated at least BBB- by Standard & Poor's Financial Services LLC ("**S&P**") or at least Baa3 by Moody's Investors Service, Inc. ("**Moody's**"). In the event Shipper is rated by both S&P and Moody's, the lower rating applies. Nothing herein shall limit NBP's ability to evaluate any of the factors set forth in Section 1(a)(i)–(vi) below where Shipper's creditworthiness is established by a rating agency if such factor(s) would alter NBP's evaluation of Shipper. If Shipper has service agreements with NBP, the total of potential charges of all such service agreements shall be considered in determining creditworthiness.

If Shipper does not meet the creditworthiness standard described above, then NBP shall evaluate creditworthiness based upon the level of Shipper's existing and requested service with NBP relative to Shipper's ability to meet its obligations. Such creditworthiness evaluation shall be based upon NBP's evaluation of any or all of the following information:

(i) S&P, Moody's and other credit reporting agencies' opinions, outlooks, watch alerts, and rating actions.

(ii) Financial reports whereby consistent financial statement analysis will be applied by NBP to determine the acceptability of Shipper's current and future financial strength. Shipper's balance sheets, income statements, cash flow statements, notes to financial statements, and auditor's opinions will be analyzed along with key ratios and trends regarding liquidity, asset management, debt management, debt coverage, capital structure, operational efficiency and profitability.

(iii) Whether Shipper is operating under any chapter of the United States Bankruptcy Code, is subject to liquidation or debt reduction procedures under state laws, or there is pending any petition for involuntary bankruptcy against Shipper. NBP may give consideration for a Shipper who is a debtor-in-possession operating under Chapter 11 of the United States Bankruptcy Code if NBP is assured that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction, based on a court order in effect, and if Shipper is continuing and continues in the future to make payment.

(iv) Whether Shipper is subject to any lawsuits or judgments outstanding which, in NBP's reasonable evaluation, could materially impact its ability to remain solvent.

(v) The nature of Shipper's business and the effect on that business of economic conditions, including Shipper's ability to recover the costs of NBP's services through filings with regulatory agencies or otherwise to pass on such costs to its customers.

(vi) Any other information, including any information provided by Shipper, that is relevant to Shipper's current and future financial strength and Shipper's ability to make full payment over the term of the agreement(s) under which such service is to be provided.

(b) If Shipper does not meet the creditworthiness standard described above, Shipper shall provide and maintain Adequate Assurance. As used herein, "**Adequate Assurance**" means:

(i) A guaranty, in a form acceptable to NBP, in its sole discretion, from an entity deemed creditworthy in accordance with Section 1(a) above ("**Guarantor**") for an amount equal to Shipper's contractual obligations for the initial term pursuant to the Agreement. Upon the fifth (5^{th}), tenth (10^{th}) and fifteenth (15^{th}) anniversary of the service commencement date of this Agreement, NPB and Shipper agree to adjust the guaranty amount accordingly for remaining contractual obligations pursuant to the Agreement; or

(ii) One of the following collateral options for an amount equal to Shipper's Negotiated Demand Rate charges payable for twenty-four (24) months of service under the Agreement:

(x) an irrevocable standby letter of credit, in a form acceptable to NBP, in its sole discretion, and issued by a bank or financial institution deemed acceptable by NBP in its sole discretion; or

(y) a cash security deposit acceptable to NBP; or

(iii) Any other financial assurance mutually agreed upon by NBP and Shipper.

If, after the service commencement date, Shipper fails to provide required Adequate Assurance within five (5) business days of written demand from NBP, then in addition to any and all other remedies otherwise available to NBP at law or in equity, NBP may immediately suspend performance under the Agreement. In the event Shipper provides either one of the collateral options described above in Section 1(b)(ii) above, upon the eleventh (11^{th}) anniversary of the service commencement date, such collateral requirement shall be reduced annually by six (6) months, but in no event shall collateral be reduced to an amount less than three (3) months' Negotiated Demand Rate charges.

2. NBP shall have the right to review the creditworthiness of Shipper, or its Guarantor, in accordance with Section 1(a) above, on an ongoing basis and, upon NBP's request, Shipper

shall promptly provide information in order for NBP to determine the continuing creditworthiness of Shipper or its Guarantor. In the event NBP determines that Shipper no longer meets the creditworthiness standard described in Section 1(a) above, Shipper shall provide the required Adequate Assurance within five (5) business days of written demand from NBP. The Parties agree that the failure of Shipper or its Guarantor to maintain creditworthiness or provide or maintain Adequate Assurance shall not (i) relieve Shipper of its other obligations under the Agreement, (ii) relieve Guarantor of its other obligations under the guaranty, or (iii) prejudice NBP's right to seek damages or performance under the Agreement or the guaranty.

3. Shipper acknowledges that this Agreement is a contract under which NBP will extend financial accommodations to Shipper, within the meaning of United States Bankruptcy Code Section 365(e)(2)(B). Shipper likewise acknowledges that in the event that a petition is filed, by or against Shipper, any of its Affiliates, or any Guarantor of Shipper's obligations hereunder under any chapter of the United States Bankruptcy Code, or any other legal jurisdiction, if applicable, and if NBP does not terminate the Agreement as a result of such filing, NBP may consider the bankruptcy filing in determining whether Shipper remains creditworthy, and in determining what, if any, financial assurances must be submitted by or for Shipper as a condition to Shipper's creditworthiness under the Agreement.

4. The creditworthiness requirements of this Exhibit B shall apply to any assignee pursuant to an assignment (in whole or part) of this Agreement or to any permanent capacity release, in whole or part, of the Agreement. NBP may refuse to allow Shipper to assign (in whole or part) this Agreement or permanently release capacity from its Agreement if NBP has a reasonable basis to conclude that it will not be financially indifferent to the assignment or release. If Shipper's request to permanently release capacity is denied by NBP, NBP shall notify Shipper of such denial