



October 31, 2018

Hon. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Kern River Gas Transmission Company
Docket No. RP19-_____

Dear Secretary Bose:

Pursuant to 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 as part of its FERC Gas Tariff, Third Revised Volume No. 1 ("Tariff"), the tariff sheets listed below, to be effective November 1, 2018.

Sheet No. 450C, Version 2.0.0
Sheet No. 450D, Version 1.0.0
Sheet No. 453O, Version 0.0.0

Purpose

The purpose of this filing is to revise the term expiration dates and negotiated rates set forth in Kern River's Tariff for three negotiated rate transportation service agreements ("TSAs") that were recently amended, and to reflect the amended terms and negotiated rates in the Tariff in accordance with the Commission's Statement of Policy on Alternatives to Traditional Cost of Service Ratemaking for Natural Gas Pipelines ("Policy Statement").¹

Statement of Nature, Reasons and Basis for the Tariff Filing

During the month of October 2018, amendment agreements were executed to modify the term expiration dates and negotiated rate provisions in the TSAs listed in Table 1 below, effective November 1, 2018.

¹ 74 FERC ¶ 61,076 (1996).

Table 1
Negotiated Rate Transportation Service Agreements
Amended Effective November 1, 2018

Shipper	Contract No.	Sheet No.	Negotiated Rate ^{1/}	Term ^{2/}
Citadel Energy Marketing LLC	25000	450C	16	17
Citadel Energy Marketing LLC	26002	450D	18	17
Exelon Generation Company, LLC	26005	450D	19	20

^{1/} Negotiated rates are set forth in detail in the footnotes referenced in this column, which are set forth on new Sheet No. 453O.

^{2/} Term expiration dates are set forth in the footnotes referenced in this column, which are set forth on new Sheet No. 453O.

Proposed Tariff Changes

Kern River proposes to revise its Tariff as follows to reflect the amendment agreements that revise the terms and negotiated rates for the transportation service agreements referenced above, effective November 1, 2018:

Sheet No. 450C: For Contract No. 25000, the reference to footnote 8 in the column entitled “Negotiated Reservation Rate” (“Rate”) was replaced with a reference to new footnote 16, and the reference to footnote 9 in the column entitled “Term Expires” (“Term”) was replaced with a reference to new footnote 17.

Sheet No. 450D: For Contract No. 26002, the reference to footnote 11 in the Rate column was replaced with a reference to new footnote 18, and the reference to footnote 9 in the Term column was replaced with a reference to new footnote 17. For Contract No. 26005, the reference to footnote 11 in the Rate column was replaced with a reference to new footnote 19, and the reference to footnote 9 in the Term column was replaced with a reference to new footnote 20.

Sheet No. 453O: Proposed footnotes 16, 17, 18, 19 and 20 are set forth on Sheet No. 453O.

The amendment agreements do not deviate in any material respect from the currently-effective *pro forma* amendment agreement in Kern River’s Tariff.

Waivers and Effective Date

Kern River respectfully requests that the Commission grant waiver of Section 154.207 of its regulations and any other waivers that it may deem necessary to allow the revised tariff records to become effective November 1, 2018.

Materials Submitted

This filing is comprised of 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.

Communications

All communications regarding this filing should be served upon:

Laura Demman
Vice President, General Counsel & Regulatory Affairs
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A copy of this filing has been served electronically on Kern River's shippers and other interested parties.

Respectfully submitted,

KERN RIVER GAS TRANSMISSION COMPANY

/s/ Laura Demman

Laura Demman
Vice President, General Counsel & Regulatory Affairs

NEGOTIATED RATE AGREEMENTS (Continued)

<u>Shipper Name/ Agreement No.</u>	<u>Negotiated Reservation Rate (per Dth)</u>	<u>Rate Schedule</u>	<u>Receipt Points</u>	<u>Delivery Points</u>	<u>Quantity (Dth/d)</u>	<u>Term Expires</u>
Citadel Energy Marketing LLC No. 25000	16/	KRF-1	Painter	Kramer Junction	1,500	10/31/2021 17/
BP Energy Company No. 25001	8/	KRF-1	Opal Painter	Daggett	A	4/30/2019
Citadel Energy Marketing LLC No. 25002	8/	KRF-1	Opal Painter	Daggett	A	4/30/2019
Concord Energy LLC No. 25003	8/	KRF-1	Opal Painter	Daggett	A	4/30/2019
Exelon Generation Company LLC No. 25004	8/	KRF-1	Opal Painter	Daggett	A	4/30/2019
NRG Power Marketing LLC No. 25006	8/	KRF-1	Opal	South Midway	B	4/30/2019

	May 2018	June 2018	July 2018	Aug. 2018	Sept. 2018	Oct. 2018	Nov. 2018	Dec. 2018	Jan. 2019	Feb. 2019	Mar. 2019	Apr. 2019
A	6,906	6,906	0	0	0	6,906	6,906	0	0	0	6,906	6,906
B						5,800	6,500				6,500	26,533

