



November 30, 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 December 1, 2018.

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

Purpose

The purpose of this filing is to revise the term expiration date and negotiated rate set forth in Kern River's Tariff for a transportation service agreement ("TSA") that was recently amended, and to reflect the amended term and negotiated rate 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 November 2018, an amendment to Kern River's TSA with Concord Energy LLC ("Concord"), Contract No. 26003, was executed to modify the term expiration date and negotiated rate provisions, effective December 1, 2018.

¹ 74 FERC ¶ 61,076 (1996).

Proposed Tariff Changes

Kern River proposes to revise its Tariff as follows to reflect the amendment agreement with Concord, effective December 1, 2018:

Sheet No. 450D: The reference to footnote 11 in the column entitled “Negotiated Reservation Rate” (“Rate”) was replaced with a reference to new footnote 21. The term expiration date was revised, and the reference to footnote 9 in the column entitled “Term Expires” (“Term”) was replaced with a reference to new footnote 22.

Sheet No. 453O: Proposed footnotes 21 and 22, which reflect the revised Rate and Term applicable to Concord’s Contract No. 26003, are set forth on Sheet No. 453O.

The amendment agreement does 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 sheets to become effective December 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:

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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>
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	21/	KRF-1	Opal	South Midway	48,430	2/28/2019 22/
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.

21/ Shipper and Transporter have agreed to a Negotiated Daily Reservation/Demand Rate of \$1.3500 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.

22/ This Agreement shall be in effect from December 1, 2018 through February 28, 2019. 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)

<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>
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