



January 16, 2019

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”), Kern River Gas Transmission Company (“Kern River”) tenders for filing and acceptance the tariff sheet listed below as part of its FERC Gas Tariff, Third Revised Volume No. 1 (“Tariff”), to be effective November 26, 2018:

Sheet No. 5.02, Version 5.0.0

Purpose

The purpose of this filing is to update currently-effective Version 4.0.0 of Sheet No. 5.02, which became effective November 26, 2018, to include revisions contained in Version 3.0.1 of Sheet No. 5.02 that were recently accepted by the Commission in a compliance filing, to be effective November 15, 2018.¹

Statement of Nature, Reasons and Basis for the Filing

On December 18, 2018, Kern River submitted a tariff filing (“December filing”) to comply with an Order Approving Settlement issued November 15, 2018, in Docket Nos. RP19-55-000 and RP19-76-000 (“Settlement Order”).² The tariff sheets submitted in the December filing, including Sheet No. 5.02, provide a tax reform credit (“TRC”) for eligible shippers paying the maximum applicable base tariff rate or any one-part rate that includes fixed costs. In accordance with the Settlement Order, the tariff sheets submitted in the December filing became effective November 15, 2018, which is prior to the November 26, 2018 effective date of currently-effective Version 4.0.0 of Sheet No. 5.02.

¹ See letter order issued January 7, 2019, in Docket No. RP19-76.

² *Kern River Gas Transmission Company*, 165 FERC ¶ 61,130 (2018).

Since the currently-effective version of Sheet No. 5.02 was filed by Kern River and accepted by the Commission *before* the Settlement Order was issued, no information pertaining to the TRC is reflected on currently-effective Sheet No. 5.02. Therefore, Kern River proposes to revise currently-effective Sheet No. 5.02, effective November 26, 2018, to include the applicable TRC³ and related footnote.

Marked Copies of Tariff Sheet

In accordance with 18 CFR § Section 154.201(a), attached is a marked copy of the tariff sheet showing changes from the currently-effective sheet.

Waivers and Effective Date

Kern River requests that the Commission accept the tendered tariff sheet to be effective November 26, 2018, or at the end of any minimal suspension period that may be imposed by the Commission, and requests that the Commission grant any waivers of its regulations that it may deem necessary to allow the tendered tariff sheet to be effective as filed.

Materials Submitted

This filing is comprised of an eTariff.xml filing package containing:

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

³ The TRC being added to Version 5.0.0 of Sheet No. 5.02 in this filing is \$0.0001 higher than the TRC on the corresponding tariff sheet submitted in the December filing (\$-0.0483 vs. \$-0.0482). The TRC in Version 3.01 of Sheet No. 5.02 in the December filing was based on an 11% reduction in the authorized overrun rate of \$0.4380 (which applies only to leap years). The TRC in this filing is derived from the non-leap year maximum authorized overrun rate shown on currently-effective Sheet No. 5.02, which is \$0.4392. The proposed TRC of \$-0.0483 provides a slightly higher credit to Kern River's shippers and is consistent with the TRCs shown on Sheet Nos. 5, 5A, 5A.02, 5B and 9 in the December filing, which are all based on a maximum authorized overrun rate of \$0.4392.

Communications

All communications regarding this filing should be served upon:

Laura Demman
Vice President, General Counsel & Regulatory Affairs
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In accordance with 18 CFR § 154.208, Kern River has served an electronic copy of this filing on its shippers and other interested parties.

Respectfully submitted,

KERN RIVER GAS TRANSMISSION COMPANY

/s/ Laura Demman

Laura Demman
Vice President, Regulatory & Government Affairs

STATEMENT OF RATES 1/
 RATE SCHEDULE KRF-1
 PERIOD TWO RATES/ALTERNATE PERIOD TWO RATES FOR FIRM ROLLED-IN RATE SERVICE 2/
 ORIGINAL SYSTEM/2002 EXPANSION PROJECT
 (RATES PER DTH)

(Continued)

	<u>Other Rates</u>	<u>TRC 6/</u>
Firm Transportation Commodity/Usage Rate:		
Maximum	\$ 0.0031	
Minimum	\$ 0.0031	
Authorized Overrun Rate:		
Maximum	\$ 0.4392	\$-0.0483
Minimum	\$ 0.0037	

1/ All costs included in rates are transmission costs. Kern River provides no storage or gathering services.

2/ The rates shown on this sheet are applicable to Shippers in accordance with Section 30 of the General Terms and Conditions of this Tariff.

3/ Transportation rates set forth herein are exclusive of ACA Surcharges, which all Shippers must pay pursuant to Section 5.4 of Rate Schedule KRF-1, and fuel used and lost and unaccounted-for gas, which all Shippers must furnish in-kind each Day by applying a fuel reimbursement factor to receipt point nominations, pursuant to Section 12 of the General Terms and Conditions.

In addition, rolled-in rate shippers are subject to an electric compressor fuel surcharge for quantities scheduled for delivery from any receipt point on Transporter's wholly-owned system or from the Dag Moj receipt point to delivery points downstream of the Daggett compressor station. The surcharge is \$0.0001/Dth for quantities within contract demand and \$0.0003/Dth for authorized overrun quantities.

4/ All reservation rates are daily rates computed on the basis of 365 days per year, except that such rates for leap years are computed on the basis of 366 days.

5/ See Section 30.2(e) of the General Terms and Conditions of Transporter's Tariff for eligibility regarding Period Two Insulated Rates.

6/ TRC is the Tax Reform Credit pursuant to Section 31 of the General Terms and Conditions. Shippers receiving service at the applicable Maximum Base Tariff Rate will receive the TRC. Until a Triggering Event occurs, the TRC will be a daily rate credit to the Reservation Charge and, if applicable, to the Authorized Overrun Charge in the monthly billing invoice.

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