NEGOTIATED RATE AGREEMENTS (Continued)

<u>Shipper Name/ Agreement No.</u>	<u>Negotiated Reservation Rate (per Dth)</u>	<u>Rate Schedule</u>	<u>Receipt Points</u>	<u>Delivery Points</u>	<u>Quantity (Dth/d)</u>	<u>Term Expires</u>
BP Energy Company No. 26000	11/	KRF-1	Opal	Kramer Junction	48,430	5/31/2018 9/
Citadel Energy Marketing LLC No. 26002	18/	KRF-1	Opal	Kramer Junction	46,930	10/31/2021 17/
Concord Energy LLC No. 26003	11/	KRF-1	Opal	South Midway	48,430	5/31/2018 9/
Exelon Generation Company, LLC 20/ No. 26005	19/	KRF-1	Opal	Kern Front – Juniper	48,430	10/31/2020

FOOTNOTES: (Continued)

16/ Shipper and Transporter have agreed to a Negotiated Daily Reservation/Demand Rate of \$0.5850 per Dth for the total DMDQ under this Agreement. In addition to the Negotiated Daily Reservation/Demand Rate, Shipper is responsible for reimbursing Transporter for fuel and Daggett surcharges at the rates applicable to rolled-in rate service and for commodity and other surcharges at the maximum rate applicable to incremental rate service related to the 2003/2010 Expansion Projects for all quantities scheduled.

17/ This Agreement shall be in effect from November 1, 2018 through October 31, 2021. This Agreement may be extended for an additional term of one month or longer if Transporter and Shipper agree on a rate and term for the extended period prior to the expiration date of this Agreement.

18/ Shipper and Transporter have agreed to a Negotiated Daily Reservation/Demand Rate of \$0.5850 per Dth for the total DMDQ under this Agreement. In addition to the Negotiated Daily Reservation/Demand Rate, Shipper is responsible for reimbursing Transporter for fuel, commodity charges and surcharges at the maximum rate applicable to incremental rate service related to the 2003/2010 Expansion Projects for all quantities scheduled.

19/ Shipper and Transporter have agreed to a Negotiated Daily Reservation/Demand Rate of \$0.6400 per Dth for the total DMDQ under this Agreement. In addition to the Negotiated Daily Reservation/Demand Rate, Shipper is responsible for reimbursing Transporter for fuel, commodity charges and surcharges at the maximum rate applicable to incremental rate service related to the 2003/2010 Expansion Projects for all quantities scheduled.

20/ This Agreement shall be in effect from November 1, 2018 through October 31, 2020. This Agreement may be extended for an additional term of one month or longer if Transporter and Shipper agree on a rate and term for the extended period prior to the expiration date of this Agreement.

NEGOTIATED RATE AGREEMENTS (Continued)

Shipper Name/ Agreement No.	Negotiated Reservation Rate (per Dth)	Rate Schedule	Receipt Points	Delivery Points	Quantity (Dth/d)	Term Expires
Citadel Energy Marketing LLC 5/31/2018 10/31/2021 917/ No. 25000	8 16/	KRF-1	Painter	Kramer Junction	1,500	
BP Energy Company No. 25001	8/	KRF-1	Opal Painter	Daggett	A	4/30/2019
Citadel Energy Marketing LLC No. 25002	8/	KRF-1	Opal Painter	Daggett	A	4/30/2019
Concord Energy LLC No. 25003	8/	KRF-1	Opal Painter	Daggett	A	4/30/2019
Exelon Generation Company LLC No. 25004	8/	KRF-1	Opal Painter	Daggett	A	4/30/2019
NRG Power Marketing LLC No. 25006	8/	KRF-1	Opal	South Midway	B	4/30/2019

	May 2018	June 2018	July 2018	Aug. 2018	Sept. 2018	Oct. 2018	Nov. 2018	Dec. 2018	Jan. 2019	Feb. 2019	Mar. 2019	Apr. 2019
A	6,906	6,906	0	0	0	6,906	6,906	0	0	0	6,906	6,906
B						5,800	6,500				6,500	26,533

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BP Energy Company No. 26000	11/	KRF-1	Opal	Kramer Junction	48,430	5/31/2018 9/
Citadel Energy Marketing LLC 5/10/31/2018 <u>9/17/</u> No. 26002	11/ <u>14/</u>	KRF-1	Opal	Kramer Junction	46,930	
Concord Energy LLC No. 26003	11/	KRF-1	Opal	South Midway	48,430	5/31/2018 9/
Exelon Generation Company, LLC 5/10/31/2018 <u>9/20/</u> No. 26005	11/ <u>14/</u>	KRF-1	Opal	Kern Front – Juniper	48,430	

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